



# HOUSE BILL 926: Regulatory Reform Act of 2025.

2025-2026 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	September 22, 2025
<b>Introduced by:</b>	Reps. Riddell, Zenger, Chesser	<b>Prepared by:</b>	Kyle Evans
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**OVERVIEW:** House Bill 926 would amend State laws related to State and local government, occupational licenses, commerce, environment, and various other regulations.

## CURRENT LAW & BILL ANALYSIS:

### ALLOW AUTHORIZED ON-SITE WASTEWATER EVALUATOR TO PREPARE A SITE DENIAL LETTER FOR SUBSURFACE WASTEWATER SYSTEMS

**Section 1** would direct the Environmental Management Commission (Commission) to implement its rules concerning on-site wastewater systems to allow either a local county health department official or an Authorized On-Site Wastewater Evaluator to prepare and submit site denial letters for subsurface wastewater systems. This section would also direct the Commission to readopt its rules consistent with that implementation.

### SURVEYOR RIGHT OF ENTRY

G.S. 89C-19.2 (Limited right of entry by professional land surveyors) does the following:

- Grants a licensed professional land surveyor, and the surveyor's agents, employees, or personnel under the surveyor's supervision, the right to enter upon the lands of others with the surveyor's customary equipment and vehicles, if necessary to perform surveys for the practice of land surveying, including the location of property corners, boundary lines, rights-of-way, and easements.
- Clarifies that an entry by a professional land surveyor as authorized by the statute does not constitute trespass under Articles 22A or 22B of Chapter 14 of the General Statutes, and the surveyor making an authorized entry is not subject to arrest or a civil action by reason of the entry.

**Section 2** would repeal G.S. 89C-19.2 and establish a limited right of entry by professional land surveyors under Chapter 14 (Criminal Law).

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## **AWARD ATTORNEYS' FEES FOR TRESPASS TO REAL PROPERTY OR SURVEYOR NEGLIGENCE**

Current law allows the court, in its discretion, to award attorneys' fees for certain enumerated matters.

**Section 2.5** would allow courts to award attorneys' fees in actions for trespass upon real property and in actions against licensed surveyors or their agents in actions where the negligence or deficiency of the professional surveyor or their agent caused physical damage or economic or monetary loss.

## **PROHIBIT INSPECTION DEPARTMENTS FROM CHARGING FEES FOR CERTAIN INSPECTION CANCELLATIONS**

**Section 3** would prohibit local inspection departments from charging permit holders a fee or failing inspections of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels the inspection with more than one business day's notice.

## **LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR CERTAIN MUNICIPAL STREETS**

**Section 4** would prohibit local governments from establishing or requiring pavement design standards for public or private roads that are more stringent than the minimum pavement design standards adopted by the Department of Transportation.

This section would become effective January 1, 2026, and apply to projects initiated on or after that date.

## **EXPAND CULINARY ABC PERMIT**

Culinary permits allow a business to have fortified wine or spirituous liquor in the kitchen of a restaurant, hotel, or cooking school for culinary purposes.

**Section 5** would expand the availability of culinary permits to the following:

- Food businesses, which are businesses that sell food primarily to be eaten off-premises.
- Eating establishments, which are businesses that sell food to be eaten on premises, but are not large enough to qualify as a restaurant.

## **EXEMPT MODEL HOMES FROM FIRE PROTECTION WATER SUPPLY REQUIREMENT DURING CONSTRUCTION**

The North Carolina Building Code and North Carolina Fire Code require approved water supplies for fire protection availability as soon as combustible materials arrive on a job site.

**Section 6** would authorize a fire code official to reduce fire-flow requirements for an isolated model home at a subdivision project site where full fire flow requirements is impractical or pending. This section would also require the Building Code Council and Residential Code Council to make conforming changes to the Code, as applicable.

