SENATE BILL 1047:
Regulatory Reform Act of 2026.

2025-2026 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	June 18, 2026
Introduced by:	Sen. Jarvis	**Prepared by:**	Kyle Evans Jennifer McGinnis Chris Saunders Julianna Fedorich Staff Attorney
Analysis of:	Third Edition		

OVERVIEW: Senate Bill 1047 would amend State laws related to energy and utilities, the environment, electrical and building codes, development and development approvals, impact fees, homeowners' association governance, and various other laws and regulations.

CURRENT LAW & BILL ANALYSIS:

GUARANTEED ENERGY SAVINGS CONTRACTS

Section 1 (a) and (b) would create a new Part 3 in Article 3B of Chapter 143 to be entitled "Guaranteed Energy Savings Contracts" and recodify existing law from Part 2 of that Article, "Energy Saving Measures for Governmental Units."

Section 1(c) would require a governmental unit to issue requests for qualifications (RFQ) before entering a guaranteed energy savings contract, set minimum requirements for that RFQ, criteria for selecting a qualified provider, and other procedures concerning the review and selection of a qualified provider, including mandatory review by the State Energy Office.

Section 2 and 3 would make conforming changes to those recodifications in Section 1.

Section 4 would require the Department of Environmental Quality to adopt temporary rules and permanent rules to implement these changes.

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

Under current law, for the purpose of encouraging water conservation, residential landlords are generally required to charge tenants for water or sewer service based on the user's metered consumption of water, which must be determined by metered measurement of all water consumed. The rate charged by the landlord can't exceed the unit consumption rate charged by the supplier of the service.

For leased premises that are contiguous dwellings built prior to 1989, however, where the lessor determines that the measurement of a tenant's total water usage is impractical or not economical, the landlord may allocate the cost for water and sewer service to the tenant using equipment that measures the lessee's hot water usage, in compliance with certain conditions. In that case, each tenant must be billed a percentage of the landlord's water and sewer costs for water usage in the dwelling units based upon the hot water used in the tenant's dwelling unit. The percentage of total water usage allocated for each dwelling unit must be equal to that dwelling unit's individually submetered hot water usage divided by all

submetered hot water usage in all dwelling units. A landlord may not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.

Section 7 would authorize a landlord of a leased mobile home located within a mobile home park, or a leased tiny home located within a tiny home community, if the landlord determines that the measurement of the lessee's total water usage is impractical or not economical, to allocate the cost for water and sewer service to the tenant using:

- Equipment that measures the lessee's hot water usage.
- A ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.

For purposes of this section, the term "tiny home" means a single family detached dwelling unit that is 400 square feet or less in floor area, specifically excluding lofts.

MINING PERMIT MODIFICATIONS

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

- The breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter.
- Any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, soils, and other solid matter from their original location.
- The preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use.

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

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

Section 8 would:

- **Exempt from the definition of "mining"** activities undertaken at any time on the mine property for **the production and harvesting of timber and timber products and conducted in accordance with standards defined by the Forest Practice Guidelines Related to Water Quality**, as adopted by the Department of Agriculture and Consumer Services. These activities are also exempt from requirements under the SPCA.
- Provide that **requests for public hearing must be made within 30 days of receipt of notice (rather than within 30 days of issuance of the notice)** from the chief administrative officer of each county and municipality in which any part of the permitted area is located and owners of land adjoining the proposed mine, and owners of land within specified proximity to the proposed mine.
- Provide that the Department may not extend or alter public comment periods and time frames for conducting public hearings established by the applicable statutes.
- Add language explicitly applying a statute governing all permits issued by the Department to the Mining Act, which provides that except to the extent required by federal or State law, the

Department may not refuse to accept an application for, nor refuse to issue, a new, modified, or transferred mining permit based solely on the failure of an applicant to obtain another permit, authorization, or certification required for the same project.

