



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 42.7: Return on Investment Requirements for Capital Funding

Analysis of: S.L. 2026-41, Sec. 42.7

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Section 42.7 of S.L. 2026-41 (Senate Bill 257) provides that funds disbursed under the State Budget Act and by the North Carolina Community College System for capital improvement projects may only be used for (i) building systems, or (ii) environmental or sustainability systems under Leadership in Energy and Environmental Design, Green Globes, Living Building Challenge, or other similar environmental or sustainability certification or rating by an equivalent or greater, nationally recognized certification or rating system if the construction cost of the building system or environmental or sustainability system is recovered in 10 years or less by reducing project operating costs.

The contracting entity is required to obtain written attestation at the design development phase that the building system or environmental or sustainability systems being employed meet these requirements and provide a report to the Fiscal Research Division once construction plans have been completed confirming that requirements are met. These requirements must be met regardless of whether an environmental or sustainability certification or rating is pursued.

This section became effective July 1, 2026.

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