



ACEC

Legislative Report
April 13, 2025

The House and Senate both are picking up the pace of business as crossover approaches on Thursday, May 8. Both chambers are routinely filling their Rules Committee calendars with bills and efficiently moving them to the floor for votes of the full chambers.

Last Friday, a North Carolina appeals court ruled for Republican candidate for Supreme Court Jefferson Griffin, a ruling that could flip the result of the nation's only 2024 race that is still undecided. In a 2-1 decision, a panel of the Court of Appeals ruled that tens of thousands of ballots were wrongly allowed to be counted by the State Board of Elections. However, the ruling, if upheld by the Supreme Court, would give most of those voters a three-week window to provide additional information for their choices to count, or see the ballots get removed. Democrat candidate and current member of the Supreme Court Allison Riggs has appealed the decision to the Supreme Court and has recused herself from considering the case. Justice Riggs currently holds a 734-vote lead on Judge Griffin for a seat on the North Carolina Supreme Court.

The House deadline for filing bills passed this week on Thursday at 3pm. The deadline was initially scheduled for Thursday, April 3 at 3pm, but the deadline was extended another week, likely to allow General Assembly staffers more time to complete the many requests for bill drafting they received from House members.

As of the 3pm deadline, House members had filed 1006 bills. The Senate bill filing deadline passed several weeks ago on Tuesday, March 25 at 4pm. The Senate members have filed a total of 760 bills this Session.

Governor Stein Appointments to the Board of Transportation

Governor Stein has appointed the following individuals to the North Carolina Board of Transportation:

- Graham Bennett of Forsyth County as a Representative of NCDOT District 9. Bennett was previously the Chairman and CEO of the Quality Oil Company in Winston-Salem. He also serves on the Board of Directors for the Piedmont Triad Partnership and the Piedmont Triad Airport Authority.
- Theresa (Tess) Judge of Dare County as a Representative of NCDOT District 1. Judge's career has been dedicated to hospitality management and development. She serves on the Outer Banks Hospital Board of directors and is Vice Chair of the East Carolina University Health Foundation.

The House and Senate adjourned on Thursday and will reconvene on Monday, April 14, 2025.

BILLS OF INTEREST

House Bill 817, Triad Regional Grants, appropriates \$14,525,000 in nonrecurring funds from the General Fund for the 2025–2026 fiscal year to support a variety of projects and organizations across the Triad region of North Carolina. The funding is distributed as grants to nonprofit organizations, local governments, and community initiatives for purposes ranging from medical services and facility expansions to economic development, historic preservation, public safety, and cultural programming.

5. \$1,500,000 is allocated to Winston-Salem Speedway, LLC, for stadium improvements aimed at attracting large events that will benefit the regional economy.

7. \$5,325,000 is granted to Historic Bethabara Park, Inc., to fund repairs, replacements, and enhancements related to the preservation and development of the historic site.

9. \$4,000,000 is designated for the Creative Corridors Coalition to support the design and construction of the Peter Oliver Public Park, including an open-air pavilion structure.

Introduced by Reps. Lambeth; Zenger and referred to House Appropriations Committee.

House Bill 831, Commercoal Inspect. Efficiency Act:

GS Chapter 143 Amendments: Definitions and Board Powers

Effective July 1, 2026, this legislation amends Article 9C of GS Chapter 143, governing the NC Code Officials Qualification Board, by adding definitions in GS 143-151.8 for “private commercial inspection” (inspections of commercial building construction for NC Building Code compliance, excluding boilers/elevators), “private commercial inspection firm” (registered entities employing certified inspectors), and “private commercial inspector.” GS 143-151.12 expands the Board’s powers to certify/register inspectors and firms, set instructor standards, promote research, collaborate on training programs, ensure education covers legal duties, and establish verification criteria with the Office of State Fire Marshal, while removing the marketplace pool requirement. GS 143-151.14 adds comity for out-of-state or International Code Council-certified inspectors, issuing three-year certificates without exams, and GS 143-151.14A mandates certification for private commercial inspection, offering leveled certificates (I-III) based on exams and qualifications, with architects exempt from Level III prerequisites. GS 143-151.14B sets professional development (up to six hours annually) for renewals, with rules for compliance and reactivation.

GS Chapter 143 Amendments: Certification and Oversight

GS 143-151.15 ties certificate validity to employment with registered firms or self-employment, aligning reissuance with Code-enforcement officials. GS 143-151.16 caps certification/renewal fees, allowing third-party payment, while GS 143-151.17 bans inspectors from inspecting properties with personal/familial ties, extending Board investigations and discipline to private inspectors. GS 143-151.18 and 19 apply violation/penalty provisions to private inspectors, requiring public online lists of certified individuals. GS 143-151.19A mandates firm registration with detailed applications, caps fees at \$20, and requires online registration lists, aiming to professionalize and regulate private inspection practices uniformly.