- Modify timeframes for Department review of an application (currently the Department must grant or deny the permit requested as expeditiously as possible, but in no event later than 60 days after the application form and any relevant and material supplemental information reasonably required shall have been filed with the Department, or if a public hearing is held, within 30 days following the hearing and the filing of any relevant and material supplemental information reasonably required by the Department) to establish specific time limits for the Department to perform an administrative review of an application to determine whether it is administratively complete, and additional timeframes and limits on subsequent requests for information from an applicant, with a technical review period of 60 days once the Department determines the application is complete to issue or deny the permit. The Department may, however, request additional information if required for the technical review based on any new information, changed circumstances, or changed designs provided by the applicant in a previous information submittal, and, where the Department identifies information that should have been requested, the Department may address this information by including conditions in or modifications to the permit upon issuance, but may not deny the permit because of the missing information.

EXEMPT CERTAIN COMPOST FACILITIES FROM FINANCIAL ASSURANCE REQUIREMENTS

Solid waste facility permit holders are required to provide financial assurance to demonstrate ability to pay the costs of assessment and remediation in the event of a release of pollutants from a facility, closure of the facility in accordance with all applicable requirements, and post-closure monitoring and maintenance of the facility. This requirement applies to composting facilities, which are categorized by Type based on the materials that the facility receives. Type 1 facilities may receive yard and garden waste, silvicultural waste, and untreated and unpainted wood waste. Type 2 facilities may receive pre-consumer meat-free food processing waste, vegetative agricultural waste, source separated paper, and other source separated specialty wastes that are low in pathogens and physical contaminants. Type 3 facilities may receive manures and other agricultural waste, meat, post-consumer source-separated food wastes, and other source-separated specialty wastes that are low in physical contaminants but may have high levels of pathogens. Type 4 facilities may receive industrial solid waste, non-solid waste sludges functioning as a nutrient source or other similar compostable organic wastes, or any combination thereof.

Section 8.5 would exempt Small or Large Type 1, 2, and 3 compost facilities from having to meet financial assurance requirements.

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

Current law defines lead poisoning hazard to include certain concentrations of lead dust on surfaces, in varying amounts. These standards follow federal standards for lead concentrations adopted by the United States Environmental Protection Agency (EPA). The EPA, in late 2024, adopted new, lower standards for lead dust concentrations.

Section 9 would amend current State law to align with the updated standards adopted by the EPA.

ALIGN STATUTORY REFERENCE WITH PRESIDENTIAL EXECUTIVE ORDER 14172
Presidential Executive Order (EO) 14172, issued January 20, 2025, directed the US Secretary of the Interior to, among other things, take all appropriate actions to rename as the "Gulf of America" the U.S. Continental Shelf area bounded on the northeast, north, and northwest by the States of Texas, Louisiana, Mississippi, Alabama and Florida and extending to the seaward boundary with Mexico and Cuba in the area formerly named as the Gulf of Mexico.

Section 9.1 would change a statutory reference to the "Gulf of Mexico" to the "Gulf of America," reflecting the Presidential EO.

CONFORM DEFINITION OF "MANUFACTURED HOME" WITH FEDERAL DEFINITION
Section 9.2 would, throughout the statutes, update the definition of "manufactured home" to conform to the federal definition of "manufactured home," found at 42 U.S.C. § 5402(6), and would incorporate future amendments to the federal definition.

42 U.S.C. § 5402(6) currently defines a "manufactured home" as "a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein…."

Section 301(a) of H.R. 6644, the federal 21st Century ROAD to Housing Act, would amend the definition in 42 U.S.C. § 5402(6) by deleting the phrase "on a permanent chassis" and inserting "with or without a permanent chassis" and require states to certify within a year of enactment that their laws treat manufactured homes without a chassis the same as one built on a chassis, and to subject a manufactured home without a permanent chassis to the same State laws and regulations as a manufactured home built on a permanent chassis with respect to financing, title, insurance, manufacture, sale, taxes, transportation, and installation. The Senate voted to proceed on the version of the bill amended by the House on June 16 and Chairs of the Senate Banking, Housing, and Urban Affairs Committee and House Financial Services Committee have jointly released updated bill text.

ON-SITE WASTEWATER PRODUCTS FOR STORMWATER
The Department of Environmental Quality (DEQ) administers the State's stormwater program, pursuant to delegation from the federal Clean Water Act. As part of that program, the Department regulates and authorizes the use of certain stormwater control measures by adopting Minimum Design Criteria (MDC) for those technologies.

