

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 1047
Regulatory Reform Committee Substitute Adopted 6/10/26
PROPOSED COMMITTEE SUBSTITUTE S1047-PCS35475-BRf-43

Short Title: Regulatory Reform Act of 2026.

(Public)

Sponsors:

Referred to:

May 4, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH
3 CAROLINA.

4 The General Assembly of North Carolina enacts:

5
6 **GUARANTEED ENERGY SAVINGS CONTRACTS – REFORM AND**
7 **RECODIFICATION**

8 **SECTION 1.(a)** Article 3B of Chapter 143 of the General Statutes is amended by
9 adding a new Part 3 to be entitled "Guaranteed Energy Savings Contracts."

10 **SECTION 1.(b)** The following provisions are recodified in Part 3 of Article 3B of
11 Chapter 143 of the General Statutes, as created by subsection (a) of this section, as set forth in
12 the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
G.S. 143-64.17B	G.S. 143-64.18B
G.S. 143-64.17D	G.S. 143-64.18D
G.S. 143-64.17E	G.S. 143-64.18E
G.S. 143-64.17F	G.S. 143-64.18F
G.S. 143-64.17G	G.S. 143-64.18J
G.S. 143-64.17H	G.S. 143-64.18K

20 **SECTION 1.(c)** Part 3 of Article 3B of Chapter 143 of the General Statutes, as
21 created by subsection (a) of this section, as amended by subsection (b) of this section, reads as
22 rewritten:

23 "Part 3. Guaranteed Energy Savings Contracts.

24 "**§ 143-64.18A. Solicitation of guaranteed energy savings contracts.**

25 (a) RFQ Issuance. – Before entering into a guaranteed energy savings contract, a
26 governmental unit shall issue a request for qualifications. Notice of the request shall be published
27 at least 15 days in advance of the closing date for receipt of qualifications on a State-maintained
28 electronic procurement portal accessible to the public and, in the case of a local governmental
29 unit, in at least one newspaper of general circulation in the geographic area for which the local
30 governmental unit is responsible or on the unit's publicly accessible website.

31 (b) Minimum Content of RFQ. – The request for qualifications shall include, at a
32 minimum, each of the following:

- 33 (1) The name and address of the governmental unit and a contact person.
- 34 (2) A general description of the facilities and scope of energy conservation
35 measures being considered.



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- 1 (3) The evaluation criteria and relative criteria weighting to be applied in the
2 selection process.
- 3 (4) The closing date and time for receipt of qualifications.
- 4 (5) A statement reserving the right of the governmental unit to reject any or all
5 responses.

6 (c) Criteria for Selection of Provider. – The governmental unit shall select the qualified
7 provider that it determines to best meet the needs of the governmental unit by evaluating all of
8 the following and following the procedures set forth in this section:

- 9 (1) Demonstrated competence of the qualified provider.
- 10 (2) The qualified provider's past performance on energy savings projects.
- 11 (3) For State governmental units, the inclusion of a provision in a guaranteed
12 energy savings contract that requires the annual measurement and verification
13 review to be conducted by an impartial third party whose compensation is
14 included in the total cost of the proposed contract.
- 15 (4) Any other criteria stated in the request for qualifications.

16 (d) Initial Evaluation; Shortlist. – The governmental unit shall evaluate responses to the
17 request for qualifications and develop a shortlist of the most highly qualified respondents based
18 on the criteria set forth in subsection (c) of this section. If only one response is received from a
19 qualified provider, the governmental unit may proceed with the evaluation and selection of that
20 provider without resolicitation, provided that the governmental unit makes a written
21 determination that resolicitation is unlikely to increase competition. The determination shall state
22 the basis for that conclusion and shall be included in the public award file. For State governmental
23 units, if only one response is received, the State Energy Office shall concur in the determination
24 before the governmental unit may select the qualified provider.

25 (e) Ranking; Selection. – A qualified reviewer shall review the shortlisted respondents'
26 qualifications and provide the governmental unit with a written evaluation addressing, at a
27 minimum, any material concerns regarding the respondents' ability to perform. The governmental
28 unit shall then rank the shortlisted respondents, select the highest-ranked qualified provider, and
29 negotiate the terms of a guaranteed energy savings contract. If negotiations with the
30 highest-ranked provider are unsuccessful, the governmental unit may proceed to the next-ranked
31 provider.

32 (f) Investment Grade Audit. – Prior to entering into a guaranteed energy savings contract
33 under this section, the qualified provider selected by the governmental unit shall conduct an
34 investment grade audit that includes a life cycle cost analysis of each energy conservation
35 measure in the final proposal.

36 (g) Qualified Reviewer; Final Evaluation. – Prior to a State governmental unit's award of
37 a guaranteed energy savings contract under this section, the qualified reviewer shall review the
38 qualified provider's final proposal and the terms of the negotiated contract and shall provide the
39 governmental unit with a written evaluation addressing whether the negotiated scope is
40 materially consistent with the qualifications and approach presented in the RFQ response,
41 whether the savings methodology remains technically sound, and whether any changes
42 introduced during the negotiation materially affect the projected savings or risk profile.

43 (h) State Energy Office Review. – The State Energy Office shall review the qualified
44 provider's proposal, cost-benefit analysis, and other relevant documents prior to the governmental
45 unit entering a guaranteed energy savings contract. For State governmental units, the State
46 Energy Office shall complete its review within 10 business days of receiving the proposal. The
47 State Energy Office shall advise the governmental unit on the suitability of the proposed
48 guaranteed energy savings contract. However, if the State Energy Office identifies in the proposal
49 any instances of noncompliance with the requirements of this Article, the State Energy Office
50 shall notify the governmental unit of such noncompliance. A governmental unit may not enter

1 into the proposed guaranteed energy savings contract until the State Energy Office has
2 determined the proposal to be in compliance with this Article.

3 (i) Governmental Unit Authority Preserved. – Nothing in this section shall limit the
4 authority of the governmental unit as set forth in Article 3D of this Chapter.

5 **"§ 143-64.18B. Guaranteed energy savings contracts.**

6 (a) A governmental unit may enter into a guaranteed energy savings contract with a
7 qualified provider if all of the following apply:

8 (1) The term of the contract does not exceed 20 years from the date of the
9 installation and acceptance by the governmental unit of the energy
10 conservation measures provided for under the contract.

11 (2) The governmental unit finds that the energy savings resulting from the
12 performance of the contract will equal or exceed the total cost of the contract.

13 (3) The energy conservation measures to be installed under the contract are for an
14 existing building or utility system, or utility consuming device or equipment
15 when the utility cost is paid by the governmental unit.

16 (b) Before entering into a guaranteed energy savings contract, the governmental unit shall
17 provide published notice of the time and place or of the meeting at which it proposes to award
18 the contract, the names of the parties to the proposed contract, and the contract's purpose. The
19 notice must be published at least 15 days before the date of the proposed award or meeting.

20 (c) A qualified provider entering into a guaranteed energy savings contract under this
21 Part shall provide security to the governmental unit in the form acceptable to the Office of the
22 State Treasurer and in an amount equal to one hundred percent (100%) of the guaranteed savings
23 for the term of the guaranteed energy savings contract to assure the provider's faithful
24 performance. Any bonds required by this subsection shall be subject to the provisions of Article
25 3 of Chapter 44A of the General Statutes. If the savings resulting from a guaranteed energy
26 savings contract are not as great as projected under the contract and all required shortfall
27 payments to the governmental unit have not been made, the governmental unit may terminate the
28 contract without incurring any additional obligation to the qualified provider.

29 (d) As used in this section, "total cost" shall include, but not be limited to, costs of
30 construction, costs of financing, and costs of maintenance and training during the term of the
31 contract less the application of the utility company, State, or federal incentives, grants, ~~or rebates.~~
32 rebates, or capital funding. "Total cost" does not include any obligations on termination of the
33 contract before its expiration, provided that those obligations are disclosed when the contract is
34 executed.

35 (e) A guaranteed energy savings contract may not require the governmental unit to
36 purchase a maintenance contract or other maintenance agreement from the qualified provider
37 who installs energy conservation measures under the contract if the unit of government takes
38 appropriate action to budget for its own forces or another provider to maintain new systems
39 installed and existing systems affected by the guaranteed energy savings contract.

40 ~~(f) In the case of a State governmental unit, a qualified provider shall, when feasible,~~
41 ~~after the acceptance of the proposal of the qualified provider by the State governmental unit,~~
42 ~~conduct an investment grade audit. During this investment grade audit, the qualified provider~~
43 ~~shall perform in accordance with Part 1 of this Article a life cycle cost analysis of each energy~~
44 ~~conservation measure in the final proposal. If the results of the audit are not within ten percent~~
45 ~~(10%) of both the guaranteed savings contained in the proposal and the total proposal amount,~~
46 ~~either the State governmental unit or the qualified provider may terminate the project without~~
47 ~~incurring any additional obligation to the other party. However, if the State governmental unit~~
48 ~~terminates the project after the audit is conducted and the results of the audit are within ten~~
49 ~~percent (10%) of both the guaranteed savings contained in the proposal and the total proposal~~
50 ~~amount, the State governmental unit shall reimburse the qualified provider the reasonable cost~~

1 incurred in conducting the audit, and the results of the audit shall become the property of the
2 State governmental unit.

3 (g) A qualified provider shall provide an annual reconciliation statement based upon the
4 results of the measurement and verification review. The statement shall disclose any shortfalls or
5 surplus between guaranteed energy and operational savings specified in the guaranteed energy
6 savings contract and actual, not stipulated, energy and operational savings incurred during a
7 given guarantee year. Any guaranteed energy and operational savings shall be determined by
8 using one of the measurement and verification methodologies listed in the United States
9 Department of Energy's Measurement and Verification Guidelines for Energy Savings
10 Performance Contracting, the International Performance Measurement and Verification Protocol
11 (IPMVP) maintained by the Efficiency Valuation Organization, or Guideline 14-2002 of the
12 American Society of Heating, Refrigerating, and Air-Conditioning Engineers. If due to existing
13 data limitations or the nonconformance of specific project characteristics, none of the three
14 methodologies listed in this subsection is sufficient for measuring guaranteed savings, the
15 qualified provider shall develop an alternate method that is compatible with one of the three
16 methodologies and mutually agreeable to the governmental unit. The guarantee year shall consist
17 of a 12-month term commencing from the time that the energy conservation measures become
18 fully operational. A qualified provider shall pay the governmental unit or its assignee any
19 shortfall in the guaranteed energy and operational savings after the total year savings have been
20 determined. In the case of a governmental unit, a surplus in any one year shall not be carried
21 forward or applied to a shortfall in any other year.
22"

24 GUARANTEED ENERGY SAVINGS CONTRACTS – CONFORMING CHANGES

25 SECTION 2.(a) The following statutes are amended by deleting the language "Part
26 2 of Article 3B" wherever it appears and substituting "Part 3 of Article 3B": G.S. 115C-47,
27 115D-20, 133-4.1, 143-129.4, and 143-135.37.

28 SECTION 2.(b) G.S. 160A-20 is amended by deleting the language "Part 2 of
29 Article 3B" wherever it appears and substituting "Article 3B".

30 SECTION 2.(c) G.S. 143-64.12 is amended by deleting the language "Part 2 of this
31 Article" wherever it appears and substituting "Part 3 of this Article".

32 SECTION 2.(d) The following statutes are amended by deleting the language
33 "G.S. 143-64.17A" wherever it appears and substituting "G.S. 143-64.18A": G.S. 142-61 and
34 G.S. 142-63.

35 SECTION 2.(e) G.S. 159-151 is amended by deleting the language
36 "G.S. 143-64.17A(a1)" wherever it appears and substituting "G.S. 143-64.18A(a1)".

37 SECTION 2.(f) G.S. 143-64.17K is amended by deleting the language
38 "G.S. 143-64.17A(c1)" wherever it appears and substituting "G.S. 143-64.18A(c1)".

39 SECTION 2.(g) G.S. 142-63 is amended by deleting the language
40 "G.S. 143-64.17B" wherever it appears and substituting "G.S. 143-64.18B".

41 SECTION 2.(h) G.S. 143-64.17L is amended by deleting the language
42 "G.S. 143-64.17B(d)" wherever it appears and substituting "G.S. 143-64.18B(d)".

43 SECTION 3.(a) G.S. 143-64.17 reads as rewritten:

44 "Part 2. Energy Saving Measures for Governmental Units.

45 "§ 143-64.17. Definitions.

46 As used in this Part: Part and Part 3 of this Article:

47 ...

48 (6) "~~Request for proposals~~" means a negotiated procurement initiated by a
49 governmental unit by way of a published notice that includes the following:

50 a. ~~The name and address of the governmental unit.~~

- 1 b. The name, address, title, and telephone number of a contact person in
2 the governmental unit.
3 e. Notice indicating that the governmental unit is requesting qualified
4 providers to propose energy conservation measures through a
5 guaranteed energy savings contract.
6 d. The date, time, and place where proposals must be received.
7 e. The evaluation criteria for assessing the proposals.
8 f. A statement reserving the right of the governmental unit to reject any
9 or all the proposals.
10 g. Any other stipulations and clarifications the governmental unit may
11 require.

12 (7) "State governmental unit" means the State or a department, an agency, a
13 board, or a commission of the State, including the Board of Governors of The
14 University of North Carolina and its constituent institutions."

15 **SECTION 3.(b)** G.S. 143-64.17A is repealed.

16 **SECTION 3.(c)** The following statutes are amended by deleting the word "Part"
17 wherever it appears and substituting the word "Article": G.S. 143-64.17I, 143-64.17J,
18 143-64.17K, and 143-64.17L.

19 **SECTION 4.** The Department of Environmental Quality shall adopt temporary rules
20 to implement Sections 1 through 3 of this act and shall adopt permanent rules to replace the
21 temporary rules. Temporary rules adopted in accordance with this section shall remain in effect
22 until permanent rules that replace the temporary rules become effective.

23
24 **AUTHORITY FOR MOBILE HOME PARK AND TINY HOME COMMUNITY**
25 **LANDLORDS TO BILL TENANTS FOR MASTER-METERED WATER SERVICE**

26 **SECTION 7.** G.S. 62-110(g) reads as rewritten:

27 "(g) In addition to the authority to issue a certificate of public convenience and necessity
28 and establish rates otherwise granted in this Chapter, for the purpose of encouraging water
29 conservation, the Commission may, consistent with the public interest, adopt procedures that
30 allow (i) a lessor of any leased residential premises, as that term is defined under G.S. 42-59(3),
31 to charge for the costs of providing water or sewer service to persons who occupy the leased
32 premises, (ii) an owners' association, as that term is defined under G.S. 47F-1-103(3), to charge
33 for the costs of providing water or sewer service to persons who occupy townhomes within a
34 planned community, as that term is defined under G.S. 47F-1-103(23), and (iii) a unit owners'
35 association, as that term is defined under G.S. 47C-1-103(3), to charge for the costs of providing
36 water or sewer service to persons who occupy a condominium, as that term is defined under
37 G.S. 47C-1-103(7). For purposes of this subsection, the term "townhome" means a single-family
38 dwelling unit constructed in a group of three or more attached units. The following provisions
39 shall apply:

40 (1) Except as provided in subdivisions (1a), (1b), ~~and (1c)-(1c)~~, and (1d) of this
41 subsection, all charges for water or sewer service shall be based on the user's
42 metered consumption of water, which shall be determined by metered
43 measurement of all water consumed. The rate charged by the lessor, owners'
44 association, or unit owners' association, as applicable, shall not exceed the unit
45 consumption rate charged by the supplier of the service.

46 (1a) If the leased premises are contiguous dwelling units built prior to 1989, and
47 the lessor determines that the measurement of the lessee's total water usage is
48 impractical or not economical, the lessor may allocate the cost for water and
49 sewer service to the lessee using equipment that measures the lessee's hot
50 water usage. In that case, each lessee shall be billed a percentage of the lessor's
51 water and sewer costs for water usage in the dwelling units based upon the hot

1 water used in the lessee's dwelling unit. The percentage of total water usage
2 allocated for each dwelling unit shall be equal to that dwelling unit's
3 individually submetered hot water usage divided by all submetered hot water
4 usage in all dwelling units. The following conditions apply to billing for water
5 and sewer service under this subdivision:

- 6 a. A lessor shall not utilize a ratio utility billing system or other allocation
7 billing system that does not rely on individually submetered hot water
8 usage to determine the allocation of water and sewer costs.
- 9 b. The lessor shall not include in a lessee's bill the cost of water and sewer
10 service used in common areas or water loss due to leaks in the lessor's
11 water mains. A lessor shall not bill or attempt to collect for excess
12 water usage resulting from a plumbing malfunction or other condition
13 that is not known to the lessee or that has been reported to the lessor.
- 14 c. All equipment used to measure water usage shall comply with
15 guidelines promulgated by the American Water Works Association.
- 16 d. The lessor shall maintain records for a minimum of 12 months that
17 demonstrate how each lessee's allocated costs were calculated for
18 water and sewer service. Upon advanced written notice to the lessor, a
19 lessee may inspect the records during reasonable business hours.
- 20 e. Bills for water and sewer service sent by the lessor to the lessee shall
21 contain all the following information:
 - 22 1. The amount of water and sewer services allocated to the lessee
23 during the billing period.
 - 24 2. The method used to determine the amount of water and sewer
25 services allocated to the lessee.
 - 26 3. Beginning and ending dates for the billing period.
 - 27 4. The past-due date, which shall not be less than 25 days after
28 the bill is mailed.
 - 29 5. A local or toll-free telephone number and address that the
30 lessee can use to obtain more information about the bill.

