



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

2025-2026 General Assembly

Committee:	House Judiciary 2. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 8, 2025
Introduced by:	Reps. Rhyne, Chesser, Pickett	Prepared by:	Susan Sitze
Analysis of:	PCS to First Edition H437-CSSA-14		Staff Attorney

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

CURRENT LAW:

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

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

The potentially applicable penalties under current law are as follows:

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

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

BILL ANALYSIS:

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

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

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

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

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

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