



# ACEC

Legislative Report  
March 14, 2025

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## **Helene Recovery Funding**

Gov. Josh Stein called on the General Assembly to pass the latest \$535 million Helene recovery package, stating he is "ready to sign it." The House and Senate have yet to reach an agreement, with key differences over homebuilding assistance and infrastructure funding. Federal Agriculture Secretary Brooke Rollins confirmed that additional federal aid will begin distribution later this month, addressing agricultural losses, debris removal, and infrastructure repair.

## **DEI Ban in Public Education**

The Senate passed a bill eliminating diversity, equity, and inclusion (DEI) programs in public schools. Supporters argue the bill prevents ideological conformity, while opponents claim it censors historical facts and limits inclusivity. A similar bill targeting DEI in state agencies is also advancing, with potential criminal penalties for noncompliance.

## **Sports Betting Revenue**

In its first year of legalization, North Carolina bettors placed over \$6.1 billion in wagers, generating \$128 million in tax revenue. The state's share funds UNC System athletics, local event sponsorships, and the general fund. February saw a dip in wagers, but lawmakers are considering allowing loss deductions for tax filers to encourage continued participation.

## **Cape Fear Memorial Bridge Funding Delayed**

A federal grant freeze has halted the \$242 million funding awarded for replacing the Cape Fear Memorial Bridge, delaying critical infrastructure improvements. The estimated project cost has risen from \$453 million to \$1.1 billion due to inflation and refined design adjustments. The NCDOT is working with federal agencies to determine when the funds might be released.

## **Flood Resiliency Blueprint Launch**

North Carolina will launch a new statewide flood planning tool in April to improve predictive modeling and disaster preparedness. Lawmakers expressed concerns that past floodplain maps failed to capture risks, with 68% of recent flood damages occurring outside designated high-risk zones. The initiative aims to prioritize infrastructure improvements and reduce long-term disaster costs.

## **Environmental Policy and PFAS Monitoring**

A proposed rule requiring industries to monitor and minimize PFAS discharges has sparked debate. Supporters say it enhances pollution control, while critics argue it provides liability protections for polluters without enforceable reduction targets. The Environmental Management Commission will continue deliberations.

### **Emissions Target Rollback**

Senate Bill 261, which removes the 2030 interim greenhouse gas reduction target, passed the Senate and moves to the House for consideration. Proponents argue it reduces costs and energy burdens, while opponents claim it weakens the state's commitment to carbon neutrality by 2050.

The Legislature adjourned on Thursday and will reconvene on Monday, March 17.

## **BILLS OF INTEREST**

**House Bill 345, Rights of Nature/Certain River Basins**, seeks to legally recognize and protect the rights of the Dan River and Haw River ecosystems in North Carolina. The bill asserts that these rivers have inherent rights, including the right to exist, flourish, regenerate, and be restored. It also affirms that the people of North Carolina have a fundamental right to a healthy and thriving ecosystem for these rivers. The legislation is based on concerns about environmental degradation, pollution, and the presence of harmful chemicals such as PFAS, which pose risks to public health and wildlife.

The bill mandates state agencies such as the Department of Environmental Quality and the Wildlife Resources Commission to review and revise policies to ensure they align with the protection of these river ecosystems. Agencies must conduct a baseline environmental assessment by June 30, 2026, and take corrective actions by June 30, 2027, with full ecosystem restoration targeted by June 30, 2030.

Additionally, the bill grants legal standing to the river ecosystems, allowing lawsuits to be filed on their behalf to prevent violations of their rights. It enables any North Carolina resident to enforce these protections through legal action. Violators, including businesses and government entities, may face civil penalties of up to \$10,000 per violation and must pay for restoration costs. The bill also eliminates sovereign immunity for government agencies found in violation.

The bill becomes effective immediately upon becoming law.

**Introduced by Reps. Harrison (D); Morey (D); Cervania (D); K. Brown (D) and referred to the House Rules Committee.**

**House Bill 359, Jacksonville Infrastructure Fund**, allocates \$2 million from the General Fund to the City of Jacksonville for water and wastewater infrastructure projects. These funds are nonrecurring and are designated for the 2025-2026 fiscal year. The bill aims to support improvements in the city's water supply and sanitation systems. The act becomes effective July 1, 2025.

**Introduced by Rep. Gable (R) and referred to the House Appropriations Committee.**

**House Bill 362, Clean Skies Geoengineering Ban**, seeks to prohibit the intentional release of pollutants into the atmosphere for the purpose of modifying weather, temperature, or sunlight intensity. The bill defines "atmospheric modification" to include practices such as stratospheric aerosol injection, cloud seeding, and electromagnetic radio frequency emissions. It explicitly bans the intentional injection or dispersion of chemicals or substances within North Carolina for these purposes, while exempting licensed pesticide applications. The Environmental Management Commission is tasked with implementing necessary regulations, and the bill becomes effective upon enactment.