31 (1b) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this
32 subsection, if the Commission approves a flat rate to be charged by a water or
33 sewer utility for the provision of water or sewer services to contiguous
34 dwelling units, the lessor, owners' association, or unit owners' association, as
35 applicable, may pass through and charge the tenants or occupants of the
36 contiguous dwelling units the same flat rate for water or sewer services, rather
37 than a rate based on metered consumption, and an administrative fee as
38 authorized in subdivision (2) of this subsection. Bills for water and sewer
39 service sent by the lessor, owners' association, or unit owners' association, as
40 applicable, to the lessee or occupant shall contain all the information required
41 by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this
42 subsection.

43 (1c) The lessor may equally divide the amount of the water and sewer bill for a
44 unit among all the lessees in the unit and may send one bill to each lessee. The
45 amount charged shall be prorated when a lessee has not leased the unit for the
46 same number of days as the other lessees in the unit during the billing period.
47 Each bill may include an administrative fee up to the amount of the
48 then-current administrative fee authorized by the Commission in Rule 18-6
49 for water service and, when applicable, a late fee in an amount determined by
50 the Commission. The lessor shall not charge the cost of water and sewer from

1 any other unit or common area in a lessee's bill sent pursuant to this
 2 subdivision.
 3 (1d) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this
 4 subsection, if the leased premises is a mobile home located within a mobile
 5 home park, or a tiny home located within a tiny home community, and the
 6 lessor determines that the measurement of the lessee's total water usage is
 7 impractical or not economical, the lessor may allocate the cost for water and
 8 sewer service to the lessee using either of the following:
 9 a. Equipment that measures the lessee's hot water usage. In that case,
 10 each lessee shall be billed a percentage of the lessor's water and sewer
 11 costs for water usage in the mobile home park or tiny home
 12 community, as applicable, based upon the hot water used in the lessee's
 13 mobile home or tiny home. The percentage of total water usage
 14 allocated for each mobile home or tiny home, as applicable, shall be
 15 equal to that mobile home's or tiny home's individually submetered hot
 16 water usage divided by all submetered hot water usage in all mobile
 17 homes located within the mobile home park or tiny homes within the
 18 tiny home community, as applicable.
 19 b. A ratio utility billing system or other allocation billing system that
 20 does not rely on individually submetered hot water usage to determine
 21 the allocation of water and sewer costs.
 22 The conditions set forth in sub-subdivisions b. through e. of subdivision (1a)
 23 of this subsection shall apply to billing for water and sewer service under this
 24 subdivision. For purposes of this subsection, the term "tiny home" means a
 25 single-family detached dwelling unit that is 400 square feet or less in floor
 26 area, specifically excluding lofts.

27"

28
29 **MINING PERMIT MODIFICATIONS**

30 **SECTION 8.(a)** G.S. 74-49 reads as rewritten:

31 **"§ 74-49. Definitions.**

32 Wherever used or referred to in this Article, unless a different meaning clearly appears from
33 the context:

34 ...
 35 (7) "Mining" means any of the following: (i) the breaking of the surface soil in
 36 order to facilitate or accomplish the extraction or removal of minerals, ores,
 37 or other solid matter; (ii) any activity or process constituting all or part of a
 38 process for the extraction or removal of minerals, ores, soils, and other solid
 39 matter from their original location; or (iii) the preparation, washing, cleaning,
 40 or other treatment of minerals, ores, or other solid matter so as to make them
 41 suitable for commercial, industrial, or construction use.

42 "Mining" does not include:

43 ...

44 h. Activities undertaken at any time within the mine permit boundaries
 45 for the production and harvesting of timber and timber products and
 46 conducted in accordance with standards defined by the Forest Practice
 47 Guidelines Related to Water Quality, as adopted by the Department of
 48 Agriculture and Consumer Services.

49"

50 **SECTION 8.(b)** G.S. 74-50 reads as rewritten:

51 **"§ 74-50. Permits – General.**

1 ...
2 (b2) The notice shall inform the owners of record and chief administrative officers of the
3 opportunity to submit written comments to the Department regarding the proposed new or
4 modified mining operation that adds land to the permitted area and the opportunity to request a
5 public hearing regarding the proposed new or modified mining operation. Requests for public
6 hearing shall be made within 30 days of issuance of the ~~notice~~notice or receipt of the application
7 by the Department, whichever is later.

8 ...
9 (c) No permit shall become effective until the operator has deposited with the Department
10 an acceptable performance bond or other security pursuant to G.S. 74-54.

11 (1) If at any time the bond or other security, or any part thereof, shall lapse for
12 any reason other than a release by the Department, and the lapsed bond or
13 security is not replaced by the operator within 30 days after notice of the lapse,
14 the permit to which the lapsed bond or security pertains shall be automatically
15 revoked.

16 (2) If the Department is noticed of pending cancellation of a bond by the surety
17 pursuant to G.S. 74-54(a) and the bond is not replaced within 45 days of the
18 Department's receipt of the notice, the permit to which the bond or security
19 pertains shall be automatically revoked.

20 ...
21 (e) Public comment periods and time frames for conducting public hearings as
22 established by this Article shall not be extended nor altered by the Department. When the
23 Department holds a public hearing pursuant to G.S. 74-51(c), the 60-day technical review period
24 established in G.S. 74-51(b1) shall not conclude until either 30 days following the public hearing
25 or the original 60-day technical review period, whichever is later."

26 SECTION 8.(c) G.S. 74-51 reads as rewritten:

27 "§ 74-51. Permits – Application, granting, conditions.

28 ...
29 (b) Before deciding whether to grant a new permit, the Department shall circulate copies
30 of a notice of application for review and comment as it deems advisable. The Department shall
31 grant or deny the permit requested as expeditiously as possible, ~~but in no event later than 60 days~~
32 ~~after the application form and any relevant and material supplemental information reasonably~~
33 ~~required shall have been filed with the Department, or if a public hearing is held, within 30 days~~
34 ~~following the hearing and the filing of any relevant and material supplemental information~~
35 ~~reasonably required by the Department.~~ possible. Priority consideration shall be given to
36 applicants who submit evidence that the mining proposed will be for the purpose of supplying
37 materials to the Board of Transportation. In accordance with G.S. 143B-279.18, except to the
38 extent required by federal or State law, the Department shall not refuse to accept an application
39 for, nor refuse to issue, a new, modified, or transferred mining permit based solely on the failure
40 of an applicant to obtain another permit, authorization, or certification required for the same
41 project. For purposes of this section, failure to obtain a permit, authorization, or certification shall
42 not include denial of the permit, authorization, or certification by the Department based on the
43 standards for approval of the permit, authorization, or certification provided by law.

44 (b1) The Department shall act on a permit application as quickly as possible. The
45 Department may conduct any inquiry or investigation it considers necessary before acting on an
46 application and may require an applicant to submit plans, specifications, and other information
47 the Department considers necessary to evaluate the application. If the Department fails to act on
48 an application for a new, modified, or transferred mining permit as specified in this subsection
49 after the applicant submits all information required by the Department, the application shall be
50 deemed approved without modification. The following provisions apply:

- 1 (1) The Department shall perform an administrative review of an application and
2 of a resubmittal of an application determined to be incomplete under
3 subdivision (3) of this subsection within 10 working days of receipt to
4 determine if the information is administratively complete. If complete, the
5 Department shall issue a receipt letter or electronic response stating that the
6 application is complete and that a 60-calendar day technical review period has
7 started as of the original date the application was received. If required items
8 or information is not included, the application shall be deemed incomplete,
9 and the Department shall issue an application receipt letter or electronic
10 response identifying the information required to complete the application
11 package before the technical review begins. When the required information is
12 received, the Department shall then issue a receipt letter or electronic response
13 specifying that it is complete and that the 60-calendar day technical review
14 period has started as of the date of receipt of all required information. The
15 Department shall develop an application package checklist identifying the
16 items and information required for an application to be considered
17 administratively complete.
- 18 (2) If, during the 60-calendar day technical review period, the Department
19 determines that the application meets the standards for issuance of a new,
20 modified, or transferred mining permit, it shall approve the application.
- 21 (3) If, during the 60-calendar day technical review period, the Department
22 determines that additional information is required to continue processing the
23 application, the Department and the applicant shall comply with the following:
- 24 a. The Department shall issue a letter or electronic response with a list of
25 the additional information required to issue the permit.
- 26 b. The applicant shall have up to 180 calendar days from the date the
27 letter or electronic response is sent to submit the additional
28 information to the Department.
- 29 c. If the applicant is unable to provide the required information within
30 the time frame specified in sub-subdivision b. of this subdivision, the
31 applicant may request, with good cause, that a one-year extension be
32 granted by the Department; if the one-year extension granted by the
33 Department is insufficient, the applicant may then request another
34 one-year extension granted by the Mining Commission.
- 35 d. If the applicant fails to provide the required information within 180
36 calendar days or within any extensions granted by the Department and
37 Commission pursuant to sub-subdivision c. of this subdivision, the
38 Department shall return the application to the applicant, the
39 application is deemed denied, and the applicant must resubmit a
40 complete application with a new application fee before the project may
41 be reviewed.
- 42 e. Upon receipt of the required information from the applicant, the
43 Department shall have 45 calendar days to complete the subsequent
44 technical review and issue the permit, issue the permit with
45 modifications, deny the permit, or issue a letter or electronic response
46 with a list of additional information required to continue processing
47 the application, and the review process will proceed in accordance
48 with sub-subdivision b. or c. of this subdivision, as applicable.
- 49 f. After issuing a letter or electronic response requesting additional
50 information under this subdivision, the Department shall not
51 subsequently request additional information that was not previously

identified as missing or required in that additional information letter or electronic response. 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 response provided pursuant to sub-subdivision b. or c. of this subdivision, as applicable.

g. 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 shall not deny the permit because of the missing information. This prohibition on permit denial shall not apply where an application was deemed denied under sub-subdivision d. of this subdivision.

...
(d) The Department may deny the permit upon finding:

(7) That the applicant or any parent, subsidiary, or other affiliate of the applicant or parent has not been in substantial compliance with this Article, rules adopted under this Article, or other laws or rules of this State for the protection of the environment or has not corrected all violations that the applicant or any parent, subsidiary, or other affiliate of the applicant or parent may have committed under this Article or rules adopted under this Article and that resulted in:

- a. Revocation of a permit,
- b. Forfeiture of part or all of a bond or other security,
- c. Conviction of a misdemeanor under G.S. 74-64,
- d. Any other court order issued under G.S. 74-64, or
- e. Final assessment of a civil penalty under G.S. 74-64, [or]
- f. ~~Failure to pay the application processing fee required under G.S. 74-54.1.~~

(8) That the applicant failed to pay the application processing fee required by G.S. 74-54.1 within 30 days of receipt of the application by the Department.

...
(h) Upon approval of an application, the Department shall set the amount of the performance bond or other security that is to be required pursuant to G.S. 74-54. The operator shall have 60 days after the Department mails a notice of the required bond to the operator in which to deposit the required bond or security with the ~~Department.~~ Department or the permit application will be automatically denied. The operating permit shall not be issued until receipt of this deposit.

...."

SECTION 8.(d) This section becomes effective October 1, 2026, and applies to permit applications filed on or after that date.

EXEMPT CERTAIN COMPOST FACILITIES FROM FINANCIAL ASSURANCE REQUIREMENTS

SECTION 8.5. G.S. 130A-295.2 is amended by adding a new subsection to read:

"(k) An owner or operator of a permitted Small or Large Type 1, Type 2, or Type 3 compost facility shall be exempt from financial assurance requirements under this section."

ALIGN NORTH CAROLINA LEAD-DUST HAZARD STANDARDS WITH FEDERAL STANDARDS ADOPTED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SECTION 9.(a) G.S. 130A-131.7 reads as rewritten:

1 **"§ 130A-131.7. Definitions.**

2 The following definitions apply in this Part:

3 ...
4 (7) "Lead poisoning hazard" means any of the following:

- 5 ...
6 c. Any concentration of lead dust that is equal to or greater than ~~40~~
7 ~~micrograms~~ 5 micrograms per square foot on floors, ~~100~~ ~~micrograms~~
8 40 micrograms per square foot on interior windowsills, or 250
9 micrograms per square foot on vinyl miniblinds, bathtubs, kitchen
10 sinks, or lavatories.
11 d. Any lead-based paint or other substance that contains lead on a friction
12 or impact surface that is subject to abrasion, rubbing, binding, or
13 damage by repeated contact and where the lead dust concentrations on
14 the nearest horizontal surface underneath the friction or impact surface
15 are equal to or greater than ~~40~~ ~~micrograms~~ 5 micrograms per square
16 foot on floors or ~~250~~ ~~micrograms~~ 40 micrograms per square foot on
17 interior windowsills.

18"
19 **SECTION 9.(b)** G.S. 130A-131.9C(i) reads as rewritten:

20 "(i) All remediation plans shall require that the lead poisoning hazards be reduced to the
21 following levels:

- 22 (1) Less than ~~40~~ ~~micrograms~~ 5 micrograms per square foot for lead dust on floors.
23 (2) Less than ~~100~~ ~~micrograms~~ 40 micrograms per square foot for lead dust on
24 interior windowsills.
25 (2a) Less than 250 micrograms per square foot for lead dust on vinyl miniblinds,
26 bathtubs, kitchen sinks, and lavatories.
27 (3) Less than ~~400~~ ~~micrograms~~ 100 micrograms per square foot for lead dust on
28 window troughs.
29 (4) Less than 400 parts per million for lead in bare soil in play areas, gardens, pet
30 sleeping areas, and areas within three feet of the residential housing unit or
31 child-occupied facility. Lead in bare soil in other locations of the yard shall
32 be reduced to less than 1,200 parts per million.
33 (5) Less than 10 parts per billion for lead in drinking water."

34 **SECTION 9.(c)** This section becomes effective January 1, 2027.

35
36 **ALIGN STATUTORY REFERENCE WITH PRESIDENTIAL EXECUTIVE ORDER**
37 **14172**

38 **SECTION 9.1.** G.S. 143-215.94BB(7) reads as rewritten:

39 "(7) "Offshore waters" shall include both the territorial sea extending seaward
40 from the coastline of North Carolina or any other coastal state bordering the
41 Atlantic Ocean, including the ~~Gulf of Mexico~~, Gulf of America, and the
42 exclusive economic zone extending seaward from the territorial sea of each
43 such state."

44
45 **CONFORM DEFINITION OF "MANUFACTURED HOME" WITH FEDERAL**
46 **DEFINITION**

47 **SECTION 9.2.(a)** G.S. 25-9-102(53) reads as rewritten:

48 "(53) Manufactured home. – ~~A structure, transportable in one or more sections that~~
49 ~~satisfies all of the following requirements:~~

- 1 a. ~~In the traveling mode, is eight body feet or more in width or 40 body~~
2 ~~feet or more in length, or, when erected on site, is 320 or more square~~
3 ~~feet.~~
4 b. ~~Is built on a permanent chassis and designed to be used as a dwelling~~
5 ~~with or without a permanent foundation when connected to the~~
6 ~~required utilities.~~
7 e. ~~Includes plumbing, heating, air conditioning, and electrical systems.~~

8 The term includes any structure that meets all of the requirements of this subdivision
9 except the size requirements and with respect to which the manufacturer
10 voluntarily files a certification required by the United States Secretary of
11 Housing and Urban Development and complies with the standards established
12 under Title 42 of the United States Code. As defined in 42 U.S.C. § 5402(6),
13 as amended."