Section 10 would direct DEQ to approve for use as a new stormwater technology any prefabricated permeable block panel system approved by the Department of Health and Human Services for use in the State. In developing MDC for this technology, DEQ shall ensure that the MDC follows the manufacturer's installation and service requirements as closely as possible while still complying with federal requirements. A system approved pursuant to this authorization may be used by a professional engineer in certain traffic areas, provided the system meets certain structural loading requirements.

TEMPORARY EVENT EXEMPTION FOR ELECTRIC WORK
Current law prohibits engaging, or offering to engage, in the business of electrical contracting in the State without having received a license from the State Board of Examiners of Electrical Contractors, with limited exceptions.

Section 11 would expand those exemptions to allow temporary attachment of certain electrical components to existing, permanent receptacles for time-limited, permitted international wholesale trade show events in an exhibition hall, mercantile, or assembly occupancy space, so long as a valid electrical permit is obtained and the work is inspected and approved by the local electrical inspector prior to the show's opening.

This section would be effective when it becomes law and apply to permitted events occurring on or after that date.

IMPLEMENTATION OF CODE CHANGES FOR USE OF CERTAIN INSULATION IN WALLS
Section 12 would require the Building Code Council and Residential Code Council (Council) to amend its rules concerning building thermal envelopes to provide that installing air-impermeable spray foam insulation as cavity insulation, which meets R 13 in climate zones 3 and 4, and R-15 insulation in climate zone 5, without installation of additional continuous insulation, is deemed to satisfy the R-value requirements for the wood frame wall in the appropriate climate zone, provided that the building envelope obtains an ACH50 blower door test result of less than or equal to 3.0.

AMEND ENERGY RATING INDEX COMPLIANCE ALTERNATIVE
The Residential Provisions of the North Carolina Energy Conservation Code requires that residential building comply with one of four alternatives to demonstrate energy efficiency, which includes as one of the alternatives complying with Energy Rating Index calculation.

Section 12.5 would specify that the 2022 ANSI/RESNET/ICC Standard 301-2022 "Standard for the Calculation and Labeling of the Energy Performance Index of Dwelling and Sleeping Units." is the standard for calculating the Energy Rating Index.

PERMIT CHOICE MODIFICATIONS
Under current law, when a development permit applicant submits a permit application for any type of development and a rule or ordinance is amended between the time the application was submitted and the time a development permit decision is made by the local government, the applicant may choose which version of the rule or ordinance will apply to the permit.

Section 13 would expand the types of development permits and land development regulations subject to permit choice to include conditional zoning, rezoning, and stormwater permits. This section would also clarify that a development permit applicant may not select a version of an erosion and sediment control permit or a stormwater permit that does not comply with federal law.

ESTABLISH REVIEW PERIODS FOR LOCAL GOVERNMENT APPROVALS AND DECISIONS
Section 14 would establish a 90-day timeline for review of applications for development approvals and rezoning requests. Within seven calendar days, the local government or its staff must determine if the application is complete. When the application is deemed complete, the 90-day timeline begins. Failure to

act within the 90-day period would constitute an approval of the application. This section would only apply to local governments with a population of 20,000 or more.

This section would become effective August 1, 2026, and apply only to applications, approvals, and actions filed on or after that date.

NUISANCE IMMUNITY FOR RURAL RECREATIONAL AND HERITAGE EVENTS

Section 15 would provide that a facility that regularly hosts or conducts rural recreational and heritage events, which include motorized and off-road vehicle competitions, horse and farm animal events, and sporting dog activities, is not subject to nuisance or taking claims from surrounding property owners within three miles of the facility if the facility was lawfully established and had hosted at least one rural recreational and heritage event within the 24 months preceding the date the surrounding property owner bought the property or constructed a building on the property.

This section would be effective when it becomes law and would apply to actions commenced on or after that date.