**Introduced by Reps. Almond (R); McNeely (R); Pike (R) and referred to the House Rules Committee.**

**House Bill 364, STIP Grant Anticipation Notes**, authorizes local governments in North Carolina to borrow money to accelerate transportation projects identified for funding under the State Transportation Improvement Program (STIP). The bill allows local governments to issue grant anticipation notes (GANs) to fund these projects, with repayment tied to expected state or federal funding. It establishes conditions for borrowing, including approval by the Local Government Commission, project cost identification, funding sources, repayment plans, and contingency measures. The bill also requires the Department of Transportation to ensure that modifications to the STIP do not delay repayment of these notes. Additionally, the Department of the Treasurer, in consultation with the Department of Transportation, will develop rules to regulate the use of GANs. The act becomes effective upon enactment.

**Introduced by Reps. Winslow (R); Chesser (R); Tyson (R); Pare (R) and referred to the House State and Local Government Committee.**

**House Bill 365, Workforce Education Act**, aims to enhance North Carolina's workforce development through community colleges and public schools. The bill directs the State Board of Community Colleges to revise its funding model, ensuring allocations are based on full-time equivalent (FTE) enrollment, workforce sector needs, and an enrollment increase reserve. It expands funding for Cooperative Innovative High Schools based on county development tiers and establishes multiple grant programs through the Department of Public Instruction, including STEM education, career and technical education (CTE), and industry-school partnerships. Additionally, it funds a statewide awareness campaign to promote community college enrollment and career pathways. The act is set to take effect on July 1, 2025.

**Introduced by Reps. Reives (D); Willis (R); Campbell (R); Roberson (D) and referred to the House Appropriations Committee.**

**House Bill 369, Parking Lot Modernization Act**, introduces reforms related to parking regulations, pavement sealants, and stormwater requirements in North Carolina. The bill prohibits local governments from setting minimum size requirements for off-street parking spaces and from mandating a minimum number of parking spaces for developments. It also bans the future purchase and use of pavement sealants containing high levels of polycyclic aromatic hydrocarbons (PAHs) due to environmental concerns. Additionally, the bill limits local stormwater regulations by preventing municipalities from retroactively imposing new stormwater controls on existing developments and clarifies stormwater requirements for

redevelopment projects. The act takes effect in multiple stages, with parking and stormwater provisions effective upon enactment and the pavement sealant ban taking effect on January 1, 2026.

**Introduced by Reps. Loftis (R); Brody (R); Penny (R); Dahle (D) and referred to the House Transportation Committee.**

**House Bill 376, Various On-Site Wastewater & Well Provisions**, introduces multiple reforms related to on-site wastewater management, private drinking water wells, and regulatory oversight. Key provisions include:

1. **On-Site Wastewater System Changes:**
  - a. Expands certification requirements for wastewater contractors, inspectors, and evaluators.
  - b. Establishes renewal processes and continuing education requirements for certified professionals.
  - c. Limits the ability of local health departments to impose stricter wastewater regulations without state approval.
  - d. Clarifies rules for improvement permits, construction authorizations, and inspections, allowing private professionals to verify system installations.
2. **Private Drinking Water Well Task Force:**
  - a. Creates a seven-member task force to study and recommend improvements to private well regulations.
  - b. Evaluates streamlining regulations, potential consolidation of oversight, and whether certified well contractors should be allowed to install interior filtration units.
  - c. The task force will submit its report by December 31, 2025, and then dissolve.
3. **Well Site Evaluations:**
  - a. Authorizes certified well contractors with additional qualifications to conduct well site evaluations.
  - b. Prohibits a well contractor from performing site evaluations on wells they will construct.
  - c. Limits liability for local health departments regarding evaluations performed by certified well contractors.

The bill takes effect immediately upon becoming law, with some provisions applying to future certification renewals and regulatory changes.

**Introduced by Reps. Brody (R); Zenger (R); Riddell (R) and referred to the House Housing and Development Committee.**

**House Bill 381, On-Site Wastewater Amendments**, proposes changes to North Carolina's on-site subsurface wastewater statutes. The bill modifies G.S. 130A-343(g)(3) to streamline the approval process for innovative wastewater systems. Specifically, it allows manufacturers to apply for approval if their system has been evaluated under a nationally recognized certification body's protocol for at least two consecutive years and has met acceptable performance standards. The Department must approve the application if the system's design and installation align with

the certification body's approval. This act takes effect upon becoming law and applies to new applications submitted on or after that date.

**Introduced by Reps. Warren (R); Huneycutt (R); Gillespie (R); Zenger (R) and referred to the House Housing and Development Committee.**

**House Bill 383, Augment Subcontractor Protections**, seeks to strengthen legal safeguards for subcontractors in North Carolina by modifying Chapter 22C of the General Statutes. The bill explicitly prohibits "pay if paid" and "pay when paid" clauses, ensuring that subcontractors are entitled to payment regardless of whether the contractor has received funds from the project owner. It establishes a maximum 30-day payment window after billing and mandates payment within seven days once a contractor or subcontractor has been paid. Additionally, delayed payments beyond seven days will accrue interest at 1% per month. While allowing contractors to withhold payment under specific conditions (e.g., unsatisfactory work, disputes, third-party claims), the bill applies only to non-residential projects. This act becomes effective upon enactment and applies to contracts signed thereafter.