14 **SECTION 9.2.(b)** G.S. 143-143.9(6) reads as rewritten:

15 "(6) Manufactured home. – ~~A structure, transportable in one or more sections,~~
16 ~~which, in the traveling mode, is eight feet or more in width or is 40 feet or~~
17 ~~more in length, or when erected on site, is 320 or more square feet, and which~~
18 ~~is built on a permanent chassis and designed to be used as a dwelling with or~~
19 ~~without a permanent foundation when connected to the required utilities, and~~
20 ~~includes the plumbing, heating, air conditioning and electrical systems~~
21 ~~contained therein. As defined in 42 U.S.C. § 5402(6), as amended."~~

22 **SECTION 9.2.(c)** G.S. 143-145(7) reads as rewritten:

23 "(7) Manufactured home. – ~~A structure, transportable in one or more sections,~~
24 ~~which in the traveling mode is eight body feet or more in width, or 40 body~~
25 ~~feet or more in length, or, when erected on site, is 320 or more square feet;~~
26 ~~and which is built on a permanent chassis and designed to be used as a~~
27 ~~dwelling, with or without permanent foundation when connected to the~~
28 ~~required utilities, including the plumbing, heating, air conditioning and~~
29 ~~electrical systems contained therein. "Manufactured home" includes any~~
30 ~~structure that meets all of the requirements of this subsection except the size~~
31 ~~requirements and with respect to which the manufacturer voluntarily files a~~
32 ~~certification required by the Secretary of HUD and complies with the~~
33 ~~standards established under the Act. For manufactured homes built on or after~~
34 June 15, 1976, as defined in 42 U.S.C. § 5402(6), as amended. For
35 manufactured homes built before June 15, 1976, "manufactured home" means
36 a portable manufactured housing unit designed for transportation on its own
37 chassis and placement on a temporary or semipermanent foundation having a
38 measurement of over 32 feet in length and over eight feet in width.
39 "Manufactured home" also means a double-wide manufactured home, which
40 is two or more portable manufactured housing units designed for
41 transportation on their own chassis that connect on site for placement on a
42 temporary or semipermanent foundation having a measurement of over 32 feet
43 in length and over eight feet in width."

44 **SECTION 9.2.(d)** G.S. 20-58.4A(e) reads as rewritten:

45 "(e) Notwithstanding any requirement in this Chapter that a lien on a motor vehicle shall
46 be noted on the face of the certificate of title, if there are one or more liens or encumbrances on
47 the motor vehicle or ~~mobile-manufactured~~ home, the Division may electronically transmit the
48 lien to the first lienholder and notify the first lienholder of any additional liens. Subsequent lien
49 satisfactions may be electronically transmitted to the Division and shall include the name and
50 address of the person satisfying the lien."

51 **SECTION 9.2.(e)** G.S. 24-1.1E(a)(4) reads as rewritten:

- 1 "(4) A "high-cost home loan" means a loan other than a reverse mortgage
2 transaction in which:
- 3 a. The principal amount of the loan (or, in the case of an open-end credit
4 plan, the borrower's initial maximum credit limit) does not exceed the
5 lesser of (i) the conforming loan size limit for a single-family dwelling
6 as established from time to time by Fannie Mae, or (ii) three hundred
7 thousand dollars (\$300,000);
- 8 b. The borrower is a natural person;
- 9 c. The debt is incurred by the borrower primarily for personal, family, or
10 household purposes;
- 11 d. The loan is secured by either (i) a security interest in a manufactured
12 home (as defined in ~~G.S. 143-147(7)~~ G.S. 143-145(7)) which is or
13 will be occupied by the borrower as the borrower's principal dwelling,
14 or (ii) a mortgage or deed of trust on real estate upon which there is
15 located or there is to be located a structure or structures designed
16 principally for occupancy of from one to four families which is or will
17 be occupied by the borrower as the borrower's principal dwelling; and
- 18 e. The terms of the loan exceed one or more of the thresholds as defined
19 in subdivision (6) of this section."

20 **SECTION 9.2.(f)** G.S. 47-20.6 is amended by adding a new subsection to read:

21 "(e) For purposes of this section, the term "manufactured home" is as defined in 42 U.S.C.
22 § 5402(6), as amended."

23 **SECTION 9.2.(g)** G.S. 41-56(d) reads as rewritten:

24 "(d) When spouses become co-owners of a mobile home, in the absence of a contrary
25 intention appearing in the instrument of title, the spouses become tenants by the entirety with all
26 the incidents of an estate by the entirety in real property, including the right of survivorship in
27 the case of death of either spouse. For the purposes of this subsection, it is immaterial whether
28 the property at any particular time is classified for any purpose as either real or personal. Nothing
29 in this subsection is deemed to limit or prohibit any other type of ownership otherwise authorized
30 by law. For the purposes of this subsection, the term "mobile home" means ~~a~~ any of the following:

- 31 (1) A portable manufactured housing unit designed for transportation on its own
32 chassis and placement on a temporary or semipermanent foundation having a
33 measurement of over 32 feet in length and over eight feet in width.
- 34 (2) ~~As used in this subsection, the term "mobile home" also means a~~ A
- 35 double-wide mobile home consisting of two or more portable manufactured
36 housing units that are designed for transportation on their own chassis and are
37 connected on site for placement on a temporary or semipermanent foundation
38 having a measurement of over 32 feet in length and over eight feet in width.
- 39 (3) A "manufactured home" as defined in 42 U.S.C. § 5402(6), as amended."

40 **SECTION 9.2.(h)** G.S. 47H-1(5) reads as rewritten:

41 "(5) Property. – Either (i) real estate located in this State, upon which there is
42 located or there is to be located a structure or structures designed principally
43 for occupancy of from one to four families that is or will be occupied by the
44 purchaser as the purchaser's principal dwelling, or (ii) a manufactured home,
45 as that term is defined in ~~G.S. 143-149.9~~, G.S. 143-143.9(6), that is located in
46 this State and is or will be occupied by a purchaser as the purchaser's principal
47 dwelling, if the purchase price is five thousand dollars (\$5,000) or more."

48 **SECTION 9.2.(i)** G.S. 58-36-90(a)(6) reads as rewritten:

49 "(6) "Residential property" means real property with not more than four housing
50 units located in this State, the contents thereof and valuable interest therein,
51 and insurance coverage written in connection with the sale of that property. It

1 also includes mobile homes, manufactured homes as defined in
2 G.S. 143-143.9(6), modular homes, townhomes, condominiums, and
3 insurance on contents of apartments and rental property used for residential
4 purposes."

5 **SECTION 9.2.(j)** This section becomes effective July 1, 2026.
6

7 **ON-SITE WASTEWATER PRODUCTS FOR STORMWATER**

8 **SECTION 10.** The Department of Environmental Quality shall approve for use as a
9 new stormwater technology any prefabricated permeable block panel system approved for use in
10 the State, as defined in G.S. 130A-343(a)(6a). In developing Minimum Design Criteria for this
11 technology, the Department shall ensure that the MDC follows the manufacturer's installation
12 and service requirements as closely as possible while still complying with federal requirements.
13 When utilized in traffic-rated areas, a person licensed as a professional engineer pursuant to
14 Chapter 89C of the General Statutes may use the approved prefabricated permeable block panel
15 system upon a showing that the system meets H-20 structural loading requirements. For the
16 purposes of this section, "traffic-rated areas" does not include Department of Transportation rated
17 areas but does include driveways and private parking areas with impervious or pervious
18 pavement areas.
19

20 **TEMPORARY EVENT EXEMPTION FOR ELECTRIC WORK**

21 **SECTION 11.(a)** G.S. 87-43.1 is amended by adding a new subdivision to read:

22 "(12) To any person when that person is temporarily attaching listed single 3-prong
23 (NEMA 5-15R or 5-20R) receptacles or power taps to existing temporary
24 luminaires or lighting fixtures and plugging those luminaires or fixtures into
25 existing permanent receptacles, only when all of the following apply:

- 26 a. The work is performed solely for a permitted international wholesale
27 trade show in an exhibition hall, mercantile, or assembly occupancy
28 space in this State.
29 b. A valid electrical permit is obtained from the local authority having
30 jurisdiction prior to the work.
31 c. The work is inspected and approved by the local electrical inspector
32 before the international wholesale trade show opens."

33 **SECTION 11.(b)** This section is effective when it becomes law and applies to
34 permitted events occurring on or after that date.
35

36 **IMPLEMENTATION OF CODE CHANGES FOR USE OF CERTAIN INSULATION IN** 37 **WALLS**

38 **SECTION 12.(a)** Definitions. – As used in this section, "Code" means the current
39 North Carolina State Building Code collection, and amendments to the Code, as adopted by the
40 Council. For purposes of this section and its implementation, "R402 Rules" means provisions
41 and tables within Section 402, Building Thermal Envelope, North Carolina – Residential
42 Provisions, of the North Carolina Energy Conservation Code. As used in this section, "Council"
43 means the Building Code Council and the Residential Code Council.

44 **SECTION 12.(b)** R402 Rules Amendment. – Until the effective date of the rules to
45 amend the Code that the Council is required to adopt pursuant to subsection (d) of this section,
46 the Council and local governments enforcing the Code shall follow the provisions of subsection
47 (c) of this section as it relates to the R402 Rules within the North Carolina Energy Conservation
48 Code.

49 **SECTION 12.(c)** Implementation. – Where Table R402.1.2, Insulation and
50 Fenestration Requirements by Component, within the R402 Rules, require wood frame wall
51 R-values, installing air-impermeable spray foam insulation as cavity insulation, which meets

1 R-13 in climate zones 3 and 4, and R-15 insulation in climate zone 5, without installation of
2 additional continuous insulation, shall be deemed to satisfy the R-value requirements for the
3 wood frame wall in the appropriate climate zone, provided that the building envelope obtains an
4 ACH50 blower door test result of less than or equal to 3.0.

5 **SECTION 12.(d)** Additional Rulemaking Authority. – The Council shall adopt rules
6 to amend the R402 Rules to be consistent with subsection (c) of this section. Notwithstanding
7 G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively
8 identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section
9 are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted
10 pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though
11 or more written objections had been received as provided in G.S. 150B-21.3(b2).

12 **SECTION 12.(e)** Sunset. – This section expires when permanent rules adopted as
13 required by subsection (d) of this section become effective.
14

15 **AMEND ENERGY RATING INDEX COMPLIANCE ALTERNATIVE**

16 **SECTION 12.5.(a)** Definitions. – As used in this section, "Code" means the current
17 North Carolina State Building Code collection, and amendments to the Code, as adopted by the
18 Council. For purposes of this section and its implementation, "R406 Rules" means provisions
19 and tables within Section 406, Energy Rating Index Compliance Alternative, North Carolina –
20 Residential Provisions, of the North Carolina Energy Conservation Code. As used in this section,
21 "Council" means the Building Code Council and the Residential Code Council.

22 **SECTION 12.5.(b)** R406 Rules Amendment. – Until the effective date of the rules
23 to amend the Code that the Council is required to adopt pursuant to subsection (d) of this section,
24 the Council and local governments enforcing the Code shall follow the provisions of subsection
25 (c) of this section as it relates to the R406 Rules within the North Carolina Energy Conservation
26 Code.

27 **SECTION 12.5.(c)** Implementation. – There shall be no requirement that the
28 building thermal envelope meets or exceeds the levels of efficiency and Solar Heat Gain
29 Coefficients in Tables R406.2.1 and R406.2.2, which shall be deleted from the R406 Rules. The
30 minimum standards associated with compliance shall be the ANSI RESNET ICC Standard
31 301-2022 "Standard for the Calculation and Labeling of the Energy Performance Index of
32 Dwelling and Sleeping Units using an Energy Rating Index."

33 **SECTION 12.5.(d)** Additional Rulemaking Authority. – The Council shall adopt
34 rules to amend the R406 Rules to be consistent with subsection (c) of this section.
35 Notwithstanding G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall
36 be substantively identical to the provisions of subsection (c) of this section. Rules adopted
37 pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General
38 Statutes. Rules adopted pursuant to this section shall become effective as provided in
39 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
40 G.S. 150B-21.3(b2).

41 **SECTION 12.5.(e)** Sunset. – This section expires when permanent rules adopted as
42 required by subsection (d) of this section become effective.
43

44 **PERMIT CHOICE MODIFICATIONS**

45 **SECTION 13.** G.S. 143-755 reads as rewritten:

46 **"§ 143-755. Permit choice.**

47 (a) If a development permit applicant submits a permit application for any type of
48 development and a rule or ordinance is amended, including an amendment to any applicable land
49 development regulation, between the time the development permit application was submitted and
50 a development permit decision is made, the development permit applicant may choose which
51 adopted version of the rule or ordinance will apply to the permit and use of the building, structure,

1 or land indicated on the permit ~~application~~-application, except as provided in subsection (a1) of
2 this section. If the development permit applicant chooses the version of the rule or ordinance
3 applicable at the time of the permit application, the development permit applicant shall not be
4 required to await the outcome of the amendment to the rule, map, or ordinance prior to acting on
5 the development permit. If an applicable rule or ordinance is amended after the development
6 permit is wrongfully denied or after an illegal condition is imposed, as determined in a proceeding
7 challenging the permit denial or the condition imposed, the development permit applicant may
8 choose which adopted version of the rule or ordinance will apply to the permit and use of the
9 building, structure, or land indicated on the permit application. Provided, however, any provision
10 of the development permit applicant's chosen version of the rule or ordinance that is determined
11 to be illegal for any reason shall not be enforced upon the applicant without the written consent
12 of the applicant.

13 (a1) A development permit applicant may not select a version of an erosion and sediment
14 control permit or a stormwater permit that does not comply with federal law.

15 (b) This section applies to all development permits issued by the State and by local
16 governments.

17 (b1) If a permit application is placed on hold at the request of the applicant for a period of
18 six consecutive months or more, or the applicant fails to respond to comments or provide
19 additional information reasonably requested by the local or State government for a period of six
20 consecutive months or more, the application review is discontinued and the development
21 regulations in effect at the time permit processing is resumed apply to the application.

22 (c) Repealed by Session Laws 2015-246, s. 5(a), effective September 23, 2015.

23 (d) Any person aggrieved by the failure of a State agency or local government to comply
24 with this section or G.S. 160D-108(b) may apply to the appropriate division of the General Court
25 of Justice for an order compelling compliance by the offending agency or local government, and
26 the court may issue that order. Actions brought pursuant to any of these sections shall be set
27 down for immediate hearing, and subsequent proceedings in those actions shall be accorded
28 priority by the trial and appellate courts.

29 (e) For purposes of this section, the following definitions apply:

30 (1) Development. – Without altering the scope of any regulatory authority granted
31 by statute or local act, any of the following:

- 32 a. The construction, erection, alteration, enlargement, renovation,
33 substantial repair, movement to another site, or demolition of any
34 structure.
- 35 b. Excavation, grading, filling, clearing, or alteration of land.
- 36 c. The subdivision of land as defined in G.S. 160D-802.
- 37 d. The initiation of substantial change in the use of land or the intensity
38 of the use of land.

39 (2) Development permit. – An ~~administrative~~-administrative, legislative, or
40 quasi-judicial approval that is written and that is required prior to commencing
41 development or undertaking a specific activity, project, or development
42 proposal, including any of the following:

- 43 a. Zoning permits.
- 44 b. Site plan approvals.
- 45 c. Special use permits.
- 46 d. Variances.
- 47 e. Certificates of appropriateness.
- 48 f. Plat approvals.
- 49 g. Development agreements.
- 50 h. Building permits.
- 51 i. Subdivision of land.

- 1 j. State agency permits for development.
 2 k. Driveway permits.
 3 l. Erosion and sedimentation control permits.
 4 m. Sign permit.
 5 n. Conditional zoning.
 6 o. Rezoning.
 7 p. Stormwater permits.
 8 (3) Land development regulation. – Any State statute, rule, or regulation, or local
 9 ordinance affecting the development or use of real property, including any of
 10 the following:
 11 a. Unified development ordinance.
 12 b. Zoning regulation, including zoning maps.
 13 c. Subdivision regulation.
 14 d. Erosion and sedimentation control regulation.
 15 e. Floodplain or flood damage prevention regulation.
 16 f. Mountain ridge protection regulation.
 17 g. Stormwater control regulation.
 18 h. Wireless telecommunication facility regulation.
 19 i. Historic preservation or landmark regulation.
 20 j. Housing code.
 21 k. Conditional zoning.
 22 l. Rezoning.
 23 m. Stormwater permits."
 24

25 ESTABLISH REVIEW PERIODS FOR LOCAL GOVERNMENT APPROVALS AND 26 DECISIONS

27 SECTION 14.(a) G.S. 160D-403 reads as rewritten:

28 "§ 160D-403. Administrative development approvals and determinations.

