



2025-2026 General Assembly

# HOUSE BILL 1123: UNC Omnibus & Capital Contracting Law Changes, Part V: Capital Improvement Threshold Increases

**Analysis of:** S.L. 2026-9, Part V

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Part V of S.L. 2026-9 (House Bill 1123) does the following:

- Modifies the definition of a "capital improvement" under the State Budget Act to include any repairs and renovations valued at \$150,000 or more, instead of \$100,000.
- Directs every officer, board, department, or commission charged with the duty of approving plans and specifications or awarding or entering into contracts involving the expenditure of public funds to require that plans and specifications be prepared by a registered architect, a registered engineer, or both, if the contract meets any of the following increased monetary thresholds:
  - \$300,000 or more for the repairs of a public building that does not include major structural changes in framing or foundation support systems, instead of \$300,000.
  - \$150,000 or more for the repairs of a public building affecting life safety systems, instead of \$100,000.
  - \$150,000 or more for the repairs of a public building that include major structural changes in framing or foundations support systems, instead of \$135,000.
  - \$150,000 or more for the construction of, or additions to, public buildings or State-owned utilities, instead of \$135,000.
- Clarifies that a State entity overseeing a project is exempt from requiring a certificate of compliance, if the project meets the following criteria:
  - Has a projected cost of less than \$150,000, instead of \$100,000.
  - Does not alter life safety systems.
  - Does not require a registered architect or engineer.
- Prohibits owners or prime contractors from requiring retainage on public construction contracts with an estimated cost of \$150,000, instead of \$100,000.
- Expands the authority for The University of North Carolina (UNC) and its constituent institutions to award contracts for construction or repair work that requires an estimated expenditure under \$1.5 million instead of \$500,000, without complying with the State law procedure for awarding public contracts.
- Modifies the exemption for capital improvement projects under the jurisdiction of the State Building Commission, UNC, or community colleges from State laws governing procurement of

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architecture, engineering, and surveying services to include projects with an estimated cost of \$1.5 million instead of \$500,000.

- Removes the following exemptions from the State law describing the requirements for certain State building contracts, which are now generally included above:
  - Contracts for the erection, construction, alteration or repair of a building with a cost of \$300,000 or less.
  - Contracts for the erection, construction, alteration, or repair of a building owned by UNC or its constituent institutions with a cost of \$500,000 or less.

This Part became effective June 19, 2026.