AT-RISK BUILDING CHANGES

Current law allows an applicant for certain commercial or multifamily developments that meet certain requirements to begin building foundation construction pursuant to an "at-risk building foundation permit." This permit allows an applicant to begin construction of the foundation before a building permit has been issued and provides that the applicant bears all risks of liability, and the local government is discharged and released from any liabilities, duties, and responsibilities attributable to the review, approval, or construction pursuant to that at-risk permit.

Section 16 would expand the at-risk building foundation permit to also include any associated trade permit (i.e. plumbing, electrical) necessary to support the authorized foundation construction.

LIMIT RESTRICTIVE COVENANTS ON SCHOOL PROPERTY

G.S.115C-518 provides for the disposition of school property when a local board of education determines that the property is unnecessary or undesirable for public school purposes. A local board must offer undesirable or unnecessary real property to the board of county commissioners at a fair market price before attempting to sell the property to another entity. If not obtained by the board of county commissioners, undesirable or unnecessary property may be sold by advertisement for sealed bids, at public auction, or in accordance with other methods authorized by Article 12 of Chapter 160A of the General Statutes.

Section 16.5 would prohibit a local board of education from imposing or enforcing any restriction on the future use of unnecessary or undesirable real property that prohibits a public school unit or nonpublic school from using the property. Any existing restriction on unnecessary or undesirable property disposed by a local board of education that prohibits a public school unit or nonpublic school from using the property would be void and unenforceable.

This section would be effective when it becomes law and apply to the disposition of unnecessary or undesirable real property by a local board of education on or after that date.

PROMOTE FEE TRANSPARENCY AND PREDICTABILITY FOR APPLICANTS PRIOR TO LOCAL GOVERNMENT DEVELOPMENT PERMIT APPROVAL OR ISSUANCE.

Section 17 would require local governments to prominently display their development fee schedules on their official websites and report their fee schedules to the Local Government Commission, who would compile an annual report of local government fee schedules statewide.

This section would also require each local government to provide an applicant for a development approval the current fee schedule and an estimate of all fees that may reasonably be assessed for the applicant's project within 10 business days after the applicant submits a completed application. When a development approval is issued, the local government would be required to provide the applicant with a binding final fee statement of exact fees due, which may not exceed the previously provided estimate. An applicant could bring a civil action in superior court to compel compliance with the requirements of this section, and the prevailing party would recover reasonable attorney's fees and costs.

TOLL DISCONTINUANCE PERIOD FOR VESTED RIGHTS DURING EMERGENCY DECLARATIONS

Current law provides that upon issuance of a development permit, a vested right is established, meaning amendments in land development regulations are not applicable or enforceable without the written consent of the owner, for a period of time (a site specific development plan is vested for two years, although a local government may provide for site specific development plan vesting for up to five years).

A vested right to complete a project granted by the issuance of a development permit expires for an uncompleted development project if the development work is intentionally and voluntarily discontinued for 24 months. The 24 month discontinuance period is automatically tolled during either of the following:

- The pendency of any board of adjustment proceeding or civil action in a State or federal trial or appellate court regarding the validity of a development permit, the use of the property, or the existence of the statutory vesting period.
- The pendency of any litigation involving the development project or property that is the subject of the vesting.

Sections 18 would provide that the 24-month discontinuance period for the vested right to complete a project is also tolled for the duration of an emergency declaration for which the defined emergency includes some or all of the property under development.

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

Current law tolls the expiration of certain development approvals issued in certain areas impacted by Hurricane Helene to December 31, 2027. Development approvals included for purposes of the provision include:

- Any detailed statement by a State agency under G.S. 113A-4.
- Any detailed statement submitted by a special purpose unit of government or a private developer of a major development project under G.S. 113A-8.
- Any finding of no significant impact prepared by a State agency under Article 1 of Chapter 113A of the General Statutes.