29 (a) Development Approvals. – To the extent consistent with the scope of ~~regulatory~~
 30 development regulation authority granted by this Chapter, no person shall commence or proceed
 31 with development without first securing any required development approval from the local
 32 government with jurisdiction over the site of the development. A development approval shall be
 33 in writing and may contain a provision requiring the development to comply with all applicable
 34 State and local laws. A local government may issue development approvals in print or electronic
 35 form. Any development approval issued exclusively in electronic form shall be protected from
 36 further editing once issued. Applications for development approvals may be made by the
 37 landowner, a lessee or person holding an option or contract to purchase or lease land, or an
 38 authorized agent of the landowner. An easement holder may also apply for development approval
 39 for ~~such~~ the development as is authorized by the easement.

40 (a1) Time Period for Approval. – Within seven calendar days of the filing of an application
 41 for a development approval, a local government or its designated administrative staff, as
 42 described under G.S. 160D-402, shall (i) determine whether the application is complete and
 43 notify the applicant of the application's completeness and, (ii) if the local government or its
 44 designated administrative staff determines the application is incomplete, specify all of the
 45 deficiencies in the notice to the applicant. The applicant may file an amended application or
 46 supplemental information to cure the deficiencies identified by the local government or its
 47 designated administrative staff for a completeness review, which shall be completed within seven
 48 calendar days after receiving an amended application or supplemental application from the
 49 applicant. Upon the date the application is deemed complete, the local government or its
 50 designated administrative staff shall issue a receipt letter or electronic response stating that the
 51 application is complete. From the date an application has been determined to be complete, the

1 local government or its designated administrative staff shall have 20 days to perform an initial
2 review of the completed application and notify the applicant of any required changes, to which
3 an applicant shall have 15 days to respond. If the applicant makes changes in response to
4 comments arising from the initial review, the local government or its designated administrative
5 staff shall have 10 calendar days to review any changes submitted by the applicant. Upon
6 expiration of that 10-day secondary review period, a final 90-calendar day review period shall
7 begin. The local government shall approve or deny the application within 90 calendar days of the
8 date the 10-day secondary review period expires, except that if the applicant requests a
9 continuance of the application, the review period shall be tolled for the duration of any
10 continuance. The time period for review may be extended only by agreement with the applicant
11 if the application cannot be reviewed within the specified time limitation due to circumstances
12 beyond the control of the local government. The extension shall not exceed six months. Failure
13 of the local government or its designated administrative staff to act before the expiration of the
14 time period allowed for review shall constitute an approval of the application, and the local
15 government shall issue a written approval upon demand by the applicant.

16"

17 **SECTION 14.(b)** Article 7 of Chapter 160D of the General Statutes is amended by
18 adding a new section to read:

19 **"§ 160D-707. Review period for rezoning decisions.**

20 Within seven calendar days of the filing of an application for amendment of a zoning map or
21 zoning regulations, a local government or its designated administrative staff, as described under
22 G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant
23 of the application's completeness and, (ii) if the local government or its designated administrative
24 staff determines the application is incomplete, specify all of the deficiencies in the notice to the
25 applicant. The applicant may file an amended application or supplemental information to cure
26 the deficiencies identified by the local government or its designated administrative staff for a
27 completeness review, which shall be completed within seven calendar days after receiving an
28 amended application or supplemental application from the applicant. Upon the date the
29 application is deemed complete, the local government or its designated administrative staff shall
30 issue a receipt letter or electronic response stating that the application is complete. From the date
31 an application has been determined to be complete, the local government or its designated
32 administrative staff shall have 20 days to perform an initial review of the completed application
33 and notify the applicant of any required changes, to which an applicant shall have 15 days to
34 respond. If the applicant makes changes in response to comments arising from the initial review,
35 the local government or its designated administrative staff shall have 10 calendar days to review
36 any changes submitted by the applicant. Upon expiration of that 10-day secondary review period,
37 a final 90-calendar day review period shall begin. The local government shall approve or deny
38 the application within 90 calendar days of the date the 10-day secondary review period expires,
39 except that if the applicant requests a continuance of the application, the review period shall be
40 tolled for the duration of any continuance. The time period for review may be extended only by
41 agreement with the applicant if the application cannot be reviewed within the specified time
42 limitation due to circumstances beyond the control of the local government. The extension shall
43 not exceed six months. Failure of the local government or its designated administrative staff to
44 act before the expiration of the time period allowed for review shall constitute an approval of the
45 application, and the local government shall issue a written approval upon demand by the
46 applicant."

47 **SECTION 14.(c)** This section applies only to local governments with a population
48 of 20,000 people or more.

49 **SECTION 14.(d)** This section becomes effective August 1, 2026, and applies to
50 applications, approvals, and actions filed on or after that date.
51

1 NUISANCE IMMUNITY FOR RURAL RECREATIONAL AND HERITAGE EVENTS

2 SECTION 15.(a) Chapter 99E of the General Statutes is amended by adding a new
3 Article to read:

4 "Article 11.

5 "Rural Recreational and Heritage Event Nuisance Immunity.

6 **"§ 99E-95. Nuisance immunity for rural recreational and heritage events.**

7 (a) For purposes of this Article, the following definitions apply:

8 (1) Area of the facility. – The area within a 3-mile radius of the perimeter of the
9 property or a contiguous group of properties where a facility is located.

10 (2) Facility. – A designated and established area that is regularly used to host or
11 conduct one or more rural recreational and heritage events. A facility includes
12 the track, course, arena, ring, field, stable, kennel, pen, staging, spectator, and
13 parking areas, and any associated grounds, buildings, structures, or
14 appurtenances used to conduct or support rural recreational and heritage
15 events. A facility does not include real property to the extent it is used only
16 for the personal or private use of the property by the property owner or the
17 owner's family, guests, or invitees, where that use is not part of a rural
18 recreational and heritage event that is conducted on a recurring basis or that is
19 open to participants, spectators, or the members of a club, association, or other
20 organization that owns, operates, or conducts rural recreational and heritage
21 events at the facility.

22 (3) Rural recreational and heritage event. – Any of the following when conducted
23 at a facility:

24 a. Motorized and off-road vehicle events, including motocross, dirt-bike
25 events, all-terrain vehicle (ATV) and utility task vehicle (UTV) events,
26 go-kart racing, drag racing, autocross and rallycross, monster truck
27 events, truck pulls, tractor pulls, mud bogging, mud pulls,
28 four-wheel-drive and other off-road events, demolition derbies, lawn
29 mower racing, and similar motorized or off-road competitions or
30 events.

31 b. Horse and farm animal events, including horse shows, rodeos, barrel
32 racing, roping and team roping, horse pulls, mounted shooting,
33 equestrian competitions, livestock shows, farm animal exhibitions,
34 agricultural fair events, and similar animal-based competitions or
35 exhibitions.

36 c. Sporting dog and outdoor heritage events, including field trials, hunt
37 tests, retriever trials, beagle trials, foxhound events, coonhound
38 events, sporting dog training, hunting-preserve dog events, and similar
39 working or sporting dog events.

40 (b) A facility shall not be subject to any action brought by a surrounding property owner
41 under any nuisance or taking cause of action arising from the conduct of a rural recreational and
42 heritage event at the facility if both of the following conditions were met as of the date the
43 surrounding property owner purchased real property located within the area of the facility or, if
44 the surrounding property owner owned that real property before rural recreational and heritage
45 events were first conducted at the facility, as of the date the surrounding property owner first
46 constructed a building on that real property:

47 (1) The facility was lawfully established and in compliance with all laws,
48 ordinances, and permitting requirements applicable to the facility at the time
49 of its establishment.

1 (2) One or more rural recreational and heritage events have been conducted at the
 2 facility within the 24 months preceding the date on which the surrounding
 3 property owner purchased the real property or constructed the building."

4 **SECTION 15.(b)** This section is effective when it becomes law and applies to
 5 actions commenced on or after that date.

6 7 **AT-RISK BUILDING CHANGES**

8 **SECTION 16.** G.S. 160D-1110.1 reads as rewritten:

9 "**§ 160D-1110.1. Commercial and multifamily building permits for applications with sealed**
 10 **plans; third-party plan review alternatives; at-risk building foundation permits;**
 11 **at-risk building structure permits.**

12 (a) Applicability. – This section applies to commercial and multifamily development
 13 project building permit applications that have plans and specifications that are complete and
 14 sealed for construction, as applicable, by a professional engineer licensed under Chapter 89C of
 15 the General Statutes or an architect licensed under Chapter 83A of the General Statutes.

16 ...

17 (h) At-Risk Building Permit Options. – At-risk building permit options are available to
 18 an eligible building permit applicant that requested and attended a pre-submittal meeting in
 19 accordance with subsection (b) of this section to discuss a building project prior to permit
 20 application. An eligible permit applicant proceeding with an at-risk permit issued by a local
 21 government pursuant to this subsection assumes all risks of liability, and the local government is
 22 discharged and released from any liabilities, duties, and responsibilities attributable to the review,
 23 approval, or construction pursuant to that at-risk permit. In accordance with G.S. 160D-108(e),
 24 where multiple local development permits are required to complete a development project, a
 25 permit issued by a local government pursuant to this subsection is not an initial development
 26 permit for purposes of the vesting protections of G.S. 160D-108(e). The following at-risk
 27 building permit options are available:

28 (1) At-risk building foundation permit. – At the time of permit application, an
 29 eligible building permit applicant may request an at-risk building foundation
 30 permit authorizing a permit applicant to proceed with building foundation
 31 ~~construction.~~ construction and any associated trade permit necessary to
 32 support the authorized foundation construction. A local government must
 33 issue an at-risk building foundation permit and any associated trade permit
 34 necessary for the authorized scope of work if a local government determines
 35 a permit applicant has submitted all necessary plans and sufficient
 36 information, as discussed at a pre-submittal meeting pursuant to subsection
 37 (b) of this section, and received all approvals necessary, for building
 38 foundation construction and associated trade permit work, notwithstanding
 39 that other development approvals from the local government, or other State or
 40 federal agencies, for the project have not yet been obtained. For the purposes
 41 of this subdivision, a permit applicant must have received an approved erosion
 42 and sedimentation control plan in accordance with Article 4 of Chapter 113A
 43 of the General Statutes for land-disturbing activity at a building foundation
 44 construction site.

45 "

46 47 **LIMIT RESTRICTIVE COVENANTS ON SCHOOL PROPERTY**

48 **SECTION 16.5.(a)** G.S. 115C-518 is amended by adding a new subsection to read:

49 "**(a1)** For real property disposed in accordance with this section, local boards of education
 50 shall not impose or enforce a restriction on the future use of the property that prohibits use by a
 51 public school unit or nonpublic school. Restrictions include deed restrictions, covenants, or other

1 interests that run with the land. A restriction on the use of disposed property that violates this
2 subsection is against the public policy of this State and is void and unenforceable."

3 **SECTION 16.5.(b)** Any restriction in existence on the effective date of this section
4 that prohibits the use of property disposed in accordance with G.S. 115C-518 by a public school
5 unit or nonpublic school is void.

6 **SECTION 16.5.(c)** This section is effective when it becomes law. Subsection (a) of
7 this section applies to the disposition of property owned by a local board of education on or after
8 that date.

9
10 **PROMOTE FEE TRANSPARENCY AND PREDICTABILITY FOR APPLICANTS**
11 **PRIOR TO LOCAL GOVERNMENT DEVELOPMENT PERMIT APPROVAL OR**
12 **ISSUANCE**

13 **SECTION 17.(a)** G.S. 160D-102 is amended by adding three new subdivisions to
14 read:

15 "(16a) Fee estimate. – A statement projecting all fees that may reasonably be assessed
16 in the fee statement for the applicant's project, including assumptions applied
17 to the category or purpose of the fees to be charged.

18 (16b) Fee schedule. – A statement of all current fees that may be collected by a local
19 government for the administration and enforcement of provisions set forth in
20 this Chapter and Article 8 of Chapter 162A of the General Statutes and impact
21 fees, facility fees, and other fees authorized by local act, applicable to each
22 project category and purpose, including the data and methodologies used to
23 calculate the fee rates.

24 (16c) Fee statement. – An itemized statement of any fees applicable to the
25 applicant's particular project pursuant to this Chapter."

26 **SECTION 17.(b)** Article 4 of Chapter 160D of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 160D-402.1. Development fee transparency.**

29 (a) Fee Schedule Publication. – Each local government shall prominently display on the
30 local government's official website the local government's current fee schedules. The local
31 government shall update the website to reflect any changes to fees, rates, or methodologies used
32 to develop fees and rates within 30 days of the adoption of any ordinance amending the fees,
33 rates, or methodologies. Each local government shall submit an annual report of its fee schedule,
34 fee collections, and compliance with this section to the Local Government Commission.

35 (b) Local Government Commission Report. – The Local Government Commission shall
36 publish and prominently display on the Commission's website a statewide report of local
37 governments' current fee schedules.

38 (c) Required Disclosure. – Each local government shall provide to the applicant prior to
39 a development approval the current fee schedule and a fee estimate. The local government shall
40 deliver information required under this subsection to the applicant within 10 business days after
41 submission of a completed application. If the project materially changes after the local
42 government has delivered the fee estimate, the local government shall provide a revised estimate
43 within 10 business days of receiving the updated project information. The local government shall
44 not require payment of any fees specified in subsection (a) of this section before the local
45 government provides the estimate.

46 (d) Final Fee Statement. – Each local government shall provide to the applicant, in
47 writing, a final, binding fee statement of exact fees due when a development approval is issued
48 on the application. The final fee amount may not exceed the most recent estimate provided under
49 subsection (c) of this section, unless the local government adopts a new fee schedule by
50 ordinance.

1 (e) Enforcement. – An applicant may commence a civil action in superior court of the
 2 county in which the applicant's project is located to compel the local government to comply with
 3 the requirements of this section. The court shall allow the prevailing party to recover reasonable
 4 attorneys' fees and costs. Nothing in this section shall limit any remedy otherwise available under
 5 Article 14 of this Chapter."

6 **SECTION 17.(c)** Nothing in this section shall be construed to limit or otherwise
 7 affect the power or authority of a local government to impose fees consistent with its statutory
 8 authority or constitutional requirements. This section shall not be construed to require the
 9 disclosure of confidential information under G.S. 132-1.2.

10
 11 **TOLL DISCONTINUANCE PERIOD FOR VESTED RIGHTS DURING EMERGENCY**
 12 **DECLARATIONS**

13 **SECTION 18.** G.S. 160D-108 reads as rewritten:

14 **"§ 160D-108. Permit choice and vested rights.**

15 ...

16 (d) Duration of Vesting. – Upon issuance of a development permit, the statutory vesting
 17 granted by subsection (c) of this section for a development project is effective upon filing of the
 18 application in accordance with G.S. 143-755, for so long as the permit remains valid pursuant to
 19 law. Unless otherwise specified by this section or other statute, local development permits expire
 20 one year after issuance unless work authorized by the permit has substantially commenced. A
 21 local land development regulation may provide for a longer permit expiration period. For the
 22 purposes of this section, a permit is issued either in the ordinary course of business of the
 23 applicable governmental agency or by the applicable governmental agency as a court directive.

24 Except where a longer vesting period is provided by statute or land development regulation,
 25 the statutory vesting granted by this section, once established, expires for an uncompleted
 26 development project if development work is intentionally and voluntarily discontinued for a
 27 period of not less than 24 consecutive months, and the statutory vesting period granted by this
 28 section for a nonconforming use of property expires if the use is intentionally and voluntarily
 29 discontinued for a period of not less than 24 consecutive months. The 24-month discontinuance
 30 period is automatically tolled during ~~the~~ any of the following:

31 (1) The pendency of any board of adjustment proceeding or civil action in a State
 32 or federal trial or appellate court regarding the validity of a development
 33 permit, the use of the property, or the existence of the statutory vesting period
 34 granted by this section.

35 (2) ~~The 24-month discontinuance period is also tolled during the~~ The pendency
 36 of any litigation involving the development project or property that is the
 37 subject of the vesting.

38 (3) The duration of any emergency declaration issued under G.S. 166A-19.20 or
 39 G.S. 166A-19.22 for which the defined emergency area includes the property,
 40 in whole or in part.

41 "

42
 43 **MODIFY EXTENSIONS OF CERTAIN GOVERNMENT APPROVALS AFFECTING**
 44 **THE DEVELOPMENT OF REAL PROPERTY IN THE AREA AFFECTED BY**
 45 **HELENE**

46 **SECTION 19.** Section 1D.3.(b) of S.L. 2024-57, as amended by Section 1.5(a) of
 47 S.L. 2025-97, reads as rewritten:

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

49 (1) That is current and valid at any point during the period beginning January 1,
 50 2024, and ending December 31, 2027, the running of the period of the
 51 development approval and any associated vested right under G.S. 160D-108

1 or G.S. 160D-108.1 is suspended within the affected area during the period
 2 beginning January 1, 2024, and ending December 31, ~~2027-2030~~.