## **ADVANCED TEACHING ROLES – LIMITED CLASS SIZE EXCEPTION AND TRACK ROLES IN STUDENT INFORMATION SYSTEM**

G.S. 115C-301 establishes class size requirements for kindergarten through 3rd grade. Article 20A of Chapter 115C of the General Statutes establishes the Advanced Teaching Roles program (ATR Program), which develops advanced teaching roles and organizational models that link teacher performance and professional development to salary increases for classroom teachers in selected local school administrative units. Participating local school administrative units (ATR units) can receive grants to support the

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implementation of the ATR Program for up to two three-year terms, during which time the units also receive class size flexibility.

**Section 7** would allow the State Board of Education to authorize any ATR unit that received its final year of grant funding in the 2024-2025 school year to exceed the maximum class size requirements for the 2025-2026 and 2026-2027 school years. Additionally, this section would require the Department of Public Instruction to create designations in the student information system for teachers serving in advanced teaching roles.

## END DUAL LICENSURE REQUIREMENTS FOR AUDIOLOGISTS

It is generally unlawful for a person to fit or sell hearing aids without being licensed to do so by the State Hearing Aid Dealers and Fitters Board. In addition to this Board, there exists the Board of Examiners for Speech and Language Pathologists and Audiologists. This Board licenses speech pathologists and audiologists independently.

Under current law, licensed audiologists who possess a doctoral degree in audiology are expressly authorized to fit or sell hearing aids, without being required to obtain separate licensure from the State Hearing Aid Dealers and Fitters Board.

**Section 8** would authorize anyone holding an unrestricted license as an audiologist from the Board of Examiners for Speech and Language Pathologists and Audiologists to fit or sell hearing aids without having to obtain separate licensure from the State Hearing Aid Dealers and Fitters Board.

## LOCKED HEARING AID DISCLOSURES FOR HEARING AID FITTERS, DEALERS, AND AUDIOLOGISTS

[G.S. 93D-7](#) requires that every person fitting or selling a hearing aid, at or before the time of delivery, provide the purchaser a statement of sale that includes the following information: the date of sale; whether the hearing aid is new, used, or refurbished; the hearing aid identification number; name of manufacturer; price of hearing aid; charge for fitting and service; name of the dealer or fitter; and the customer's signature. This requirement does not apply to the selling of over-the-counter hearing aids.

**Section 9** would establish certain requirements applicable to licensed hearing aid specialists who sell "locked hearing aids," which are defined as "a prescription hearing aid or an over-the-counter hearing aid that uses proprietary programming software or locked, nonproprietary programming software that restricts programming or servicing of the device to specific facilities or providers."

This section would require licensed hearing aid specialists who sell locked hearing aids to provide purchasers with the following written notice in 12-point font type or larger, prior to the sale:

"The locked hearing aid being purchased uses locked, nonproprietary or proprietary locked programming software and can only be serviced or programmed at specific facilities or locations."

The purchaser would have to sign this written notice prior to completing the sale.

Upon selling a locked hearing aid, the seller must deliver to the purchaser a written receipt that provides, in addition to the information required by G.S. 93D-7, the following information: the date of sale; the make, model, and serial number of the hearing aid; whether the hearing aid is new, used, or reconditioned; the name and license number of each person who sold or provided any recommendation or consultation regarding the purchase; the address and office hours for the licensee's business; and the terms of any guarantee or written warranty made to the purchaser.

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This section would also require the seller to maintain the following records for at least three years after the sale, including: a copy of the written notice signed by the purchaser; a copy of the receipt containing all requisite information regarding the sale; the results of any audiologic tests or measurements performed; and a copy of any written recommendations prepared as part of the fitting or dispensing of the hearing aid.

**Section 9.1** would establish requirements for licensed audiologists that are identical to those requirements in Section 9 which are applicable to hearing aid specialists.

**Sections 9 and 9.1** would become effective October 1, 2025.

## **ALLOW BUYER'S AGENT COMPENSATION TO BE INCLUDED IN THE OFFER TO PURCHASE**

By rule adopted by the North Carolina Real Estate Commission, a broker acting as an agent in a real estate transaction may not use a preprinted offer or sales contract that includes any provision regarding the payment of commission or compensation to a broker or firm.