- Any approval of an erosion and sedimentation control plan granted by a local government or by the North Carolina Sedimentation Control Commission under Article 4 of Chapter 113A of the General Statutes.
- Any water or wastewater permit issued under Article 10 or Article 11 of Chapter 130A of the General Statutes.
- Any building permit issued under Article 9 of Chapter 143 of the General Statutes.
- Any nondischarge or extension permit issued under Part 1 of Article 21 of Chapter 143 of the General Statutes.
- Any stream origination certifications issued under Article 21 of Chapter 143 of the General Statutes.
- Any water quality certification issued under Article 21 of Chapter 143 of the General Statutes.
- Any air quality permit issued by the Environmental Management Commission under Article 21B of Chapter 143 of the General Statutes.
- Any approval by a local government of sketch plans, preliminary plats, plats regarding a subdivision of land, a site specific development plan or a phased development plan, a development permit, a development agreement, or a building permit under Chapter 160D of the General Statutes.
- Any certificate of appropriateness issued by a preservation commission of a local government under Part 4 of Article 9 of Chapter 160D of the General Statutes.

However, a local government may revoke or modify a development approval automatically extended if, due to changed site conditions resulting from Hurricane Helene or subsequent related natural disasters, the local government determines that it would not issue the permit under current site conditions based on a determination that the site no longer meets applicable State or federal safety, environmental, or engineering standards, or that the extension of the approval would present a material risk to life, health, or property.
Section 19 would extend the tolling of those governmental approvals to December 31, 2030.

STATUTORY SAFEGUARDS FOR HOA GOVERNANCE
Section 20 would make the following changes to laws governing **powers of owners' associations** in condominiums and planned communities:

- Authorize associations to impose a reasonable charge for providing copies of records requested by an owner, not to exceed the actual cost of photocopying the records.
- In exercising any authority granted under the declaration to approve or disapprove an owner's proposed property change, associations would be required to:
    - Provide a fair, reasonable and expeditious procedure for making the decision.
    - Issue a written decision no later than 90 days after the proposal is submitted.
    - Include in any disapproval decision an explanation of the reasons for the disapproval and how the owner can request reconsideration by the executive board.

Section 20.1 would make changes to laws governing **association fines.**

Under current law, unless a specific procedure for imposing fines or suspending community privileges or services is provided for in the declaration, a hearing must be held before the executive board or a panel it has appointed to determine if an owner should be fined or have privileges or services suspended for

violations of the declaration, bylaws, and rules and regulations of the association. The owner charged with the violation must be given notice of the charge, opportunity to be heard and present evidence, and notice of the decision. A fine of up to $100 may be imposed for a violation, for each day more than five days after the decision that the violation occurs.

Sections 20.1 would amend the relevant statutory sections to require an owner to receive at least 10 days' written notice of a hearing to determine whether a fine should be imposed for an alleged violation, would require the notice to specify the action, if any, required to cure the alleged violation, and would require that the owner receive the names of persons whose testimony the association plans to offer and a copy of any documents, photographs, or other it plans to offer at the hearing. In addition, the total amount of all daily fines imposed for a continuing violation would be capped at $2,500.

Section 20.2 would make changes to laws governing **association liens.**

Under current law, any assessment that is at least 30 days delinquent constitutes a lien on the member's property upon the filing of a claim of lien with the clerk's office in the county where the property is located. Once filed, the claim of lien secures all sums due at the time of filing as well as any sums becoming due thereafter. Unless the declaration provides otherwise, the claim of lien also secures all fees and other charges due and payable under the declaration, applicable law, or as the result of an arbitration, mediation, or judicial decision.

An association must make reasonable efforts to ensure that its records have the current mailing address of the property owner. No less than 15 days before filing the lien, the association must mail a statement of the assessment amount due by first class mail to the physical address of the unit or lot and the owner's address of record with the association and, if different, to the address on the county tax records. If the owner is a corporation or limited liability company, the statement must also be sent by first class mail to the mailing address of the registered agent for the corporation or limited liability company.

An association may foreclose a claim of lien in the same manner as a mortgage or deed of trust on real estate under a power of sale, provided that the assessment has remained unpaid for at least 90 days. For a claim of lien securing a debt consisting solely of unpaid fines, interest on unpaid fines, or attorneys' fees incurred solely associated with fines imposed by the association, may only be enforced by judicial foreclosure.

Associations are entitled to recover the reasonable attorneys' fees and costs incurred in connection with the collection of any sums due.