GS Chapter 160D Amendments: Local Government Integration

Under GS Chapter 160D, effective July 1, 2026, GS 160D-402 mandates fee refunds for private inspections, GS 160D-403 limits local final inspections when private inspectors are used, and GS 160D-1102 prohibits ordinances banning private inspections. GS 160D-1103.1 restricts private inspections to certified inspectors, while GS 160D-1104 adjusts local duties to exclude timely private inspections. GS 160D-1105 allows local governments and permit holders to contract private inspectors, with exceptions for employed officials outside jurisdictions. GS 160D-1105.1

requires acceptance of private inspection reports meeting seven criteria (e.g., Code scope, financial responsibility), relieving local liability, and GS 160D-1105.2 preserves local fire system testing. GS 160D-1105.3 sets bond requirements, allowing shifts to local inspections, and GS 160D-1105.5 mandates uniform Board-developed forms. GS 160D-1110 requires permit addenda for private inspector use, maintaining fee schedules, and GS 160D-1116 integrates private inspectors into compliance certification, with local reliance and misdemeanor penalties expanded.

Additional Provisions and Implementation

GS 160D-403 ensures concurrent approval processes, GS 143-139.4 is repealed to remove state inspection overlaps, and GS 160D-402 drops marketplace pool fee refunds. The Office may adopt temporary rules within 90 days of enactment, effective no earlier than July 1, 2026, ensuring a structured transition to a private inspection framework that balances local oversight with certified professional autonomy, enhancing efficiency and accountability in commercial building compliance.

Introduced by Reps. Brody, Zenger, B. Jones, and Pyrtle, referred to the Committee on Housing and Development.

House Bill 837, Study Alternative Methods for Highway Funding, directs the Legislative Services Officer, in coordination with the Joint Legislative Transportation Oversight Committee, to issue a request for proposals (RFP) and hire a consultant to study alternative highway funding mechanisms that could replace or supplement the gas tax. The study will specifically evaluate options such as implementing fees on electric and hybrid vehicles, including a vehicle miles traveled (VMT) fee or a flat annual fee, and consider a new statewide "Access User Fee" for non-diesel vehicles registered in North Carolina. The goal is to ensure all drivers contribute fairly to highway maintenance and infrastructure costs.

The RFP must be issued by November 1, 2025, with a consultant selected by January 1, 2026. Findings and legislative recommendations are due by May 1, 2026. The bill appropriates \$125,000 from the Highway Fund for the study, with unused funds reverting back to the fund once the study is complete. The act takes effect July 1, 2025.

Introduced by Reps. Pare; Johnson; Iler; Tyson and referred to the House Appropriations Committee.

House Bill 909, State Infrastructure Bank Board, establishes a formal State Infrastructure Bank Board within the Department of Commerce for administrative purposes, though the Board will operate independently. The Board is tasked with managing a State infrastructure bank to administer federal, state, and private funds for infrastructure projects, including transportation (such as highways and aviation), water, and sewer improvements. The infrastructure bank replaces the existing authority in G.S. 136-18(12a), which is repealed and its assets transferred to the new board.

The Board will have the authority to issue loans and financial assistance to governmental units, with conditions for repayment and allowed pledges of revenue or credit, subject to statutory limitations. The Local Government Commission (LGC) will assist in developing debt instruments and overseeing the financial integrity of loan agreements. Interest and investment income will remain in the infrastructure account and be used for further loans, and the Board is authorized to establish its own rules for operation.

Membership consists of six high-level state officials: the Secretaries of Commerce, Transportation, and Environmental Quality; the State Treasurer; the State Auditor; and the State

Budget Officer. The Board will elect its own chair and vice-chair, meet at least biannually, and report quarterly to the Joint Legislative Commission on Governmental Operations. Members are not compensated, but may receive travel reimbursement.

The bill takes effect July 1, 2025, and applies to loans and financial assistance applied for on or after that date.

Introduced by Reps. Reives; Bell; Howard; Ross and is awaiting committee referral.

House Bill 924, Board for Gen. Contractors/Crim. Referrals, authorizes the North Carolina State Licensing Board for General Contractors to refer potential criminal violations of contractor licensing laws to law enforcement or district attorneys for investigation and possible prosecution. The bill permits the Board to share confidential investigative records with law enforcement agencies and prosecutors to support criminal cases, despite existing confidentiality rules. Additionally, the legislation clarifies that the Board may use its funds and resources to assist with prosecutions when appropriate. Importantly, the bill also states that nothing in the law limits the State's ability to pursue criminal charges under other statutes. The Board is granted authority to adopt rules to implement these provisions. This act becomes effective October 1, 2025, and applies to violations committed on or after that date.