**Section 10** would direct the Real Estate Commission to implement its rule concerning offer and sales contracts to allow preprinted contracts to include provisions regarding the payment of commission or compensation and amend its rule consistent with that implementation.

## **PROHIBIT WAITING PERIODS FOR REILING OF DEVELOPMENT APPLICATIONS**

**Section 11** would bar a development regulation or unified development ordinance from including waiting periods prohibiting a landowner, developer, or applicant from reiling a denied or withdrawn application for a zoning map amendment, text amendment, development application, or request for development approval.

## **LIMIT LOCAL GOVERNMENT AUTHORITY TO REGULATE THE DISPLAY OF AMERICAN FLAGS ON PRIVATE PROPERTY**

**Section 12** would amend existing law that limits the authority of local governments to prohibit an official governmental flag from being flown or displayed if the official governmental flag is flown or displayed:

- In accordance with the [patriotic customs set forth under federal law](#).
- Upon private or public property with the consent of either the owner of the property or of any person having lawful control of the property.

Current law does allow reasonable restrictions on flag size, number of flags, location, and height of flagpoles for the purpose of protecting the public health, safety, and welfare, provided that such restrictions do not discriminate against any official governmental flag. Under existing law, the term "official governmental flag" includes:

- The flag of the United States of America.
- The flag of nations recognized by the United States of America.
- The flag of the State of North Carolina.
- The flag of any state or territory of the United States.
- The flag of a political subdivision of any state or territory of the United States.

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Section 12 would enhance protections for the American flag and the State's flag to prohibit a city from adopting or enforcing an ordinance that prohibits or restricts a property owner from displaying such flags on the property owner's property. A city would, however, be authorized to adopt an ordinance to reasonably regulate the manner and placement of the display of an American flag or a North Carolina flag only when necessary to protect public health and safety. To enforce such an ordinance against a particular property, the city would be required to produce written findings of fact documenting the public health and safety concerns. If a city asserts a traffic-based justification concerning a flag on a particular property, a site study conducted by the Department of Transportation must be performed to evaluate whether traffic concerns will actually arise with manner or placement of the display of the flag at the particular location, and a flag shall only be prohibited if the Department of Transportation determines traffic concerns would in fact arise.

Section 12 would be effective when it becomes law, and any citation, fine, penalty, action, proceeding, or litigation pending on that date which has resulted from application of an ordinance contrary to the provisions of this section would be abated by this section.

## **ALLOW OFF-SITE FOOD SERVICE FOR WORKPLACE EVENTS**

**Section 13** would authorize a permitted food establishment to serve food or drink in a workplace setting at an offsite location for the employees of that designated workplace and their invited guests. The food establishment must notify the local health department before initiating offsite service at a designated workplace and comply with several other requirements.

## **EXTEND NOTICE REQUIRED BEFORE CONTESTED CASE HEARINGS**

Under current law, the parties to a contested case must be given notice at least 15 days before the hearing.

**Section 14.(a)** would provide that for Article 3 contested cases, the Office of Administrative Hearings (OAH) must give the parties notice of the location and week that the hearing is expected at least 30 days before the initial scheduled hearing date. OAH would still issue a formal notice of hearing at least 15 days before the hearing date.

**Section 14.(b)** would provide that for Article 3A<sup>1</sup> contested cases, the agency must give the parties notice at least 30 days before the hearing.

## **ENCOURAGE ARTICLE 3A AGENCIES TO NEGOTIATE INFORMALLY**

The official policy of the State in disputes between a State agency and another person is that those disputes should be settled through informal procedures. A contested case may be filed only if the dispute cannot be resolved informally.