3 (2) That was current and valid on September 25, 2024, the expiration date shall
 4 be automatically extended for a period of 12 months beyond the date on which
 5 the approval would otherwise expire pursuant to the suspension of the running
 6 of time under subdivision (1) of this subsection.

7 Notwithstanding the extensions granted by this section, a local government may revoke or
 8 modify a development approval automatically extended under this section if, due to changed site
 9 conditions resulting from Hurricane Helene or subsequent related natural disasters, the local
 10 government determines that it would not issue the permit under current site conditions based on
 11 a determination that the site no longer meets applicable State or federal safety, environmental, or
 12 engineering standards, or that the extension of the approval would present a material risk to life,
 13 health, or property. A local government exercising authority to revoke or modify a development
 14 approval automatically extended under this subsection shall provide written notice to the holder
 15 of the development approval of the revocation or modification, including findings of fact to
 16 support a determination that the site no longer meets applicable State or federal safety,
 17 environmental, or engineering standards, or that the extension of the approval would present a
 18 material risk to life, health, or property. The extensions granted by this subsection shall run
 19 concurrently with, and not in addition to, any other extension of the same development approval
 20 provided by State law or local ordinance."
 21

22 **STATUTORY SAFEGUARDS FOR HOA GOVERNANCE**

23 **SECTION 20.(a)** G.S. 47C-3-102(a) reads as rewritten:

24 **"§ 47C-3-102. Powers of unit owners' association.**

25 (a) Unless the declaration expressly provides to the contrary, the association, even if
 26 unincorporated, may do all of the following:

27 ...

28 (12b) Impose a reasonable charge for providing copies of records requested by a
 29 member, not to exceed the actual cost of photocopying the records, including
 30 the cost of materials used in responding to the request and the cost of shipping
 31 if shipping is required.

32 ...

33 (14a) Exercise any authority granted to it under the declaration to approve or
 34 disapprove any proposed changes to a unit or limited common element. In
 35 exercising such authority, the association shall provide a fair, reasonable, and
 36 expeditious procedure for making its decision, which procedure shall be set
 37 forth in the association's governing documents. The procedures shall state the
 38 maximum time for issuance of any decision on a proposal or a request for
 39 reconsideration. An association may adopt formal submission requirements
 40 for any proposed change, which shall be communicated to the members. A
 41 decision shall be made within 90 days after the initial submission of the
 42 proposal or submission of any additional information or changes to the
 43 proposal requested by the association in response to the initial submission. A
 44 decision shall be in writing, shall be made in good faith, and may not be
 45 unreasonable, arbitrary, or capricious. If the proposal is disapproved, the
 46 decision shall include an explanation of why the proposal is disapproved and,
 47 if the determination was not issued by the executive board, a description of
 48 the procedure for reconsideration of the decision by the executive board.

49"

50 **SECTION 20.(b)** G.S. 47F-3-102 reads as rewritten:

51 **"§ 47F-3-102. Powers of owners' association.**

1 Unless the articles of incorporation or the declaration expressly provides to the contrary, the
2 association may do all of the following:

3 ...

4 (13b) Impose a reasonable charge for providing copies of records requested by a
5 member, not to exceed the actual cost of photocopying the records, including
6 the cost of materials used in responding to the request and the cost of shipping
7 if shipping is required.

8 ...

9 (15a) Exercise any authority granted to it under the declaration to approve or
10 disapprove any proposed changes on a lot or limited common element. In
11 exercising such authority, the association shall provide a fair, reasonable, and
12 expeditious procedure for making its decision, which procedure shall be set
13 forth in the association's governing documents. The procedures shall state the
14 maximum time for issuance of any decision on a proposal or a request for
15 reconsideration. An association may adopt formal submission requirements
16 for any proposed change, which shall be communicated to the members. A
17 decision shall be made within 90 days after the initial submission of the
18 proposal or submission of any additional information or changes to the
19 proposal requested by the association in response to the initial submission. A
20 decision shall be in writing, shall be made in good faith, and may not be
21 unreasonable, arbitrary, or capricious. If the proposal is disapproved, the
22 decision shall include an explanation of why the proposal is disapproved and,
23 if the determination was not issued by the executive board, a description of
24 the procedure for reconsideration of the decision by the executive board.

25"

26 **SECTION 20.1.(a)** G.S. 47C-3-107.1 reads as rewritten:

27 **"§ 47C-3-107.1. Procedures for fines and suspension of condominium privileges or services.**

28 Unless a specific procedure for the imposition of fines or suspension of condominium
29 privileges or services is provided for in the declaration, a hearing shall be held before the
30 executive board or an adjudicatory panel appointed by the executive board to determine if any
31 unit owner should be fined or if condominium privileges or services should be suspended
32 pursuant to the powers granted to the association in G.S. 47C-3-102(11). Any adjudicatory panel
33 appointed by the executive board shall be composed of members of the association who are not
34 officers of the association or members of the executive board. The unit owner charged shall be
35 given notice of the charge, opportunity to be heard and to present evidence, and notice of the
36 decision. A written notice of hearing shall be sent to the unit owner in the manner provided in
37 G.S. 47C-3-116(e) not less than 10 days prior to the scheduled hearing date. The notice of hearing
38 shall specify the date, time, and place of the hearing and shall include a general description of
39 each alleged violation and the action, if any, required to cure each alleged violation. Not less than
40 two days prior to the scheduled hearing date, the executive board or adjudicatory panel shall
41 provide the unit owner with the names of any persons whose testimony it intends to offer in
42 support of the charge and a copy of any documents, photographs, or other exhibits that it intends
43 to submit in support of the charge. The unit owner shall be given an opportunity to be heard and
44 to present evidence at the hearing. A written notice of the decision specifying each violation
45 verified by the evidence and the action, if any, required to cure each verified violation shall be
46 sent to the unit owner in the manner provided in G.S. 47C-3-116(e). If it is decided that a fine
47 should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the
48 violation and without further hearing, for each day more than five days after the decision that the
49 violation ~~occurs~~ occurs, up to a maximum fine of two thousand five hundred dollars (\$2,500).
50 Such fines shall be assessments secured by liens under G.S. 47C-3-116. If it is decided that a
51 suspension of condominium privileges or services should be imposed, the suspension may be

1 continued without further hearing until the violation or delinquency is cured. A unit owner may
2 appeal a decision of an adjudicatory panel to the full executive board by delivering written notice
3 of appeal to the executive board within 15 days after the date of the decision. The executive board
4 may affirm, vacate, or modify the prior decision of the adjudicatory body."

5 **SECTION 20.1.(b)** G.S. 47F-3-107.1 reads as rewritten:

6 "**§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or**
7 **services.**

8 Unless a specific procedure for the imposition of fines or suspension of planned community
9 privileges or services is provided for in the declaration, a hearing shall be held before the
10 executive board or an adjudicatory panel appointed by the executive board to determine if any
11 lot owner should be fined or if planned community privileges or services should be suspended
12 pursuant to the powers granted to the association in G.S. 47F-3-102(11) and (12). Any
13 adjudicatory panel appointed by the executive board shall be composed of members of the
14 association who are not officers of the association or members of the executive board. The lot
15 owner charged shall be given notice of the charge, opportunity to be heard and to present
16 evidence, and notice of the decision. A written notice of hearing shall be sent to the lot owner in
17 the manner provided in G.S. 47F-3-116(e) not less than 10 days prior to the scheduled hearing
18 date. The notice of hearing shall specify the date, time, and place of the hearing and shall include
19 a general description of each alleged violation and the action, if any, required to cure each alleged
20 violation. Not less than two days prior to the scheduled hearing date, the executive board or
21 adjudicatory panel shall provide the lot owner with the names of any persons whose testimony it
22 intends to offer in support of the charge and a copy of any documents, photographs, or other
23 exhibits that it intends to submit in support of the charge. The lot owner shall be given an
24 opportunity to be heard and to present evidence at the hearing. A written notice of the decision
25 specifying each violation verified by the evidence and the action, if any, required to cure each
26 verified violation shall be sent to the lot owner in the manner provided in G.S. 47F-3-116(e). If
27 it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00)
28 may be imposed for the violation and without further hearing, for each day more than five days
29 after the decision that the violation ~~occurs~~ occurs, up to a maximum fine of two thousand five
30 hundred dollars (\$2,500). Such fines shall be assessments secured by liens under G.S. 47F-3-116.
31 If it is decided that a suspension of planned community privileges or services should be imposed,
32 the suspension may be continued without further hearing until the violation or delinquency is
33 cured. The lot owner may appeal the decision of an adjudicatory panel to the full executive board
34 by delivering written notice of appeal to the executive board within 15 days after the date of the
35 decision. The executive board may affirm, vacate, or modify the prior decision of the
36 adjudicatory body."

37 **SECTION 20.2.(a)** G.S. 47C-3-116 reads as rewritten:

38 "**§ 47C-3-116. Lien for sums due the association; enforcement.**

39 (a) Any assessment attributable to a unit which remains unpaid for a period of 30 days
40 or longer shall constitute a lien on that unit when a claim of lien is filed of record in the office of
41 the clerk of superior court of the county in which the unit is located in the manner provided in
42 this section. A claim of lien securing a debt consisting of fines or fine-related charges shall be
43 filed separately from a claim of lien securing other sums owed to the association and shall be
44 filed within 90 days after the date the fine was imposed. As used in this section, "fines or
45 fine-related charges" means fines imposed by the association, interest on unpaid fines, or
46 attorneys' fees incurred by the association related to fines imposed by the association. Once filed,
47 a claim of lien secures all sums due the association through the date filed and any sums due to
48 the association thereafter. Unless the declaration provides otherwise, fees, charges, late charges
49 and other charges imposed pursuant to G.S. 47C-3-102, 47C-3-107, 47C-3-107.1, and 47C-3-115
50 are subject to the ~~claim~~ claims of lien provided for under this section as well as any other sums

1 due and payable to the association under the declaration, the provisions of this Chapter, or as the
2 result of an arbitration, mediation, or judicial decision.

3 (b) The association must provide proper notice of delinquent assessments to the unit
4 owner before filing a claim of lien. The association must make reasonable and diligent efforts
5 ensure that its records contain the unit owner's current physical mailing address. ~~address and~~
6 ~~current electronic mailing address.~~ No fewer than 15 days prior to filing the lien, the association
7 shall ~~mail~~ do all of the following:

8 (1) Mail a statement of the assessment amount due by first class mail to the
9 physical address of the unit and the unit owner's address of record with the
10 association and, if different, to the address for the unit owner shown on the
11 county tax records for the unit. If the unit owner is a corporation or limited
12 liability company, the statement shall also be sent by first class mail to the
13 mailing address of the registered agent for the corporation or limited liability
14 company. Notwithstanding anything to the contrary in this Chapter, the
15 association is not required to mail a statement to an address known to be a
16 vacant unit or to a unit for which there is no United States postal address.

17 (2) Send a statement of the assessment amount due via electronic mail if the
18 owner has designated an email address as provided in G.S. 55A-1-70(b).

19 (c) A claim of lien shall set forth the name and address of the association, the name of
20 the record owner of the unit at the time the claim of lien is filed, a description of the unit, and the
21 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure
22 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the
23 following statement in print that is in boldface, capital letters, and no smaller than the largest
24 print used elsewhere in the document:

25 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE
26 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH
27 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~
28 ~~MANNER AS A MORTGAGE AS PERMITTED UNDER NORTH CAROLINA LAW."~~

29 The person signing the claim of lien on behalf of the association shall attach to and file with
30 the claim of lien a certificate of service attesting to the attempt of service on the record owner,
31 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy
32 of a summons and a complaint. If the actual service is not achieved, the person signing the claim
33 of lien on behalf of the association shall be deemed to have met the requirements of this
34 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule
35 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first class mail, postage prepaid
36 to the physical address of the unit and the unit owner's address of record with the association,
37 and, if different, to the address for the unit owner shown on the county tax records and the county
38 real property records for the unit. The association shall also send the owner a copy of the claim
39 of lien and certificate of service by email if the owner has designated an email address as provided
40 in G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual
41 service is not achieved, the person signing the claim of lien on behalf of the association shall be
42 deemed to have met the requirements of this subsection if service has been attempted once
43 pursuant to the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).
44 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail
45 a claim of lien to an address which is known to be a vacant unit or to a unit for which there is no
46 United States postal address. A lien for unpaid assessments is extinguished unless proceedings
47 to enforce the lien are instituted within three years after the filing of the claim of lien in the office
48 of the clerk of superior court. A lien securing a debt consisting of fines or fine-related charges is
49 extinguished unless proceedings to enforce the lien are instituted within one year after the filing
50 of the claim of lien in the office of the clerk of superior court.

1 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a unit
2 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed
3 of trust on the unit, recorded before the filing of the claim of lien in the office of the clerk of
4 superior court and (ii) liens for real estate taxes and other governmental assessments and charges
5 against the unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

6 (e) ~~The association shall be entitled to recover the court may, in the court's discretion,~~
7 allow the association to recover the reasonable attorneys' fees and costs ~~if the association~~ incurs
8 in connection with the collection of any sums due. A unit owner may not be required to pay
9 attorneys' fees and court costs until the unit owner is notified in writing of the association's intent
10 to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class
11 mail to the physical address of the unit and the unit owner's address of record with the association
12 and, if different, to the address for the unit owner shown on the county tax records for the unit.
13 The association must make reasonable and diligent efforts to ensure that its records contain the
14 unit owner's current mailing address. Notwithstanding anything to the contrary in this Chapter,
15 there shall be no requirement that notice under this subsection be mailed to an address which is
16 known to be a vacant unit or a unit for which there is no United States postal address. The notice
17 shall set out the outstanding balance due as of the date of the notice and state that the unit owner
18 has 15 days from the mailing of the notice by first-class mail to pay the outstanding balance
19 without the attorneys' fees and court costs. If the unit owner pays the outstanding balance within
20 this period, then the unit owner shall have no obligation to pay attorneys' fees, costs, or expenses.
21 The notice shall also inform the unit owner of the opportunity to contact a representative of the
22 association to discuss a payment schedule for the outstanding balance as provided in subsection
23 (i) of this section and shall provide the name and telephone number of the representative.

24 (f) Except as provided in subsection (h) of this section, the association, acting through
25 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the
26 association other than fines or fine-related charges in like manner as a mortgage or deed of trust
27 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,
28 if the ~~assessment remains unpaid delinquency has continued for 90-180~~ days or more. The
29 association shall not foreclose the claim of lien unless the executive board votes to commence
30 the proceeding against the specific unit. The following provisions and procedures shall be
31 applicable to and complied with in every nonjudicial power of sale foreclosure of a claim of lien,
32 and these provisions and procedures shall control to the extent they are inconsistent or in conflict
33 with the provisions of Article 2A of Chapter 45 of the General Statutes:

34 ...

35 (5) After the association has filed a claim of lien and prior to the commencement
36 of a nonjudicial foreclosure, the association shall give to the unit owner notice
37 of the association's intention to commence a nonjudicial foreclosure to enforce
38 its claim of lien. The notice shall contain the information required in
39 ~~G.S. 45-21.16(e)(5a)~~ G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall
40 specifically reference the unit owner's right of redemption provided under
41 subdivision (8) of this subsection. The notice shall be sent by first-class mail
42 to the physical address of the unit and the unit owner's address of record with
43 the association and, if different, to the address for the unit owner shown on
44 the county tax records for the unit.

45 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
46 accompanied by the association's certification of the actions it has taken to
47 give the owner notice of delinquent assessments in compliance with
48 subsection (b) of this section.

49 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the
50 owner occupies the unit as his or her principal residence. If it appears that the
51 owner does currently occupy the unit as a principal residence, the clerk shall

1 further inquire as to the efforts the association has made to communicate with
 2 the owner and to attempt to resolve the matter voluntarily before the
 3 foreclosure proceeding. The clerk's inquiry shall not be required if the
 4 association has submitted, at or before the hearing, an affidavit briefly
 5 describing any efforts that have been made to resolve the default with the
 6 owner and the results of any such efforts.