Introduced by Reps. Greene; Budd; Brody; Arp and is awaiting committee referral.

House Bill 926, Regulatory Reform Act of 2025, is a broad regulatory overhaul bill that touches on healthcare, occupational licensing, construction, business regulation, and administrative procedures. In the health and wellness section, it exempts certified reflexologists from massage therapy board oversight, allows licensed physical therapists to evaluate student athletes for concussions, and designates the second week of November as SUDEP Awareness Week, encouraging seizure training in schools. It also exempts legislators from general contractor continuing education in years they serve, removes dual licensing for audiologists, and creates detailed consumer protections and recordkeeping for sales of locked hearing aids by dealers and audiologists.

In business regulation, the bill proposes a constitutional amendment requiring that private property may only be taken by eminent domain for public use, and mandates jury trials upon request in condemnation proceedings. It amends G.S. 40A-3 to reflect these changes and would require voter approval in 2026. It also allows the use of ungraded dimension lumber from small or mobile sawmills in residential construction, subject to certification and inspection standards. The bill establishes a new lumber grading training program through the NC Cooperative Extension and mandates rule changes by the Residential and Building Code Councils. Other business reforms include allowing brokers to register with multiple dealers under securities law, and delaying implementation of phased reporting requirements for certain fish harvests enacted in 2023. Finally, the bill amends North Carolina's Administrative Procedure Act by extending the notice period for contested case hearings from 15 to 45 days, prohibiting agency attorneys from contacting represented parties without consent, and encouraging agencies under Article 3A to resolve disputes through informal settlements. The act takes effect upon becoming law unless otherwise specified.

Introduced by Reps. Riddell; Zenger; Chesser and is awaiting committee referral.

House Bill 960, UI/Give Enhanced Benefits During Disasters, this legislation enacts GS 96-14.2(f) to temporarily increase the maximum weekly unemployment benefit to \$600 for claims filed during a disaster declaration, GS 96-9.2(f) to earmark Unemployment Insurance Fund resources for these benefits and require the Department of Commerce's Division of Employment

Security to project annual needs, reporting projections and earmarks to the Joint Legislative Oversight Committee on Unemployment Insurance starting January 1, 2027, and annually thereafter, and GS 96-9.3(f) to mandate the Division certify sufficient earmarked funds before implementing enhanced benefits, prohibiting their application during a disaster if funds are inadequate unless the General Assembly authorizes a temporary enhancement, aiming to provide financial relief to workers during crises while ensuring fiscal preparedness through structured funding and oversight.

Introduced by Reps. Longest, Ager, Butler, and Lofton and is awaiting committee referral.

House Bill 962, Funds for ECU Engineering, appropriates \$25 million from the General Fund to the UNC Board of Governors for allocation to East Carolina University's College of Engineering and Technology to fund building improvements and the purchase/refurbishment of equipment, and \$4 million in recurring funds annually for the 2025-27 biennium to expand faculty and staff positions at the college, aiming to enhance infrastructure, resources, and capacity for engineering and technology education and research at the university.

Introduced by Reps. Gable, Reeder, and G. Brown and is awaiting committee referral.

House Bill 963, Code Enforcement and Procedures Act:

Section 1: Building Inspector Apprenticeship Program

Effective October 1, 2025, except for funding (July 1, 2025), Section 1 enacts GS 143-151.22, directing the NC Code Officials Qualification Board to collaborate with the Office of State Fire Marshal (OSFM) to create a Building Inspector Apprenticeship Program, allowing local inspection departments to employ uncertified apprentices under certified supervisors, with the Board setting rules for terms, issuing renewable certificates for training participants, and establishing curricula; apprentices can take state exams post-curriculum, with OSFM offering grants (from \$750,000 appropriated for 2025-26) to cover salaries/training, prioritizing high-need areas, while the Board reviews certification barriers for levels II/III, reporting by July 1, 2026, to legislative bodies; GS 143-151.13 adds apprenticeship certificates for Code enforcement and allows standard certification via competency evaluation, ensuring supervised apprentices don't compromise Building Code integrity, with the Department of Insurance evaluating program impact annually.

Section 2: General Contractor to Inspector Transition

Section 2 enacts GS 143-151.23, effective October 1, 2025, requiring the Board, OSFM, and NC Licensing Board for General Contractors to develop a General Contractor to Inspector Transition Incentive Program, mandating eligibility for licensed contractors meeting Board/jurisdiction standards, offering incentives like experience recognition, tailored training, and expedited level II/III certification paths without lowering competency requirements, with rules adoption and industry outreach to promote Code enforcement careers, facilitating workforce transitions while maintaining professional standards.