**Introduced by Rep. Lowery (R) and referred to the House Housing and Development Committee.**

**House Bill 395, Funds/Jackson, Transylvania & Swain Counties**, appropriates funding for infrastructure, education, and nonprofit initiatives across Swain, Jackson, and Transylvania Counties for the 2025-2026 fiscal year. The bill allocates:

- Swain County (\$13.19 million): Funding for fire department equipment, water and sewer infrastructure, an emergency management building, and a communication tower.
- Jackson County (\$18.6 million): Support for town offices, fire department facilities, school infrastructure, school resource officer vehicles, and flood monitoring.
- Transylvania County (\$93.7 million): Investments in wastewater treatment, water and sewer infrastructure, fire rescue equipment, jail security, and school projects.
- Higher Education (\$196.6 million): Grants to Southwestern Community College, Western Carolina University, and Blue Ridge Community College for facility improvements, safety upgrades, and academic programs.
- Nonprofit and Miscellaneous Funding (\$21.3 million): Grants for local food pantries, genealogical societies, Blue Ridge Parkway tourism recovery, UNC Asheville weather radar systems, and Western North Carolina science museums affected by Hurricane Helene.

The act takes effect on July 1, 2025.

**Introduced by Rep. Clampitt (R) and is awaiting committee referral.**

**House Bill 405, Reestablish NC Coordinate System of 1983**, repeals a provision from Session Law 2023-92 that had modified or replaced the North Carolina Coordinate System of 1983 (NCCS 1983). This bill effectively reinstates the NCCS 1983 as the official coordinate system used for mapping and land surveying in the state. The act takes effect immediately upon becoming law.

**Introduced by Rep. Pless (R) and is awaiting committee referral.**

**Senate Bill 253, Funds for Pitt-Greenville Airport**, allocates \$10 million from the North Carolina Highway Fund to the Pitt-Greenville Airport for the construction of a new General Aviation Terminal. The funding is designated to support flood mitigation efforts, ensuring the airport's resilience against potential flooding. The bill is set to take effect on July 1, 2025.

**Introduced by Sen. Smith (D) and referred to the Senate Appropriations/Base Budget Committee.**

**Senate Bill 255, Greenville Bulkhead Appropriation**, proposes allocating \$5 million from the General Fund to the City of Greenville for the 2025-2026 fiscal year. The funds will be used to replace the existing bulkhead at Town Common park to address flooding issues, improve structural stability, and enhance resilience against future flood events. The act is set to take effect on July 1, 2025.

**Introduced by Sen. Smith (D) and referred to the Senate Appropriations/Base Budget Committee.**

**Senate Bill 266, Historic Flood Event Bldg. Code Exemption**, establishes exemptions from certain floodplain regulations for structures damaged by historic flood events in North Carolina.

#### **Key Provisions:**

1. Exemption for Rebuilding:
  - a. Allows owners to replace or reconstruct lawfully established buildings damaged by a historic flood event within a base floodplain without needing to comply with updated State or local regulations that were adopted after the original construction.
  - b. Reconstruction must not exceed the prior structure's extent or volume unless a hydrologic and hydraulic analysis (conducted by a registered design professional) demonstrates no increase in the base flood elevation.
2. Definitions:
  - a. Historic Flood Event: A flood meeting or exceeding a 200-year flood (a flood with a 0.5% chance of occurring in any given year).
  - b. 200-Year Flood: A flood with water levels higher than those of a 100-year flood.
3. Local Regulation Limitations:
  - a. Prevents local governments from imposing stricter floodplain regulations on replacement or reconstruction projects in areas affected by a historic flood event.

The bill becomes effective immediately upon enactment.

**Introduced by Sens. Moffitt (R); Daniel (R); Britt (R) and referred to the Senate Rules Committee.**

**Senate Bill 292, Funds/Town of Grifton Resiliency**, appropriates \$3 million in nonrecurring funds from the General Fund for the 2025-2026 fiscal year to the Town of Grifton. The funding is designated for the design and construction of flood mitigation and resiliency projects to improve the town's ability to withstand flooding events. The act takes effect on July 1, 2025.

**Introduced by Sen. Smith (D) and is awaiting committee referral.**

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For more information about legislation described in the legislative reports, feel free to contact us at [chorton@maynardnexsen.com](mailto:chorton@maynardnexsen.com), [dferrell@maynardnexsen.com](mailto:dferrell@maynardnexsen.com), [criemer@maynardnexsen.com](mailto:criemer@maynardnexsen.com) or at (919) 573-7421. Information is also available on the General Assembly's website: [www.ncleg.gov](http://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](mailto:dferrell@maynardnexsen.com)  
[www.maynardnexsen.com](http://www.maynardnexsen.com)**