**Section 15** would make clear that this also applies to Article 3A of the Administrative Procedure Act.

## **SWIMMING POOL AMENDMENTS**

Public swimming pools are subject to permitting requirements and rules enforced by the Department of Health and Human Services. Certain types of pools are exempt from regulation, including:

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<sup>1</sup> Article 3A of the Administrative Procedure Act governs contested cases involving (i) occupational licensing boards, (ii) the State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce, (iii) the Department of Insurance and the Commissioner of Insurance, (iv) the State Chief Information Officer in the administration of the Department of Information Technology, (v) the State Building Code Council, and (vi) the Office of the State Fire Marshal and the State Fire Marshal.

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- Private pools serving a single-family dwelling and used only by the residents of the dwelling and their guests,
- Therapeutic pools used in physical therapy programs operated by medical facilities licensed by the Department or operated by a licensed physical therapist, and
- Therapeutic chambers drained, cleaned, and refilled after each individual use.

S.L. 2024-49 amended the law governing public swimming pools, effective July 1, 2025, to expand the exemption for private swimming pools to include private swimming pools offered for use to individuals on a temporary basis through a sharing economy platform, provided that the swimming pools meet certain minimum safety and cleanliness requirements.

Local boards of health may adopt more stringent rules in areas regulated by the Commission for Public Health when the local board finds that a more stringent rule is required to protect public health.

**Section 16** would prohibit a local board of health from adopting a rule concerning a private pool serving a single family dwelling otherwise exempt from regulation by the Department of Health and Human Services pursuant to G.S. 130A-280.

**Section 17** would rewrite the S.L. 2024-49 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."

This section would also make various technical and organizational changes to G.S. 130A-280.

## **ZONING REGULATIONS/UNIVERSITY PROPERTY**

G.S. 160D-913 exempts from local government zoning and development regulations any building project located in Wake County that is managed by the State Construction Office.

**Section 18** would exempt on a Statewide basis any building project managed by the State Construction Office from local zoning and development regulations. This section would also exempt projects that are both: (i) managed by The University of North Carolina or any of its constituent institutions, and (ii) are in Buncombe, Orange, Watauga, or Wake County.

## **DOWNSTREAM INUNDATION MAPS**

An owner of a dam classified by the Department of Environmental Quality as a high-hazard dam or an intermediate-hazard dam must develop an Emergency Action Plan (EAP) for the dam. Information included in the EAP that constitutes sensitive public security information, which includes certain information protected pursuant to rules adopted by the Federal Energy Regulatory Commission (FERC), is exempt from disclosure pursuant to the Public Records Act.

**Section 19** would exclude from the definition of sensitive public security information any EAPs or downstream inundation maps associated with impoundments or dams not regulated by FERC.

## **NO SECOND BITE FOR STORMWATER AND SEWER PERMITTING REVIEW**

**Section 20** would modify the review process for stormwater and sewer permitting to limit the Environmental Management Commission's ability to make subsequent requests for information from a permit applicant if that information was not previously identified as missing or required in an earlier information request from the Commission, except in certain circumstances

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## **MODIFY THE FALLS RESERVOIR WATER SUPPLY NUTRIENT STRATEGY RULES TO EXEMPT NEW RESIDENTIAL DEVELOPMENT DISTURBING LESS THAN ONE ACRE**

The Falls Lake Rules are a nutrient management strategy designed to restore water quality in the lake by reducing the amount of pollution entering upstream. The Falls Lake Nutrient Management Strategy was implemented in 2011 to reduce nutrient inputs to the lake from wastewater discharges, stormwater runoff from new and existing development, and agricultural sources. Among other things, the [Falls Lake rule governing stormwater management for new development](#) requires:

- That all local governments subject to the rule develop stormwater management programs with certain elements, including a requirement that a stormwater management plan must be submitted for local government approval for all proposed new development disturbing one-half acre or more for single family and duplex residential property and recreational facilities.<sup>2</sup>
- Proposed new development activity disturbing at least one-half acre but less than one acre of land for single family and duplex residential property and recreational facilities must achieve 30% or more of the needed load reduction in both nitrogen and phosphorus loading onsite and must meet any requirements for engineered stormwater controls described in the rule.

