



Topsail Island Shoreline Protection Commission

Final Legislative Report - 2024

The North Carolina General Assembly convened the 2024 legislative “short” session on April 24, 2024. As with most short sessions, the legislature’s goal was to make adjustments to the state’s two-year budget that was enacted in 2023. In addition to the budget, this year’s legislative agenda consisted of the introduction of constitutional amendments, the consideration of controversial legislation involving video lottery terminals and medical marijuana, and the passage of bills such as this year’s Farm Act and Regulatory Reform Act.

The House and Senate wrapped up the summer session at the end of June without agreeing on a state budget bill due to substantial disagreements between House and Senate leadership. The legislature started this year’s session with a projected \$1.4 billion budget surplus. The House and Senate attempted to produce a joint budget proposal, rather than each chamber adopting its own spending plan and working out differences through a conference process. A month after the release of the initial revenue forecast, the state’s economists decreased the estimated surplus down by \$400 million because of lower-than-expected tax collections.

As the weeks progressed in the short session, House and Senate leadership failed to agree on top-line spending levels for the fiscal year 2024-2025 budget and each chamber passed their own version of the state budget bill. Neither chamber considered the other’s spending plan. However, during the last week of the legislative session, the House advanced two appropriations bills to serve as stopgap measures for critical needs, including child care centers and funds for the 3% teacher pay raise approved in last year’s budget. These provisions were approved by the legislature and signed into law by Governor Cooper by the end of the fiscal year.

The legislature did leave open the possibility that further action could be taken on the budget this year in a post-election November session that will run from November 19-22. The adjournment resolution allows the legislature to consider budget bills in the November session. Since the House and Senate passed a two-year budget last year, state government continues to operate based on the budget adopted last session.

The legislature did pass a number of bills in the last week of session, with approximately 33 passing in the last two days of the legislative session. However, the legislative session produced one of the lowest numbers of bills passed both chambers in modern history. Over this session, 45 bills became law, with Governor Cooper signing 29 bills and vetoing eight bills. The legislature overrode Governor Cooper’s veto of three bills so far this session, and it has the opportunity to override the veto of the five additional vetoed bills.

Four Constitutional Amendments were proposed during the Short Session, but only one became law. Both chambers agreed to put a constitutional amendment on the November ballot that would prevent non-citizens from being allowed to vote in North Carolina, a move that would reaffirm and strengthen current law. Amendments that were not enacted included a Voter ID proposal, a

reduction of the State Income Tax cap from 7% to 5%, and a bipartisan proposal to end the Jim Crow era literacy test.

For the third year in a row, a medical cannabis bill was passed by the Senate but did not receive a vote in the House. This year the bill was combined with other legislation that would regulate and restrict the intoxicating hemp market, along with several different proposals that had passed the House but not the Senate, to try to sweeten the pot for House Republicans reluctant to support medical cannabis. These efforts were unsuccessful.

A gaming expansion bill to legalize and regulate video lottery terminals was expected to come from the House for most of the Session; however, final language was never publicly introduced, despite rumors that a preview was given to the House Republican caucus in the waning days of the legislative session. iGaming (app-based casino-style games) legislation was frequently discussed as another possible source of revenue, but it did not move forward in this legislative session.

The legislature enacted the state's first-ever legal definition for antisemitism, and it includes examples as defined by the International Holocaust Remembrance Alliance. The House and Senate, with nearly unanimous approval, voted in favor of House Bill 942, SHALOM Act, and the bill was signed into law by Governor Cooper on July 1, 2024.

With frustrations mounting among House and Senate leadership over the budget stalemate, the legislature wrapped up their legislative business and adjourned the legislative session on June 28, 2024. However, the General Assembly will not adjourn *sine die* until December, and plans to reconvene monthly for the remainder of 2024 to address veto overrides and other urgent matters. Legislative session dates include July 10, July 29-August 1, September 9-11, October 9, November 19-22, and December 11-13. When the House and Senate reconvene each month, they will only be able to consider select matters such as the Governor's vetoes, bills related to election laws, or the adoption of conference reports.

On July 31, the House met and successfully overrode Governor Cooper's veto of three bills: House Bill 155, Titles for Off-road Vehicles/Low Speed Vehicles Inspection; House Bill 556, Tenancy in Common/E-notary/Small Claims Changes, and House Bill 690, No Central Bank Digital Currency Payments to State. The Senate is expected to meet later this year to consider the veto override matters.