Section 3: Building Inspector Disciplinary Procedures

Section 3 enacts GS 153A-100 and GS 160A-170, effective July 1, 2026, for disciplinary actions, requiring just cause (per county/city rules) to discharge, suspend, or demote certified building inspectors, with emergency suspension for imminent threats and procedural safeguards (e.g., notice, hearings) for non-emergency actions, allowing local policy flexibility, ensuring fair treatment and accountability for inspectors in counties and cities.

Section 4: Inspection Approval Finality

Section 4 amends GS 160D-1113, effective October 1, 2025, for permits applied thereafter, adding subsection (b) to make local inspector approvals of construction components final and binding, barring re-inspection or alteration unless material Code changes, fraud, concealed defects, or subsequent damage occur, with technical formatting changes, aiming to streamline construction processes and reduce redundant inspections.

Section 5: Disaster Inspection Relief Fund

Section 5 establishes the Disaster Inspection Relief Fund in the Department of Insurance, administered by OSFM, to grant Tier 1/Tier 2 counties funds for hiring inspectors post-disaster (per Governor's Chapter 166A declarations), defining terms like "eligible county" and "eligible costs," prohibiting supplanting existing budgets, and setting county match percentages; OSFM prescribes applications, prioritizing need/impact, with expedited awards and reports due 90 days post-first grant and annually by November 1, enhancing recovery capacity in economically challenged areas.

Section 6: Expanded Level I Inspection Authority

Section 6 authorizes level I certified Code-enforcement officials to inspect small residential (≤ 3 stories, ≤ 4 units) and nonresidential buildings (1 story, $\leq 20,000$ sq ft, specific occupancies), effective until the Board's permanent rules (mirroring this authority) take effect, bypassing standard rule-making objections under GS 150B-21.3(b2), ensuring immediate capacity for smaller projects while maintaining oversight until formalized.

Introduced by Rep. Adams and is awaiting committee referral.

House Bill 994, Western NC Support; Expand Comm. Eco. Dev., appropriates \$20.3 million from the General Fund for the 2025-26 fiscal year to the National Institute of Minority Economic Development, Inc. The funds are allocated for four main purposes: support for three women's business centers offering technical assistance and capacity building in western North Carolina, the Triad, and the Piedmont; support for Community Development Corporations (CDCs) and communities without CDCs to expand economic development services; long-term residential housing recovery efforts for western North Carolina residents affected by Hurricane Helene; and funding for the Institute Capital (I-CAP) institution for activities within the state.

Additionally, the act appropriates \$1 million in recurring funds from the General Fund to the Institute for the 2025-26 fiscal year to support ongoing housing recovery in western North Carolina, provide state matching funds for federal disaster-recovery requirements, and offer technical assistance and community development services across the state.

Introduced by Rep. Hawkins and is awaiting committee referral. Companion Bill to Senate Bill 542.

BILL STATUS UPDATES

House Bill 126, Revise Voluntary Ag. District Laws, was reported favorable on the committee substitute in the House Committee on Housing and Development and referred to the House Rules Committee.

The committee substitute for House Bill 126 makes several key changes to strengthen protections for land within Voluntary Agricultural Districts (VADs) and Enhanced Voluntary Agricultural Districts (EVADs). The original version of the bill focused solely on condemnation actions and required that any state or local agency seeking to condemn qualifying farmland must first request a public hearing by the local agricultural advisory board. That board would then have 45 days to hold the hearing and submit its findings and recommendations, and the agency

would be prohibited from initiating condemnation until 120 days after those findings were submitted.

The committee substitute expands the bill's scope by including rezoning actions in addition to condemnations. Specifically, it prohibits any state or local agency from initiating either a condemnation or a rezoning of qualifying farmland within a VAD or EVAD without first requesting a public hearing from the local agricultural advisory board. The same procedural safeguards apply: the board has 45 days to hold a hearing and submit its recommendations, and the agency must wait 120 days after the board submits its findings before formally initiating the action.

House Bill 171, Equality in State Agencies/Prohibition on DEI, was placed on the House calendar for 4/16/25.

House Bill 364, STIP Grant Anticipation Notes, was reported favorable in House State and Local Government Committee and referred to the House Transportation Committee.

House Bill 506, 2025 State Investment Modernization Act.-AB, is scheduled to be heard in House Pensions and Retirement Committee on 4/16/25.