7 (5c) The clerk shall order the hearing continued if the clerk finds that there is good
 8 cause to believe that additional time or additional efforts have a reasonable
 9 likelihood of resolving the delinquency without foreclosure. In determining
 10 whether to continue the hearing, the clerk may consider (i) whether the
 11 association has offered the debtor an opportunity to resolve the foreclosure
 12 under a payment schedule pursuant to subsection (i) of this section, (ii)
 13 whether the association has engaged in actual responsive communication with
 14 the owner, including telephone conferences or in-person meetings with the
 15 owner or other actual two-party communications, (iii) whether the owner has
 16 indicated that he or she has the intent and ability to resolve the delinquency
 17 by making future payments under a payment plan, and (iv) whether the
 18 initiation or continuance of good-faith voluntary resolution efforts between
 19 the parties may resolve the matter without a foreclosure sale. Where good
 20 cause exists to continue the hearing, the clerk shall order the hearing continued
 21 to a date and time certain not more than 90 days from the date scheduled for
 22 the original hearing. Nothing in this subsection shall limit the authority of the
 23 clerk to continue a hearing for other good cause shown.

24 ...

25 (g) The provisions of subsection (f) of this section do not prohibit or prevent an
 26 association from pursuing judicial foreclosure of a claim of ~~lien, lien securing a debt consisting~~
 27 of sums due the association other than fines and fine-related charges, from taking other actions
 28 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any
 29 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of
 30 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing
 31 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

32 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~
 33 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~
 34 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,
 35 as provided in Article 29A of Chapter 1 of the General Statutes. the filing of a civil action seeking
 36 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,
 37 collection, consulting, or administration fee from any unit owner unless the fee is expressly
 38 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees
 39 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the
 40 General Statutes. the filing of a civil action seeking a judgment. Liens arising as a result of the
 41 entry of a judgment in favor of the association in any such civil action shall relate back and be
 42 effective as of the date the claim of lien was filed.

43"

44 **SECTION 20.2.(b)** G.S. 47F-3-116 reads as rewritten:

45 **"§ 47F-3-116. Lien for sums due the association; enforcement.**

46 (a) Any assessment attributable to a lot which remains unpaid for a period of 30 days or
 47 longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the
 48 clerk of superior court of the county in which the lot is located in the manner provided in this
 49 section. A claim of lien securing a debt consisting of fines or fine-related charges shall be filed
 50 separately from a claim of lien securing other sums due the association and shall be filed within
 51 90 days after the date the fine was imposed. As used in this section, "fines or fine-related charges"

1 means fines imposed by the association, interest on unpaid fines, or attorneys' fees incurred by
2 the association related to fines imposed by the association. Once filed, a claim of lien secures all
3 sums due the association through the date filed and any sums due to the association thereafter.
4 Unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed
5 pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the ~~claim~~
6 claims of lien provided for under this section as well as any other sums due and payable to the
7 association under the declaration, the provisions of this Chapter, or as the result of an arbitration,
8 mediation, or judicial decision.

9 (b) The association must provide proper notice of delinquent assessments to the lot owner
10 before filing a claim of lien. The association must make reasonable and diligent efforts to ensure
11 that its records contain the lot owner's current physical mailing address. ~~address and current~~
12 electronic mailing address. No fewer than 15 days prior to filing the lien, the association shall
13 ~~mail~~ do all of the following:

14 (1) Mail a statement of the assessment amount due by first-class mail to the
15 physical address of the lot and the lot owner's address of record with the
16 association and, if different, to the address for the lot owner shown on the
17 county tax records for the lot. If the lot owner is a corporation or limited
18 liability company, the statement shall also be sent by first-class mail to the
19 mailing address of the registered agent for the corporation or limited liability
20 company. Notwithstanding anything to the contrary in this Chapter, the
21 association is not required to mail a statement to an address known to be a
22 vacant lot on which no dwelling has been constructed or to a lot for which
23 there is no United States postal address.

24 (2) Send a statement of the assessment amount due via electronic mail if the
25 owner has designated an email address as provided in G.S. 55A-1-70(b).

26 (c) A claim of lien shall set forth the name and address of the association, the name of
27 the record owner of the lot at the time the claim of lien is filed, a description of the lot, and the
28 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure,
29 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the
30 following statement in print that is in boldface, capital letters, and no smaller than the largest
31 print used elsewhere in the document:

32 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE
33 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH
34 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~
35 ~~MANNER AS A MORTGAGE AS PERMITTED~~ UNDER NORTH CAROLINA LAW."

36 The person signing the claim of lien on behalf of the association shall attach to and file with
37 the claim of lien a certificate of service attesting to the attempt of service on the record owner,
38 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy
39 of a summons and a complaint. If the actual service is not achieved, the person signing the claim
40 of lien on behalf of the association shall be deemed to have met the requirements of this
41 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule
42 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first-class mail, postage prepaid
43 to the physical address of the lot and the lot owner's address of record with the association, and,
44 if different, to the address for the lot owner shown on the county tax records and the county real
45 property records for the lot. The association shall also send the owner a copy of the claim of lien
46 and certificate of service by email if the owner has designated an email address as provided in
47 G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual service
48 is not achieved, the person signing the claim of lien on behalf of the association shall be deemed
49 to have met the requirements of this subsection if service has been attempted once pursuant to
50 the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).
51 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail

1 a claim of lien to an address which is known to be a vacant lot on which no dwelling has been
2 constructed or to a lot for which there is no United States postal address. A lien for unpaid
3 assessments is extinguished unless proceedings to enforce the lien are instituted within three
4 years after the filing of the claim of lien in the office of the clerk of superior court. A lien securing
5 a debt consisting of fines or fine-related charges is extinguished unless proceedings to enforce
6 the lien are instituted within one year after the filing of the claim of lien in the office of the clerk
7 of superior court.

8 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a lot
9 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed
10 of trust on the lot, recorded before the filing of the claim of lien in the office of the clerk of
11 superior court and (ii) liens for real estate taxes and other governmental assessments and charges
12 against the lot. This subsection does not affect the priority of mechanics' or materialmen's liens.

13 (e) ~~The association shall be entitled to recover the court may, in the court's discretion,~~
14 allow the association to recover the reasonable attorneys' fees and costs ~~it~~ the association incurs
15 in connection with the collection of any sums due. A lot owner may not be required to pay
16 attorneys' fees and court costs until the lot owner is notified in writing of the association's intent
17 to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class
18 mail to the physical address of the lot and the lot owner's address of record with the association
19 and, if different, to the address for the lot owner shown on the county tax records for the lot. The
20 association must make reasonable and diligent efforts to ensure that its records contain the lot
21 owner's current mailing address. Notwithstanding anything to the contrary in this Chapter, there
22 shall be no requirement that notice under this subsection be mailed to an address which is known
23 to be a vacant lot on which no dwelling has been constructed or a lot for which there is no United
24 States postal address. The notice shall set out the outstanding balance due as of the date of the
25 notice and state that the lot owner has 15 days from the mailing of the notice by first-class mail
26 to pay the outstanding balance without the attorneys' fees and court costs. If the lot owner pays
27 the outstanding balance within this period, then the lot owner shall have no obligation to pay
28 attorneys' fees, costs, or expenses. The notice shall also inform the lot owner of the opportunity
29 to contact a representative of the association to discuss a payment schedule for the outstanding
30 balance, as provided in subsection (i) of this section, and shall provide the name and telephone
31 number of the representative.

32 (f) Except as provided in subsection (h) of this section, the association, acting through
33 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the
34 association other than fines or fine-related charges in like manner as a mortgage or deed of trust
35 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,
36 if the ~~assessment remains unpaid delinquency has continued for 90-180 days or more.~~ The
37 association shall not foreclose the claim of lien unless the executive board votes to commence
38 the proceeding against the specific lot.

39 The following provisions and procedures shall be applicable to and complied with in every
40 nonjudicial power of sale foreclosure of a claim of lien, and these provisions and procedures shall
41 control to the extent they are inconsistent or in conflict with the provisions of Article 2A of
42 Chapter 45 of the General Statutes:

43 ...

- 44 (5) After the association has filed a claim of lien and prior to the commencement
45 of a nonjudicial foreclosure, the association shall give to the lot owner notice
46 of the association's intention to commence a nonjudicial foreclosure to enforce
47 its claim of lien. The notice shall contain the information required in
48 G.S. 45-21.16(e)(5a), G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall
49 specifically reference the lot owner's right of redemption provided under
50 subdivision (8) of this subsection. The notice shall be sent by first-class mail
51 to the physical address of the lot and the lot owner's address of record with the

1 association and, if different, to the address for the lot owner shown on the
2 county tax records for the lot.

3 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
4 accompanied by the association's certification of the actions it has taken to
5 give the owner notice of delinquent assessments in compliance with
6 subsection (b) of this section.

7 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the
8 owner occupies the lot as his or her principal residence. If it appears that the
9 owner does currently occupy the lot as a principal residence, the clerk shall
10 further inquire as to the efforts the association has made to communicate with
11 the owner and to attempt to resolve the matter voluntarily before the
12 foreclosure proceeding. The clerk's inquiry shall not be required if the
13 association has submitted, at or before the hearing, an affidavit briefly
14 describing any efforts that have been made to resolve the default with the
15 owner and the results of any such efforts.

16 (5c) The clerk shall order the hearing continued if the clerk finds that there is good
17 cause to believe that additional time or additional efforts have a reasonable
18 likelihood of resolving the delinquency without foreclosure. In determining
19 whether to continue the hearing, the clerk may consider (i) whether the
20 association has offered the owner an opportunity to resolve the foreclosure
21 under a payment schedule pursuant to subsection (i) of this section, (ii)
22 whether the association has engaged in actual responsive communication with
23 the owner, including telephone conferences or in-person meetings with the
24 owner or other actual two-party communications, (iii) whether the owner has
25 indicated that he or she has the intent and ability to resolve the delinquency
26 by making future payments under a payment plan, and (iv) whether the
27 initiation or continuance of good-faith voluntary resolution efforts between
28 the parties may resolve the matter without a foreclosure sale. Where good
29 cause exists to continue the hearing, the clerk shall order the hearing continued
30 to a date and time certain not more than 90 days from the date scheduled for
31 the original hearing. Nothing in this subsection shall limit the authority of the
32 clerk to continue a hearing for other good cause shown.

33 ...

34 (g) The provisions of subsection (f) of this section do not prohibit or prevent an
35 association from pursuing judicial foreclosure of a claim of ~~lien, lien securing a debt consisting~~
36 of sums due the association other than fines and fine-related charges, from taking other actions
37 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any
38 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of
39 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing
40 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

41 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~
42 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~
43 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,
44 as provided in Article 29A of Chapter 1 of the General Statutes. ~~the filing of a civil action seeking~~
45 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,
46 collection, consulting, or administration fee from any lot owner unless the fee is expressly
47 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees
48 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the
49 General Statutes. ~~the filing of a civil action seeking a judgment.~~ Liens arising as a result of the
50 entry of a judgment in favor of the association in any such civil action shall relate back and be
51 effective as of the date the claim of lien was filed. If, prior to any hearing held pursuant to a civil

1 action filed under this subsection, the lot owner satisfies the debt giving rise to the civil action,
2 the association shall dismiss the civil action and cancel the claim of lien. The lot owner shall
3 have all rights granted under Article 4 of Chapter 45 of the General Statutes to ensure the
4 association's satisfaction of the claim of lien, and the association shall not be entitled to the
5 collection or award of any attorneys' fees or court costs related to the dismissed civil action or
6 cancelled claim of lien.

7"

8 SECTION 20.2.(c) This section becomes effective December 1, 2026, and applies
9 to claims of lien filed and instruments presented for registration on or after that date.

10 SECTION 20.3.(a) G.S. 47C-3-118 reads as rewritten:

11 "**§ 47C-3-118. Association ~~records~~records and contracts.**

12 ...

13 (a1) A unit owner or the unit owner's authorized agent is entitled to inspect and copy, at a
14 reasonable time and location specified by the association, any contract entered into by the
15 association if the unit owner gives the association written notice of the demand at least five
16 business days before the date on which the unit owner wishes to inspect and copy and the request
17 satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand to inspect made
18 pursuant to this subsection shall be presumed to have been made in good faith and for a proper
19 purpose. In any action to compel the inspection and copying of documents, the court may award
20 reasonable attorneys' fees to the prevailing party. If the association does not allow a unit owner
21 who complies with this subsection to inspect and copy the requested contract, and if a court of
22 competent jurisdiction thereafter enters an order compelling the association to do so, the court
23 shall also order the association to pay the unit owner's costs, including reasonable attorneys' fees,
24 incurred to obtain the order.

25 (b) The association, upon written request, shall furnish a unit owner or the unit owner's
26 authorized agents a statement setting forth the amount of unpaid assessments and other charges
27 against a unit. The statement shall be furnished within 10 ~~business~~-days after receipt of the request
28 and is binding on the association, the executive board, and every unit owner. The association, its
29 managers, or its agents may charge a ~~reasonable~~-fee for providing statements of unpaid
30 assessments and other charges, not to exceed two hundred dollars (\$200.00) per statement or
31 request, and an additional ~~expedite~~-expedited fee in an amount not to exceed one hundred dollars
32 (\$100.00) if the ~~request is made within 48 hours of closing.~~ item is requested to be furnished less
33 than 10 days after receipt of the request.

34"

35 SECTION 20.3.(b) G.S. 47F-3-118 reads as rewritten:

36 "**§ 47F-3-118. Association ~~records~~records and contracts.**

37 ...

38 (a1) A lot owner or the lot owner's authorized agent is entitled to inspect and copy, at a
39 reasonable time and location specified by the association, any contract entered into by the
40 association if the lot owner gives the association written notice of the demand at least five
41 business days before the date on which the lot owner wishes to inspect and copy and the request
42 satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand to inspect made
43 pursuant to this subsection shall be presumed to have been made in good faith and for a proper
44 purpose. In any action to compel the inspection and copying of documents, the court may award
45 reasonable attorneys' fees to the prevailing party. If the association does not allow a lot owner
46 who complies with this subsection to inspect and copy the requested contract, and if a court of
47 competent jurisdiction thereafter enters an order compelling the association to do so, the court
48 shall also order the association to pay the lot owner's costs, including reasonable attorneys' fees,
49 incurred to obtain the order.

50 (b) The association, upon written request, shall furnish to a lot owner or the lot owner's
51 authorized agents a statement setting forth the amount of unpaid assessments and other charges

1 against a lot. The statement shall be furnished within 10 ~~business~~-days after receipt of the request
 2 and is binding on the association, the executive board, and every lot owner. The association, its
 3 managers, or its agents may charge a ~~reasonable~~-fee for providing statements of unpaid
 4 assessments, not to exceed two hundred dollars (\$200.00) per statement or request, and an
 5 additional ~~expedite~~-expedited fee in an amount not exceeding one hundred dollars (\$100.00) if
 6 the request for a statement is made within 48 hours of closing-item is requested to be furnished
 7 less than 10 days after receipt of the request.

8"
 9

10 EXEMPT CERTAIN INDIVIDUALS FROM BARBER AND COSMETIC ARTS 11 LICENSING

12 SECTION 20.5.(a) G.S. 86B-32 reads as rewritten:

13 "§ 86B-32. Persons exempt from the provisions of this Article.

14 The following persons are exempt from the provisions of this Article while engaged in the
 15 proper discharge of their duties:

- 16 (1) Persons authorized under the laws of the State to practice medicine and
 17 surgery, and those working under their supervision.
- 18 (2) Commissioned medical or surgical officers of the United States Army or other
 19 components of the Armed Forces of the United States, and those working
 20 under their supervision.
- 21 (3) Registered nurses and licensed practical nurses and those working under their
 22 supervision.
- 23 (4) Licensed embalmers and funeral directors and those working under their
 24 supervision.
- 25 (5) Persons who are working in licensed cosmetic shops or beauty schools and
 26 are licensed by the State Board of Cosmetic Art Examiners pursuant to
 27 Chapter 88B of the General Statutes.
- 28 (6) Persons who are working in barbershops and are licensed by the State Board
 29 of Cosmetic Art Examiners pursuant to Chapter 88B of the General Statutes,
 30 provided that those persons shall comply with G.S. 86B-31.
- 31 (7) Inmates under the jurisdiction of the North Carolina Department of Adult
 32 Correction.
- 33 (8) ~~Persons who are employed by barbershops and~~ whose duties are expressly
 34 confined to the shampooing or blow drying of hair, provided that the person
 35 shall comply with G.S. 86B-31."

36 SECTION 20.5.(b) G.S. 88B-25 reads as rewritten:

37 "§ 88B-25. Exemptions.