Sections 20.2 would amend the relevant statutory sections to make the following changes:

- The association would be required to make reasonable efforts to ensure it has the current email address of the owner and to provide proper notice of delinquent assessments to the owner before filing a claim of lien, to include sending a statement of the assessment due and a copy of any filed claim of lien and its certificate of service via electronic email if the owner has designated an email address as provided for in the Nonprofit Corporation Act.
- If an association's lien secures a debt consisting solely of fines or related interest or attorneys' fees, these sections would remove the association's current authority to enforce the lien through judicial foreclosure. To enforce such a lien, the association would be required to:
    - File the claim of lien within 90 days after the date the fine was imposed and separately from any claim of lien securing other sums owed.

  - Commence a civil action seeking a judgment within one year after the filing of the claim of lien.

- An association would be permitted to use judicial foreclosure only to enforce a lien securing a debt other than unpaid fines and related interest and attorneys' fees.
- Require an association to file a civil action seeking a judgment to enforce a lien consisting of sums due for fines or fine-related charges.
- Provide that the court may, in the court's discretion, allow associations to recover the reasonable attorneys' fees and costs incurred in collecting any sums due.

Section 20.3 would make changes to laws governing **association records and contracts** to provide that an owner is entitled to inspect and copy, at a reasonable time and location, any contract entered into by the association subject to certain required procedures.

EXEMPT CERTAIN INDIVIDUALS FROM BARBER AND COSMETIC ARTS LICENSING
Under current law, a person who is employed by a barbershop or cosmetic art shop whose duties are limited only to shampooing or blow drying of hair are exempt from licensure, provided they follow the sanitation rules of the respective boards.

Section 20.5 would expand the exemption to people employed outside of barbershops and cosmetic art shops, provided they follow the sanitation rules of the Board of Barber and Electrolysis Examiners.

ALLOW PRIVATE SWIM LESSONS IN PRIVATE POOLS
S.L. 2025-94 rewrites a 2024 exemption for private swimming pools serving a single-family dwelling used only by residents and their guests to apply regardless of whether the guests gain use of the private pool through a sharing economy platform or pay a fee. In cases where a fee is exchanged for pool access, the private pool must be "maintained in good and safe working order." S.L. 2025-94 also prohibited local health departments from regulating these exempted private pools.

Section 21 would expand that exemption to also apply to persons providing private swim instruction, regardless of whether the swim instructor gain use of the private pool through a sharing economy platform or otherwise pay a fee. This section would also prohibit local health departments from adopting rules regulating any recreational or instructional use of these exempted private pools.

ATV RIDER RESTRICTION MODIFICATION
Current law prohibits any parent or legal guardian of a person less than 16 years of age to knowingly permit that person to operate an all-terrain vehicle (ATV) in violation of the Age Restriction Warning Label affixed by the manufacturer as required by the applicable American National Standards Institute/Specialty Vehicle Institute of America (ANSI/SVIA) design standard.

Section 22 would create an exception to this prohibition if the person under 16 years of age meets certain rider fit requirements, as determined by a certified ATV safety course instructor, and the person operating the ATV is under the direct supervision of the instructor while participating in the course or an adult after completing the course, and complies with all other applicable requirements, including helmet and eye protection requirements.

PLUMBING BOARD FEE CAP CLARIFICATION

Current law caps annual license fees at one hundred fifty dollars ($150.00) for persons, firms, or corporations engaged in the business of either plumbing or heating contracting, or both. Further, the initial application fee for fire sprinkler contracting is capped at seventy-five dollars ($75.00) and an annual license fee capped at three hundred dollars ($300.00). If a person, firm or corporation that is required to renew, fails to do so in January of each year, the Board must increase the license fee by twenty-five dollars ($25.00).

Section 23 would clarify that the Board cannot charge any fee or payment associated with licensing except for those expressly authorized by statute.