House Bill 616, Selectsite Readiness Program Modifications, was referred to the House Committee on Commerce and Economic Development.

House Bill 649, County Tier Designation Study Bill, is scheduled to be heard in House State and Local Government Committee on 4/15/25.

House Bill 661, Building Industry Efficiency Act of 2025, was reported favorable on the committee substitute in the House Committee on Housing and Development and referred to the House Finance Committee.

The House committee substitute to the 1st edition makes the following changes:

Part III amends G.S. 87-1 to more narrowly define the exemption from general contractor licensing by specifying that it applies to individuals performing *installation, maintenance, or replacement* services related to floor coverings or painting, rather than any services. It also clarifies that such work on buildings governed by the NC Residential Code does not require a building permit under either G.S. 160D-1110 or G.S. 143-138. Organizational changes are also made to the section.

Part V adds that contractors must respond *in writing* to a notice of claim regarding a construction defect under G.S. 87-152, and claimants must also accept settlement offers *in writing*. It creates new G.S. 87-155, which tolls the statute of limitations for construction defect claims under Article 9 of Chapter 87 until the latest of four possible events occurs—such as rejection of a settlement offer or written notice from either party that the contractor cannot or will not make the repair.

Part VI further amends G.S. 130A-280 to expand the exemption from public swimming pool sanitation laws to include floatation or sensory deprivation systems certified under the latest version of NSF/ANSI Standard 50. Conforming changes, including part title adjustments, are also made.

House Bill 763, Neighbor State License Recognition Act, was referred to the House Committee on Commerce and Economic Development.

House Bill 765, Local Gov. Development Regulations Omnibus, was referred to the House Committee on Housing and Development.

Senate Bill 124, Reduce Barriers to State Employment, was sent to the House and referred to the House Rules Committee.

Senate Bill 220, Protect Private Property Rights.-AB, was reported favorable on the committee substitute in Senate Agriculture, Energy, and Environment Committee, reported favorable in Senate Rules Committee, passed the full Senate 40-2 and will be sent to the House. The Senate committee substitute to the 1st edition removes the proposed new G.S. 14-280.4, which would have made it a Class 3 misdemeanor to willfully launch any motorized or unmotorized watercraft from a public highway or street right-of-way into adjacent waters, except at designated public boating access areas.

Senate Bill 257, 2025 Appropriations Act, is on the calendar for 4/15/25 in the Senate Appropriations/Base Budget Committee. It will then be heard in the Senate Finance Committee.

Senate Bill 266, Historic Flood Event Bldg. Code Exemption, is scheduled to be heard in the Senate Regulatory Reform Committee on 4/16/25.

Senate Bill 328, Underground Safety Revisions, was referred to the Senate Agriculture, Energy, and Environment Committee.

Senate Bill 387, Brownfields Property Reuse Act Revisions, was referred to the Senate Agriculture, Energy, and Environment Committee.

Senate Bill 472, Amend 401 Certification Process, was reported favorable on the committee substitute in the Senate Regulatory Reform Committee and referred to the Senate Agriculture, Energy, and Environment Committee.

The Senate committee substitute to the 1st edition makes several changes regarding the Department of Environmental Quality's (DEQ) handling of water quality certification applications. It now requires DEQ to begin reviewing applications immediately upon receipt, but clarifies that no certification can be issued until the applicant pays the required fee (previously, review couldn't begin until the fee was paid). It also clarifies that DEQ's expedited process must allow for either approval or denial within the expedited timeframe, and shortens the review window to five business days from receipt of both the application and fee.

Additionally, the substitute requires DEQ to submit its expedited review process for certain water quality certifications (those tied to Nationwide Permits from the U.S. Army Corps of Engineers) to the EPA by August 1, 2025. These provisions become effective on the later of October 1, 2025, or 60 days after DEQ certifies EPA approval to the Revisor of Statutes. DEQ must post notice of approval on its website and request that the U.S. Army Corps modify the Programmatic Agreement to reflect the new timelines. DEQ is also directed to report quarterly to a designated NCGA committee starting September 1, 2025, until the act becomes law.

For more information about legislation described in the legislative reports, feel free to contact us at chorton@maynardnexsen.com, dferrell@maynardnexsen.com, criemer@maynardnexsen.com

or at (919) 573-7421. Information is also available on the General Assembly's website:
www.ncleg.gov.

Prepared By: David P. Ferrell, Clark Riemer and Chase Horton – ACEC Lobbyists

**MAYNARD NEXSEN PC
4141 Parklake Ave, Suite 200
Raleigh, North Carolina 27612
Telephone: (919) 573-7421
dferrell@maynardnexsen.com
www.maynardnexsen.com**