**Section 21** would require the Environmental Management Commission to revise the Falls Lake rule governing stormwater management for new development to:

- Except as required pursuant to federal law or permit, prohibit requirements for a stormwater permit, management plan, or post-construction stormwater controls for single family and duplex residential and recreational development that cumulatively disturb less than one acre, which is not part of a larger common plan of development.
- Prohibit applicable local governments from establishing requirements more restrictive than the rule.

## **ALLOW RENEWAL OR EXTENSION OF CONTRACTS FOR JOINT MUNICIPAL POWER AGENCIES**

**Section 22** would amend the law authorizing the formation and operation of joint municipal power agencies (such as the North Carolina Eastern Municipal Power Agency (NCEMPA) and North Carolina Municipal Power Agency Number 1 (NCMPA1)), originally enacted in 1975, to provide that contracts between a joint agency and a member municipality may be renewed or extended for additional periods not to exceed 50 years from the date of expiration of the preceding term. Under existing law, these contracts are limited to a duration of 50 years.

## **APA EXEMPTION FOR RULES TO MODERNIZE WASTEWATER PERMITTING**

**Section 23** would amend legislation enacted in 2024 that required the Department of Environmental Quality (Department) and the Environmental Management Commission (Commission) to develop rules that establish methodologies and permitting requirements for the discharge of treated domestic wastewaters with low risk following site specific criteria to surface waters of the State, including wetlands, perennial streams, and unnamed tributaries of named and classified streams and intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow of the receiving water is estimated to be low flow or zero flow, or under certain conditions non-existent, as determined by the United States Geological Survey

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<sup>2</sup> The [Jordan Lake rule governing stormwater management for new development](#) requires an approved stormwater management plan for all proposed new development disturbing one acre or more for single family and duplex residential property and recreational facilities.

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(USGS). The changes include modifications made pursuant to feedback from United States Environmental Protection Agency (USEPA) in response to draft rules previously submitted for the agency's consideration as follows:

- The legislation currently requires the Commission to initiate the formal rulemaking process within 20 days of USEPA's approval of draft rules submitted by the Department and Commission for that purpose. On [May 1, 2025, however, correspondence from the USEPA](#) indicated that the State would need to adopt the rules in question, and then submit to USEPA as a program revision for USEPA'S determination, which would be subject to public notice, comment, and opportunity for public hearing pursuant to federal requirements. As such, Sec. 23 modifies the 2024 legislation to provide that within 60 days of the date USEPA notifies the State that a rule must be formally adopted prior to submittal as a program revision for USEPA approval, the Commission must initiate the process for temporary and permanent rules pursuant to Chapter 150B of the General Statutes.
- Clarifies that:
  - The Department may require an applicant to use different modeling that that submitted by an applicant upon issuing findings of fact that demonstrate that a model initially used by an applicant is unsuitable for the particular discharge and receiving water.
  - All requirements of an NPDES permit must be met, including effluent limits for all parameters required to ensure the permit to be issued does not violate current State water quality standards approved by USEPA.

In addition, Section 23 would exempt these rules from certain requirements of the Administrative Procedure Act (APA), including those requiring ratification by the General Assembly, or supermajority approval by a board or commission, necessary when a rule's aggregate financial cost exceeds certain thresholds.

## **PERMITTING BY REGULATION FOR DISPOSAL SYSTEMS THAT DO NOT DISCHARGE TO SURFACE WATERS**

**Section 24** would require the Environmental Management Commission (Commission) to amend a rule, [15A NCAC 02T .0113 \(Permitting by Regulation\)](#), to provide that discharges to the land surface of less than 5,000 gallons per day of water from fractional vapor compression distillation of potable water, are deemed to be permitted without need for the Department to issue individual permits or coverage under a general permit for construction or operation of these disposal systems provided the system does not result in direct discharge to surface waters, any violations of surface water or groundwater standards, or ponding or runoff of discharge water. These rules would be exempt from certain APA requirements, including those requiring ratification by the General Assembly, or supermajority approval by a board or commission, necessary when a rule's aggregate financial cost exceeds certain thresholds.