EXTEND ANNUAL REPORTING REQUIREMENTS FOR BUSINESS ENTITIES OWNED BY DEPLOYED MEMBERS OF THE ARMED FORCES

Sections 24, 25, and 26 would amend Chapter 55 (Business Corporation Act), Chapter 57D (Limited Liability Company Act), and Article 3B (Registered Limited Liability Partnerships) of Chapter 59 (Partnerships) of the General Statutes, respectively, to provide as follows:

- For purposes of these provisions, "Armed Forces" would mean the United States Air Force, Army, Coast Guard, Marine Corps, Navy, or Space Force, or any reserve component of the foregoing, and "deployed member" would mean a member of the Armed Forces who is removed from his or her county of residence under an official order for a deployment period ending on or after the ninetieth day preceding the due date of the entity's annual report.
- If more than 50% of the ownership interest of a business entity is owned by one or more deployed members of the Armed Forces, the due date for its next annual report would be 90 business days after the end of the deployment period for LLPs and corporations or by April 15 of the year immediately following the end of the deployment period for LLCs. If the deployment is extended, the due date would be 180 days after the end date of the extended deployment for all entities.
- Prior to the start of the deployment, the business entity would be required to file an affidavit of deployment by the deployed member with the Secretary of State containing the following information:
    - The full name of the deployed member.
    - The business entity's name and the jurisdiction in which it was organized.
    - The deployed member's current percentage ownership interest in the entity.
    - The start and end dates of the deployment.
    - A statement either certifying that no information contained in the most recently filed annual report has changed or setting forth the updated information.
- If the deployment is extended beyond the end date stated in the affidavit of deployment, the business entity would be required to file an affidavit of extended deployment by an authorized representative with the Secretary of State containing the following information:
    - The affiant's title or position in the business entity.
    - The full name of the deployed member.
    - The business entity's name and the jurisdiction in which it was organized.
    - The deployed member's current percentage ownership interest in the entity.

  - The end date of the extended deployment.
  - A statement either certifying that no information contained in the most recently filed annual report has changed or setting forth the updated information.

- For a business entity subject to these provisions, the grounds for administrative dissolution would apply only if the period of delinquency is at least 180 days past the end of the deployment period stated in the affidavit of deployment filed with the Secretary of State.
- Filing fees would be waived for filing the required affidavit of deployment and affidavit of extended deployment.

Section 27 would exempt from disclosure under the public records laws any information contained in an affidavit of deployment or affidavit of extended deployment filed with the Secretary of State.

Section 28 would direct the Secretary of State to make available any forms needed for the affidavit of deployment or affidavit of extended deployment and to take any other action necessary to allow business entities to begin filing pursuant to this act on October 1, 2026.

Sections 24–28 would become effective October 1, 2026.

CLARIFY EXEMPTION FOR STRETCHING SERVICES AT MASSAGE AND BODYWORK THERAPY ESTABLISHMENTS

Section 29.2 would define "stretching services" and clarify that a person who provides stretching services, including a person who is employed by or contracts with a massage and bodywork therapy establishment, is not required to be licensed by the North Carolina Board of Massage and Bodywork Therapy.

LIMIT LOCAL GLAZING AND TRANSPARENCY REQUIREMENTS

Section 29.3 would prohibit local governments from adopting or enforcing a requirement for a commercial or mixed-use building to have glazing, transparency, windows, or other transparent or translucent facade materials in excess of thirty-five percent (35%) of its ground-floor facade area. For portions of a commercial or mixed-use building used primarily for non-storefront purposes, a local government could not adopt or enforce a glazing requirement that requires glazing or transparency to exceed twenty percent (20%) of the ground-floor facade area. This section would not apply in historic districts or where otherwise required by law.

FURTHER PROHIBIT PROPERTY RESTRICTIONS ON FLYING THE AMERICAN AND NORTH CAROLINA FLAG

Current law prohibits condominiums and homeowners associations (HOAs) from enforcing, by declaration or covenant, any restriction on the use of land that could be construed to regulate or prohibit the display of an American or North Carolina flag no larger than 4' x 6' displayed in accordance with the customs set forth in the federal Flag Code, unless the declaration or covenant includes specific terms clearly identifying that the restriction applies to American or North Carolina flags.

Section 29.4 would eliminate those exemptions and provide that in no circumstance could a condominium or HOA prohibit or regulate the display of an American or North Carolina flag no larger than 4' x 6', flown in accordance with the federal Flag Code.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.