38 The following persons are exempt from the provisions of this Chapter while engaged in the
 39 proper discharge of their professional duties:

- 40 (1) Undertakers and funeral establishments licensed under G.S. 90-210.25.
- 41 (2) Persons authorized to practice medicine or surgery under Chapter 90 of the
 42 General Statutes.
- 43 (3) Nurses licensed under Chapter 90 of the General Statutes.
- 44 (4) Commissioned medical or surgical officers of the United States Army, Air
 45 Force, Navy, Marine Corps, Space Force, or Coast Guard.
- 46 (5) A person ~~employed in a cosmetic art shop~~ whose duties are expressly confined
 47 to the shampooing or blow drying of hair, provided that the person shall
 48 comply with ~~rules adopted by the Board relating to sanitary management of~~
 49 ~~cosmetic art shops.~~G.S. 86B-31."
 50

51 ALLOW PRIVATE SWIM LESSONS IN PRIVATE POOLS

1 **SECTION 21.(a)** G.S. 130A-280 reads as rewritten:

2 "**§ 130A-280. Scope and definitions.**

3 (a) This Part provides for the regulation of public swimming pools in the State as they
4 may affect the public health and safety. This Part does not apply to any of the following:

5 (1) A private pool serving a single family dwelling and used only by the residents
6 of the ~~dwelling and their guests, dwelling, their guests, or a person providing~~
7 swim instruction, regardless of whether their guests or the swim instructor
8 gain use of the private pool through a sharing economy platform or pay a fee
9 for its use. In all cases in which a fee is exchanged for access to a private pool
10 serving a single family dwelling that is used only by the residents of the
11 ~~dwelling and their guests, dwelling, their guests, or a person providing swim~~
12 instruction, the private pool shall be maintained in good and safe working
13 order.

14 (2) Repealed by Session Laws 2025-94, s. 17, effective October 6, 2025.

15 (3) Therapeutic pools used in physical therapy programs operated by medical
16 facilities licensed by the Department or operated by a licensed physical
17 therapist, nor to therapeutic chambers drained, cleaned, and refilled after each
18 individual use.

19 "

20 **SECTION 21.(b)** G.S. 130A-39(b) reads as rewritten:

21 "(b) A local board of health may adopt a more stringent rule in an area regulated by the
22 Commission for Public Health or the Environmental Management Commission where, in the
23 opinion of the local board of health, a more stringent rule is required to protect the public health;
24 otherwise, the rules of the Commission for Public Health or the rules of the Environmental
25 Management Commission shall prevail over local board of health rules. However, a local board
26 of health may not adopt a rule concerning a private pool serving a single family dwelling
27 otherwise exempt from regulation pursuant to ~~G.S. 130A-280 or a G.S. 130A-280, including~~
28 rules concerning the recreational or instructional use of the exempt private pool. A local board
29 of health may not adopt a rule concerning the grading, operating, and permitting of food and
30 lodging facilities as listed in Part 6 of Article 8 of this Chapter and as defined in
31 G.S. 130A-247(1), and a G.S. 130A-247(1). A local board of health may adopt rules concerning
32 wastewater collection, treatment and disposal systems which are not designed to discharge
33 effluent to the land surface or surface waters only in accordance with G.S. 130A-335(c)."

34
35 **ATV RIDER RESTRICTION MODIFICATION**

36 **SECTION 22.(a)** G.S. 20-171.15 reads as rewritten:

37 "**§ 20-171.15. Age or size restrictions.**

38 (a) It is unlawful for any parent or legal guardian of a person less than eight years of age
39 to knowingly permit that person to operate an all-terrain vehicle.

40 (b) Repealed by Session Laws 2015-286, s. 3.13(a), effective October 22, 2015.

41 (c) ~~Except as provided in subsection (c1) of this section, it is unlawful for any parent~~
42 ~~or legal guardian of a person less than 16 years of age to knowingly permit that person to operate~~
43 ~~an all-terrain vehicle in violation of the Age Restriction Warning Label affixed by the~~
44 ~~manufacturer as required by the applicable American National Standards Institute/Specialty~~
45 ~~Vehicle Institute of America (ANSI/SVIA) design standard.~~

46 (c1) Safety Course Rider-Fit Exception. – Subsection (c) of this section does not apply to
47 a person less than 16 years of age operating an all-terrain vehicle if all of the following
48 requirements are met:

49 (1) The person is at least 8 years of age.

50 (2) The person is participating in, or has successfully completed, an all-terrain
51 vehicle safety course sponsored or approved by the All-Terrain Vehicle Safety

1 Institute or another all-terrain vehicle safety course approved by the
 2 Commissioner of Insurance pursuant to G.S. 20-171.20.

3 (3) A course instructor certified or approved to teach a course described in
 4 subdivision (2) of this subsection determines in writing that, because of the
 5 person's height, weight, or physical size, the person cannot safely operate an
 6 all-terrain vehicle that complies with the Age Restriction Warning Label and
 7 that the all-terrain vehicle to be operated is appropriate for the person.

8 (4) The person satisfies all of the following rider-fit requirements with respect to
 9 the all-terrain vehicle being operated:

10 a. Brake reach. – With hands placed in the normal operating position and
 11 fingers straight out, the first joint from the tip of the middle finger
 12 extends beyond the brake lever and clutch.

13 b. Leg length. – While sitting and with their feet on the pegs, the rider's
 14 knee is bent at least 45 degrees.

15 c. Grip reach. – While sitting upright on the ATV with hands on the
 16 handlebars and not leaning forward, the rider's upper arm and the
 17 forearm form a distinct angle.

18 d. Handlebar control. – The rider must be able to turn the handlebars from
 19 lock to lock while maintaining grip on the handlebars and maintaining
 20 the throttle and brake control.

21 (5) The person operates the all-terrain vehicle under the direct supervision of the
 22 safety course instructor while participating in the course or, after successful
 23 completion of the course, under the continuous visual supervision of a person
 24 18 years or older, pursuant to subsection (d) of this section.

25 (6) The person complies with all other requirements of this Part, including helmet
 26 and eye-protection requirements.

27"

28 **SECTION 22.(b)** G.S. 20-171.20 reads as rewritten:

29 "**§ 20-171.20. Safety training and certificate.**

30 Effective October 1, 2006, every all-terrain vehicle operator born on or after January 1, 1990,
 31 shall possess a safety certificate indicating successful completion of an all-terrain vehicle safety
 32 course sponsored or approved by the All-Terrain Vehicle Safety Institute or by another all-terrain
 33 vehicle safety course approved by the Commissioner of Insurance. The North Carolina
 34 Community College System is authorized to provide all-terrain vehicle safety training, approved
 35 by the Commissioner, to persons less than 18 years of age. An all-terrain vehicle safety certificate
 36 issued to a person less than 16 years of age may include a written rider-fit determination by the
 37 course instructor identifying the type or size of an all-terrain vehicle the instructor has determined
 38 is appropriate for the person pursuant to G.S. 20-171.15(c1)."

39 **PLUMBING BOARD FEE CAP CLARIFICATION**

40 **SECTION 23.** G.S. 87-22 reads as rewritten:

41 "**§ 87-22. License fee; expiration and renewal; reinstatement.**

42 All persons, firms, or corporations engaged in the business of either plumbing or heating
 43 contracting, or both, shall pay an annual license fee not to exceed one hundred fifty dollars
 44 (\$150.00). The annual fee for a piping or restricted classification license shall not exceed that for
 45 a plumbing or heating license. All persons, firms, or corporations engaged in the business of fire
 46 sprinkler contracting shall pay an initial application fee not to exceed seventy-five dollars
 47 (\$75.00) and an annual license fee not to exceed three hundred dollars (\$300.00). In the event the
 48 Board refuses to license an applicant, the license fee deposited shall be returned by the Board to
 49 the applicant. All licenses shall expire on the last day of December in each year following their
 50 issuance or renewal. Persons who obtain a license by passing an examination on or after October
 51

1 of any year may receive a license for the remainder of the year by paying one-half of the usual
 2 license fee for that classification of license. It shall be the duty of the secretary and treasurer to
 3 send by United States mail or email to every licensee registered with the Board, notice to the
 4 licensee's last known address reflected on the records of the Board of the amount of fee required
 5 for renewal of license, the notice to be mailed at least one month in advance of the expiration of
 6 the license. The Board may require payment of all unpaid annual fees before reissuing a license.
 7 In the event of failure on the part of any person, firm or corporation to renew the license certificate
 8 annually and pay the required fee during the month of January in each year, the Board shall
 9 increase the license fee by twenty-five dollars (\$25.00) to cover any additional expense
 10 associated with late renewal. The Board shall require reexamination upon failure of a licensee to
 11 renew license within three years after expiration. The Board may adopt regulations requiring
 12 attendance at programs of continuing education as a condition of license renewal. A licensee
 13 employed full time as a local government plumbing, heating, or mechanical inspector and holding
 14 qualifications from the Code Officials Qualifications Board may renew the license at a fee not to
 15 exceed twenty-five dollars (\$25.00). The Board shall not charge any fee or payment associated
 16 with licensing except those expressly authorized by this section."

17
 18 **EXTEND ANNUAL REPORTING REQUIREMENTS FOR BUSINESS ENTITIES**
 19 **OWNED BY DEPLOYED MEMBERS OF THE ARMED FORCES**

20 **SECTION 24.(a)** G.S. 55-16-22(a) reads as rewritten:

21 "**§ 55-16-22. Annual report.**

22 (a) Requirement. – Except as provided in G.S. 55-16-22.3 and in subsections (a1) and
 23 (a2) of this section, each domestic corporation and each foreign corporation authorized to transact
 24 business in this State shall deliver an annual report directly to the Secretary of State in electronic
 25 form or in paper form as prescribed by the Secretary of State under this section."

26 **SECTION 24.(b)** Article 16 of Chapter 55 of the General Statutes is amended by
 27 adding a new section to read:

28 "**§ 55-16-22.3. Exemptions for corporations owned by deployed members of the Armed**
 29 **Forces.**

30 (a) Definitions. – As used in this section, the following terms have the following
 31 meanings:

- 32 (1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine
 33 Corps, Navy, or Space Force, or any reserve component of the foregoing.
 34 (2) Deployed member. – A member of the Armed Forces who is removed from
 35 his or her county of residence pursuant to an official order for a deployment
 36 period that ends on or after the ninetieth day preceding the due date of the
 37 annual report required by G.S. 55-16-22.

38 (b) Notwithstanding G.S. 55-16-22, an annual report is deemed timely filed if it is filed
 39 by a domestic or foreign corporation (i) in which more than fifty percent (50%) of the ownership
 40 interest is owned by one or more deployed members and (ii) within 90 days of the end of the
 41 deployment period. The following provisions apply:

- 42 (1) Prior to the start of the deployment, the corporation shall file electronically
 43 with the Secretary of State a sworn affidavit of deployment executed by the
 44 deployed member that includes the following information:
 45 a. The full name of the deployed member.
 46 b. The name of the corporation and the state under whose law it is
 47 incorporated.
 48 c. The percentage ownership interest in the corporation currently held by
 49 the deployed member.
 50 d. The expected start and end dates of the deployment.

- 1 e. A statement either certifying that the information contained in the most
2 recently filed annual report has not changed or setting forth the
3 updated information required by G.S. 55-16-22(a3)(2) through (5).
4 (2) In the event the deployment is extended beyond the date stated in the affidavit
5 of deployment, the corporation shall file electronically with the Secretary of
6 State, within 180 days of the end date stated in the affidavit of deployment
7 filed with the Secretary of State pursuant to subdivision (1) of this subsection,
8 a sworn affidavit of extended deployment by an authorized representative of
9 the corporation that includes the following information:
10 a. The title or position in the corporation held by the affiant.
11 b. The full name of the deployed member.
12 c. The name of the corporation and the state under whose law it is
13 incorporated.
14 d. The percentage ownership interest in the corporation currently held by
15 the deployed member.
16 e. The expected end date of the extended deployment.
17 f. A statement either certifying that the information contained in the most
18 recently filed annual report has not changed or setting forth the
19 updated information required by G.S. 55-16-22(a3)(2) through (5).
20 (3) The due date of the corporation's next annual report is the ninetieth day
21 following the end date stated in the affidavit of deployment filed pursuant to
22 subdivision (1) of this subsection; provided, however, that if the deployment
23 is extended, the due date of the corporation's annual report is the ninetieth day
24 following the end date stated in the affidavit of extended deployment filed
25 pursuant to subdivision (2) of this subsection.
26 (4) The grounds for dissolution under G.S. 55-14-20 apply to corporations that
27 are subject to this section only if the period of delinquency for the applicable
28 ground is 180 days or more past the end date stated in the affidavit of
29 deployment filed with the Secretary of State pursuant to subdivision (1) of this
30 subsection.
31 (c) Any fees required by G.S. 55-1-22 for documents filed pursuant to subsection (b) of
32 this section are waived."

33 **SECTION 25.(a)** G.S. 57D-2-24 reads as rewritten:

34 "**§ 57D-2-24. Annual report for Secretary of State.**

35 (a) Excluding professional limited liability companies governed by ~~G.S. 57D-2-02,~~
36 G.S. 57D-2-02 and except as provided in G.S. 57D-2-26, each LLC and each foreign LLC
37 authorized to transact business in this State must deliver to the Secretary of State for filing annual
38 reports on a form prescribed by, and in the manner required by, the Secretary of State and as
39 otherwise provided in subsection (b) of this section. Each annual report must specify the year for
40 which the report applies and provide the information required by this subsection. The information
41 must be current as of the date the limited liability company completes the report. If the
42 information in the limited liability company's most recent annual report has not changed, the
43 limited liability company may certify in its annual report that the information has not changed in
44 lieu of restating the information.

45 The following information must be included in each annual report:

- 46 (1) The name of the limited liability company and, in the case of a foreign LLC,
47 any different name that the foreign LLC is authorized under Article 3 of
48 Chapter 55D of the General Statutes to use to transact business in this State,
49 as provided in the foreign LLC's certificate of authority.
50 (2) In the case of a foreign LLC, the name of the jurisdiction under whose law the
51 foreign LLC is organized.

- (3) The street address, and the mailing address if different from the street address, of the limited liability company's registered office in the State, the county in which the registered office is located, the name of its registered agent at that office, and a statement of any change of the registered office or registered agent.
- (4) The address and telephone number of its principal office.
- (5) The names, titles, and business addresses of the limited liability company's principal company officials.
- (6) A brief description of the nature of its business.

...."

SECTION 25.(b) Article 2 of Chapter 57D of the General Statutes is amended by adding a new section to read:

"§ 57D-2-26. Exemptions for LLCs owned by deployed members of the Armed Forces.

(a) Definitions. – As used in this section, the following terms have the following meanings:

- (1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine Corps, Navy, or Space Force, or any reserve component of the foregoing.
- (2) Deployed member. – A member of the Armed Forces who is removed from his or her county of residence pursuant to an official order for a deployment period that ends on or after the ninetieth day preceding the due date of the annual report required by G.S. 57D-2-24.

(b) Notwithstanding G.S. 57D-2-24, an annual report is deemed timely filed if it is filed by an LLC or foreign LLC (i) in which more than fifty percent (50%) of the ownership interest is owned by one or more deployed members and (ii) by April 15 of the year immediately following the end of the deployment period. The following provisions apply:

- (1) Prior to the start of the deployment, the LLC or foreign LLC shall file electronically with the Secretary of State a sworn affidavit of deployment executed by the deployed member that includes the following information:
 - a. The full name of the deployed member.
 - b. The name of the LLC or foreign LLC and, for a foreign LLC, any different name under which the foreign LLC is authorized to transact business in this State and the name of the jurisdiction under whose law the foreign LLC is organized.
 - c. The percentage ownership interest in the LLC or foreign LLC currently held by the deployed member.
 - d. The expected start and end dates of the deployment.
 - e. A statement either certifying that the information contained in the most recently filed annual report has not changed or setting forth the updated information required by G.S. 57D-2-24.
- (2) In the event the deployment is extended beyond the date stated in the affidavit of deployment, the LLC or foreign LLC shall file electronically with the Secretary of State, within 180 days of the end date stated in the affidavit of deployment filed with the Secretary of State pursuant to subdivision (1) of this subsection, a sworn affidavit of extended deployment by an authorized representative of the corporation that includes the following information:
 - a. The title or position in the LLC or foreign LLC held by the affiant.
 - b. The full name of the deployed member.
 - c. The name of the LLC or foreign LLC and, for a foreign LLC, any different name under which the foreign LLC is authorized to transact business in this State and the name of the jurisdiction under whose law the foreign LLC is organized.

- 1 d. The percentage ownership interest in the LLC or foreign LLC
 2 currently held by the deployed member.
 3 e. The expected end date of the extended deployment.
 4 f. A statement either certifying that the information contained in the most
 5 recently filed annual report has not changed or setting forth the
 6 updated information required by G.S. 57D-2-24.