## **REDUCE FREQUENCY OF OVERSIGHT FOR CERTAIN PUBLIC WATER SYSTEM SUPPLEMENTAL TREATMENT FACILITIES**

**Section 25** would authorize the Department of Environmental Quality to reduce the frequency of oversight visits for certain public water system supplemental treatment facilities to not less than once per calendar month, if the supplemental treatment facility complies with all existing requirements for public water system treatment facilities and meets additional requirements related to chemical feed, emergency shutdowns, and remote monitoring. This section would also direct the Commission for Public Health to amend its existing rules to be consistent with this authorization. These rules would be exempt from certain APA requirements, including those requiring ratification by the General Assembly, or supermajority



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approval by a board or commission, necessary when a rule's aggregate financial cost exceeds certain thresholds.

## **PROTECT THE RIGHT TO RACE**

Under common law, the general rule for "coming to the nuisance" is that it is not an automatic bar or defense to a nuisance suit, but it is taken into consideration in determining whether the use of the property is unreasonable.

**Section 26** would provide that a racing facility is not subject to a nuisance action brought by a surrounding property owner within a three-mile radius of the facility if the developer of the racing facility obtained all required permits for construction of the facility before the surrounding property owner either purchased the real property or constructed any building within the three-mile radius.

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

## **REQUIRE OCCUPATIONAL LICENSING BOARDS TO VERIFY APPLICANTS' SOCIAL SECURITY NUMBERS**

Current law requires all occupational licensing boards to collect social security numbers from applicants for licensure, which may be provided only to the Department of Health and Human Services for the purposes of enforcing a child support order or to the Department of Revenue for the purpose of administering the State's tax laws.

**Section 27** would require occupational licensing boards to verify the authenticity of an applicant's provided social security number, and would authorize the boards to share the number with the Social Security Administration for that purpose.

## **EXPAND DEFINITION OF LOCAL AGENCY TO INCLUDE PUBLIC WORKS AUTHORITY FOR THE PURPOSES OF THE SETOFF DEBT COLLECTION ACT**

Chapter 105A of the General Statutes, the Setoff Debt Collection Act, creates a framework for State agencies and local governments to work with the Department of Revenue to identify debtors who owe money to the State or local government through their various agencies and who qualify for refunds from the Department of Revenue, for the purpose of using that refund to set off any debt owed to the State or local government.

**Section 28** would, for the purposes of qualifying for the Setoff Debt Collection Act, expand the definition of "local agency" to include a "public works authority or public utilities commission created pursuant to a local act of the General Assembly."

## **CLARIFY EXISTING USE RIGHTS ON PROPERTY**

**Section 29** would provide that, in the context of land development:

- A vested right obtained by permit or other local government approval does not preclude the use or extinguish the existence of any other vested right or use by right attached to the property.
- If a special use permit expires and does not vest, the current zoning classification or regulation for the property applies.
- When two or more local governments with land use jurisdiction over a parcel of land fail to mutually agree, with the consent of the landowner, as to which jurisdiction's land use ordinances

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apply to the entire parcel, the landowner may elect to apply land use ordinances of the jurisdiction with a majority of the acreage of the parcel of land.

## **AUTHORIZE USE OF CERTAIN SUBSURFACE DISPERSAL PRODUCTS FOR WASTEWATER STORAGE AND DISPERSAL IN TRAFFIC-RATED AREAS UNDER PRIVATE OPTION PERMITS**

**Section 30** would allow the use of wastewater dispersal products under areas subject to vehicular traffic if the product is approved by the manufacturer for that purpose and a permit is issued for the product is issued by a professional engineer under an engineered option permit, or by an Authorized On-Site Wastewater Evaluator.

**EFFECTIVE DATE:** Unless otherwise specified, this act would become effective when law.