



HOUSE BILL 1121: Added Fee for Sexually Oriented Businesses.

2025-2026 General Assembly

Committee:	House Judiciary 1. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 9, 2026
Introduced by:	Reps. Riddell, Cotham, Johnson-Hostler, Scott	Prepared by:	Ike McRee
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: House Bill 1121 would add a new article to Chapter 105 (Taxation) of the General Statutes to require a \$10.00 fee for each customer entry into a sexually oriented business with an alcohol permit and would direct placement of the fees into the Sexual Assault and Rape Crisis Center Fund to be used by the North Carolina Council for Women.

CURRENT LAW: Under G.S. 160D-902, local governments may regulate sexually oriented businesses through zoning regulations, licensing requirements, or other appropriate local ordinances and may require a fee for the initial license and any annual license renewal.

BILL ANALYSIS: House Bill 1121 would do the following:

- Add new Article 2F to Chapter 105 of the General Statutes and make legislative findings regarding the secondary impacts of sexually oriented businesses.
- Define terms including "sexually oriented business".
- Impose a \$10.00 fee for each entry by each customer on every sexually oriented business with an alcohol permit, provide that the sexually oriented business is not required to impose the fee on the customer, and require the sexually oriented business to remit fees to the Department of Revenue (DOR) on a quarterly basis.
- Provide that the collected fees would be put into the Sexual Assault and Rape Crisis Center Fund to be used by the North Carolina Council on Women in accordance with applicable laws and guidelines.
- Direct the North Carolina Council on Women, in consultation with DOR, to submit an annual report of the amount of fees collected and recipients of the collected fees to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division by September 1 of each year.

EFFECTIVE DATE: The act would be effective on October 1, 2026.

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