7 (3) The due date of the LLC's or foreign LLC's next annual report is the ninetieth
 8 day following the end date stated in the affidavit of deployment filed pursuant
 9 to subdivision (1) of this subsection; provided, however, that if the
 10 deployment is extended, the due date of the LLC's or foreign LLC's annual
 11 report is the ninetieth day following the end date stated in the affidavit of
 12 extended deployment filed pursuant to subdivision (2) of this subsection.

13 (4) The grounds for dissolution under G.S. 57D-6-06 apply to LLCs and foreign
 14 LLCs that are subject to this section only if the period of delinquency for the
 15 applicable ground is 180 days or more past the end date stated in the affidavit
 16 of deployment filed with the Secretary of State pursuant to subdivision (1) of
 17 this subsection.

18 (c) Any fees required by G.S. 57D-1-22 for documents filed pursuant to subsection (b)
 19 of this section are waived."

20 **SECTION 26.(a)** G.S. 59-84.4 reads as rewritten:

21 "**§ 59-84.4. Annual report for Secretary of State.**

22 (a) ~~Each~~ Except as provided in G.S. 59-84.6, each registered limited liability partnership
 23 and each foreign limited liability partnership authorized to transact business in this State shall
 24 deliver to the Secretary of State for filing an annual report, in a form prescribed by the Secretary
 25 of State, that sets forth all of the following:

- 26 (1) The name of the registered limited liability partnership or foreign limited
 27 liability partnership and the state or country under whose law it is formed.
 28 (2) The street address, and the mailing address if different from the street address,
 29 of the registered office, the county in which the registered office is located,
 30 and the name of its registered agent at that office in this State, and a statement
 31 of any change of the registered office or registered agent, or both.
 32 (3) The street address and telephone number of its principal office.
 33 (4) A brief description of the nature of its business.
 34 (5) The fiscal year end of the partnership.

35 If the information contained in the most recently filed annual report has not changed, a
 36 certification to that effect may be made instead of setting forth the information required by
 37 subdivisions (2) through (4) of this subsection. The Secretary of State shall make available the
 38 form required to file an annual report.

39 "

40 **SECTION 26.(b)** Article 3B of Chapter 59 of the General Statutes is amended by
 41 adding a new section to read:

42 "**§ 59-84.6. Exemptions for limited liability partnerships owned by deployed members of**
 43 **the Armed Forces.**

44 (a) Definitions. – As used in this section, the following terms have the following
 45 meanings:

- 46 (1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine
 47 Corps, Navy, or Space Force, or any reserve component of the foregoing.
 48 (2) Deployed member. – A member of the Armed Forces who is removed from
 49 his or her county of residence pursuant to an official order for a deployment
 50 period that ends on or after the ninetieth day preceding the due date of the
 51 annual report required by G.S. 59-84.4.

1 (b) Notwithstanding G.S. 59-84.4, an annual report is deemed timely filed if it is filed by
2 a registered or foreign limited liability partnership (i) in which more than fifty percent (50%) of
3 the ownership interest is owned by one or more deployed members and (ii) within 90 days of the
4 end of the deployment period. The following provisions apply:

5 (1) Prior to the start of the deployment, the registered or foreign limited liability
6 partnership shall file electronically with the Secretary of State a sworn
7 affidavit of deployment executed by the deployed member that includes the
8 following information:

9 a. The full name of the deployed member.

10 b. The name of the registered or foreign limited liability partnership and
11 the state or country under whose law it is formed.

12 c. The percentage ownership interest in the registered or foreign limited
13 liability partnership currently held by the deployed member.

14 d. The expected start and end dates of the deployment.

15 e. A statement either certifying that the information contained in the most
16 recently filed annual report has not changed or setting forth the
17 updated information required by G.S. 59-84.4(a)(2) through (5).

18 (2) In the event the deployment is extended beyond the date stated in the affidavit
19 of deployment, the registered or foreign limited liability partnership shall file
20 electronically with the Secretary of State, within 180 days of the end date
21 stated in the affidavit of deployment filed with the Secretary of State pursuant
22 to subdivision (1) of this subsection, a sworn affidavit of extended deployment
23 by an authorized representative of the registered or foreign limited liability
24 partnership that includes the following information:

25 a. The title or position in the registered or foreign limited liability
26 partnership held by the affiant.

27 b. The full name of the deployed member.

28 c. The name of the registered or foreign limited liability partnership and
29 the state or country under whose law it is formed.

30 d. The percentage ownership interest in the registered or foreign limited
31 liability partnership currently held by the deployed member.

32 e. The expected end date of the extended deployment.

33 f. A statement either certifying that the information contained in the most
34 recently filed annual report has not changed or setting forth the
35 updated information required by G.S. 59-84.4(a)(2) through (5).

36 (3) The due date of the registered or foreign limited liability partnership's next
37 annual report is the ninetieth business day following the end date stated in the
38 affidavit of deployment filed pursuant to subdivision (1) of this subsection;
39 provided, however, that if the deployment is extended, the due date of the
40 registered or foreign limited liability partnership's annual report is the
41 ninetieth day following the end date stated in the affidavit of extended
42 deployment filed pursuant to subdivision (2) of this subsection.

43 (4) The grounds for revocation of registration under G.S. 59-84.4(f) apply to
44 registered and foreign limited liability partnerships that are subject to this
45 section only if the period of delinquency for the applicable ground is 180 days
46 or more past the end date stated in the affidavit of deployment filed with the
47 Secretary of State pursuant to subdivision (1) of this subsection.

48 (c) Any fees required by G.S. 59-35.2 for documents filed pursuant to subsection (b) of
49 this section are waived."

50 **SECTION 27.** G.S. 132-1.2 reads as rewritten:

51 **"§ 132-1.2. Confidential information.**

1 Nothing in this Chapter shall be construed to require or authorize a public agency or its
2 subdivision to disclose any information that:

3 ...

4 (12) Reveals information contained in an affidavit of deployment or an affidavit of
5 extended deployment filed with the Secretary of State pursuant to
6 G.S. 55-16-22.3, 57D-2-26, or 59-84.6."

7 **SECTION 28.** The Secretary of State shall make available the form or forms needed
8 for the affidavit of deployment and affidavit of extended deployment required by this act and
9 shall take any other action necessary to allow business entities to begin filing pursuant to this act
10 on October 1, 2026.

11 **SECTION 29.** Sections 24 through 27 of this act become effective October 1, 2026.

13 CLARIFY EXEMPTION FOR STRETCHING SERVICES AT MASSAGE AND 14 BODYWORK THERAPY ESTABLISHMENTS

15 **SECTION 29.2.(a)** G.S. 90-622 reads as rewritten:

16 "§ 90-622. Definitions.

17 The following definitions apply in this Article:

18 ...

19 (1a) Active stretching. – The provision by a practitioner of resistance or guidance
20 while a client engages the client's own muscles to move a part of the client's
21 body through a range of motion.

22 (1b) Active-assisted stretching. – A combination of passive stretching and active
23 stretching.

24 (1a)(1c) Board. – The North Carolina Board of Massage and Bodywork Therapy.

25 ...

26 (4b) Passive stretching. – The movement by a practitioner of a part of a client's
27 body through a range of motion without muscular effort by the client.

28 ...

29 (7) Stretching services. – The provision to a client of passive stretching, active
30 stretching, or active-assisted stretching. Stretching services do not include any
31 of the following:

32 a. Effleurage, petrissage, or tapotement.

33 b. Deep tissue manipulation.

34 c. Myofascial release.

35 d. Any other system of activity applied to the soft tissues of the human
36 body within the meaning of subdivision (3) of this section."

37 **SECTION 29.2.(b)** G.S. 90-624 is amended by adding a new subdivision to read:

38 "(9) The provision of stretching services by a person who provides only stretching
39 services, as provided in G.S. 90-624.1."

40 **SECTION 29.2.(c)** Article 36 of Chapter 90 of the General Statutes is amended by
41 adding a new section to read:

42 "§ 90-624.1. Stretching services.

43 (a) Notwithstanding G.S. 90-622(3)a., a person who provides only stretching services is
44 not required to be licensed under this Article with respect to the provision of those stretching
45 services.

46 (b) A massage and bodywork therapy establishment may employ or contract with one or
47 more persons to provide stretching services. This subsection applies regardless of whether a
48 person provides stretching services as an employee of the establishment or as an independent
49 contractor.

50 (c) The license of a massage and bodywork therapy establishment does not extend any
51 authorization to practice massage and bodywork therapy to a person who provides only stretching

1 services at the establishment, and the person is not authorized to practice massage and bodywork
2 therapy pursuant to the establishment's license.

3 (d) Nothing in this section shall be construed to do any of the following:

- 4 (1) Authorize a person who is not licensed under this Article to practice massage
5 and bodywork therapy.
- 6 (2) Alter, limit, or expand the definition of massage and bodywork therapy in
7 G.S. 90-622(3) or the practice of massage and bodywork therapy under this
8 Article.
- 9 (3) Alter or limit the ability of a person not licensed under this Article to provide
10 stretching services outside of a licensed massage and bodywork therapy
11 establishment.
- 12 (4) Affect, limit, or impair any civil remedy otherwise available to a client under
13 any other provision of law."

14 SECTION 29.2.(d) G.S. 90-632.16 reads as rewritten:

15 "**§ 90-632.16. Unlicensed massage and bodywork therapy prohibited at massage and**
16 **bodywork therapy establishments.**

17 A massage and bodywork therapy establishment shall not employ or contract with any person
18 in this State to provide massage and bodywork therapy unless that person holds a current license
19 to practice massage and bodywork therapy issued pursuant to this Article. This section does not
20 prohibit a massage and bodywork therapy establishment from employing or contracting with a
21 person to provide only stretching services as provided in G.S. 90-624.1, and for purposes of this
22 section, a person who provides only stretching services is not a person employed or contracted
23 to provide massage and bodywork therapy."
24

25 LIMIT LOCAL GLAZING AND TRANSPARENCY REQUIREMENTS

26 SECTION 29.3.(a) Article 7 of Chapter 160D of the General Statutes is amended by
27 adding a new section to read:

28 "**§ 160D-702.1. Glazing and transparency limitations.**

29 (a) Definitions. – The following definitions apply in this section:

- 30 (1) Glazing requirement. – Any zoning regulation, development regulation,
31 design standard, or permitting requirement for windows, doors, storefront
32 glass, glass block, transparent or translucent panels, faux windows, or similar
33 facade treatments intended to satisfy a transparency or facade-opening
34 requirement.
- 35 (2) Ground-floor facade area. – The exterior wall area of a building measured
36 from grade to 10 feet above grade, excluding loading docks, service bays,
37 mechanical areas, emergency exits, vehicular doors, and other functional areas
38 that are not reasonably treated as storefront facade.

39 (b) General Limitation. – No local government may adopt or enforce a glazing
40 requirement that requires glazing, transparency, windows, doors, storefront glass, faux windows,
41 or other transparent or translucent facade materials to exceed thirty-five percent (35%) of the
42 ground-floor facade area of a commercial or mixed-use building.

43 (c) Limitation for Non-Storefront Uses. – For portions of a commercial or mixed-use
44 building used primarily for non-storefront purposes, no local government may adopt or enforce
45 a glazing requirement that requires glazing or transparency to exceed twenty percent (20%) of
46 the ground-floor facade area. Non-storefront uses include all of the following:

- 47 (1) Religious assembly or sanctuary space.
- 48 (2) Medical or dental examination, treatment, or healthcare services.
- 49 (3) Educational instruction or counseling.
- 50 (4) Civic or nonprofit services.
- 51 (5) Funeral services.

- 1 (6) Lodge or meeting hall use.
- 2 (7) Storage or back-of-house operations.
- 3 (8) Other institutional, assembly, or service uses not primarily operated as walk-in
- 4 retail, restaurant, bar, entertainment, or commercial storefront uses.

5 (d) Voluntary Glazing. – The limitations in subsections (b) and (c) of this section apply
 6 only to glazing or transparency required by a local government. Nothing in this section limits
 7 glazing voluntarily provided by an owner, developer, architect, or tenant, except that a local
 8 government may not condition the approval of a development permit, special use permit,
 9 conditional use permit, variance, or other development approval upon the voluntary provision of
 10 glazing in excess of the limits in this section.

11 (e) Exceptions. – This section does not apply to or affect any of the following:

- 12 (1) The North Carolina Building Code, including emergency egress, accessibility,
- 13 or energy efficiency requirements.
- 14 (2) The North Carolina Fire Code.
- 15 (3) Floodplain or floodproofing requirements.
- 16 (4) Requirements imposed by State or federal law.
- 17 (5) Property located within a local historic district established under
- 18 G.S. 160D-944 or an individually designated local historic landmark
- 19 established under Article 9 of this Chapter.
- 20 (6) Property subject to review by a local historic preservation commission for a
- 21 certificate of appropriateness.
- 22 (7) Property subject to a federal or State historic preservation review requirement,
- 23 including a requirement related to the use of federal or State historic tax
- 24 credits, grants, or funding.
- 25 (8) State or federal requirements for airport safety, military installation safety, or
- 26 other public safety requirements."

27 **SECTION 29.3.(b)** This section becomes effective July 1, 2026, and any
 28 development regulation that is inconsistent with G.S. 160D-702.1, as enacted by this section, on
 29 or after that date is void and unenforceable to the extent of the inconsistency. This section does
 30 not affect the validity of a development approval issued, or an application for a development
 31 approval submitted, before the effective date of this section.

32
 33 **FURTHER PROHIBIT PROPERTY RESTRICTIONS ON FLYING THE AMERICAN**
 34 **AND NORTH CAROLINA FLAG**

35 **SECTION 29.4.(a)** G.S. 47C-3-121 reads as rewritten:

36 **"§ 47C-3-121. American and State flags and political sign displays.**

37 Notwithstanding any provision in any declaration of covenants, no restriction on the use of
 38 land shall be construed to:

- 39 (1) Regulate or prohibit the display of the flag of the United States or North
- 40 Carolina, of a size no greater than four feet by six feet, which is displayed in
- 41 accordance with or in a manner consistent with the patriotic customs set forth
- 42 in 4 U.S.C. §§ 5-10, as amended, governing the display and use of the flag of
- 43 the United States ~~unless:~~ States.
- 44 a. ~~For restrictions registered prior to October 1, 2005, the restriction~~
- 45 ~~specifically uses the following terms:~~
- 46 1. ~~Flag of the United States of America;~~
- 47 2. ~~American flag;~~
- 48 3. ~~United States flag; or~~
- 49 4. ~~North Carolina flag.~~
- 50 b. ~~For restrictions registered on or after October 1, 2005, the restriction~~
- 51 ~~shall be written on the first page of the instrument or conveyance in~~

print that is in boldface type, capital letters, and no smaller than the largest print used elsewhere in the instrument or conveyance. The restriction shall be construed to regulate or prohibit the display of the United States or North Carolina flag only if the restriction specifically states: **"THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA"**.

This subdivision shall apply to owners of property who display the flag of the United States or North Carolina on property owned exclusively by them and does not apply to common areas, easements, rights-of-way, or other areas owned by others.

...."

SECTION 29.4.(b) G.S. 47F-3-121 reads as rewritten:

"§ 47F-3-121. American and State flags and political sign displays.

Notwithstanding any provision in any declaration of covenants, no restriction on the use of land shall be construed to:

- (1) Regulate or prohibit the display of the flag of the United States or North Carolina, of a size no greater than four feet by six feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended, governing the display and use of the flag of the United States ~~unless: States.~~

- a. ~~For restrictions registered prior to October 1, 2005, the restriction specifically uses the following terms:~~

- 1. ~~Flag of the United States of America;~~
- 2. ~~American flag;~~
- 3. ~~United States flag; or~~
- 4. ~~North Carolina flag.~~

- b. ~~For restrictions registered on or after October 1, 2005, the restriction shall be written on the first page of the instrument or conveyance in print that is in boldface type, capital letters, and no smaller than the largest print used elsewhere in the instrument or conveyance. The restriction shall be construed to regulate or prohibit the display of the United States or North Carolina flag only if the restriction specifically states: **"THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA"**.~~

This subdivision shall apply to owners of property who display the flag of the United States or North Carolina on property owned exclusively by them and does not apply to common areas, easements, rights-of-way, or other areas owned by others.

...."

SECTION 29.4.(c) This section is effective when it becomes law.

SEVERABILITY AND EFFECTIVE DATE

SECTION 30.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application and, to this end, the provisions of this act are severable.

SECTION 30.(b) Sections 1 through 4 of this act become effective July 1, 2026. Except as otherwise provided, the remainder of this act is effective when it becomes law.