The 2024 legislative session included the unexpected resignations of four members of the legislature:

- Senate Jim Perry (R-Lenoir) - served as Senate Majority Whip, Co-Chair of the Senate Finance Committee, and a previous Co-Chair of the Senate Health Committee.
- Representative Jason Saine (R-Lincoln) (effective August 12, 2024) – was the Senior Chair of the House Appropriations Committee, previous House Finance Committee Chair, spearheading broadband expansion, and championed sports wagering legislation.

- Representative Jon Hardister (R-Guilford) - was the House Majority Whip and Chair of the House Appropriations-Education and House Education-Universities Committees.
- Representative Ashton Clemmons (D-Guilford) –was the House Deputy Minority Leader and active in education policy and other similar issues.

Replacements for these members are expected to be nominated and confirmed by the local political parties, and sworn into the legislature prior to the November 2024 election.

Topsail Island Receives Grant for Vitex Eradication Project

The N.C. Department of Environmental Quality’s Division of Water Resources is awarding more than \$10.5 million for seven projects in coastal North Carolina for beach and dune renourishment, as well as other projects related to hurricane and storm damage. Topsail Island received a \$690,060.50 grant for its Vitex Eradication Project from the Coastal Storm Damage Mitigation Fund.

BILLS OF INTEREST ENACTED INTO LAW

House Bill 199, DMV Proposed Legislative Changes, amends GS 20-17.8 to apply only to individuals whose licenses were revoked under GS 20-141.1 if they were engaged in impaired driving under GS 20-138.1 with a blood alcohol concentration (BAC) of 0.08 or more, or under GS 20-138.2 with a BAC of 0.04 or more. The bill amends GS 20-88.1 to require the DMV to develop or identify a training course on safe driving in highway work zones. The DMV must ensure the course is accessible both in-person and online and create a method for demonstrating successful completion. This training will be integrated into the driver education program under GS 115C-215, effective December 1, 2025. The DMV, in consultation with the Department of Public Instruction (DPI), must develop the course and integration plan, reporting progress to specified NCGA committees by March 31, 2025. The bill makes a technical correction to GS 20-79.7 to reflect current law regarding the distribution of fees for special registration plates.
Effective: July 3, 2024. Session Law 2024-30.

House Bill 237, Various Criminal and Election Law Changes, contains the “unmasking mobs and criminals” provisions enacted by the legislature. The bill would:

- Modify the health and safety exemption from certain laws prohibiting the wearing of certain face coverings in public.
- Enhance the criminal punishment if the defendant wears a mask to conceal the defendant's identity during the commission of another crime.
- Prevent the executive branch or local governments from distinguishing between religious institutions and other entities during an emergency.
- Impose criminal and civil liability on individuals who obstruct emergency vehicles during demonstrations.

Governor Cooper vetoed the bill. The veto was overridden on June 27, 2024, and the bill became law despite the Governor’s veto. **Effective: June 27, 2024. Session Law 2024-16.**

House Bill 250, Public Safety/Other Changes, among other things, allows school boards to use eminent domain for easements, including utility easements necessary to support school facilities on a site. Utility easements is defined as water, sanitary sewer, electric power, broadband, and telecommunications services. **Effective July 8, 2024. Session Law 2024-43.**

House Bill 900, Certain CIHS Partners/Regulate Tobacco Prod, creates a new regulatory system for the certification of consumable products and vapor products, including the creation of a public directory of these certified products, and provide enforcement mechanisms for violations of this new regulatory system. **Effective: December 1, 2024. Session Law 2024-31.**

House Bill 909, Various Local Provisions I, limits the ETJ authority of the City of Kings Mountain to one mile from its contiguous corporate boundaries. As a local bill, it is not subject to review by the Governor. **Effective: October 1, 2024. Session Law 2024-20.**

House Bill 911, Various Local Provisions II, among other things, this bill contains Pender County's request to modify its occupancy tax law. Pender County is currently authorized to levy a room occupancy tax of up to 3%. The Towns of Burgaw, Surf City, and Topsail Beach, which lie within Pender County, are each authorized to levy a room occupancy tax of up to 3%, for a total of up to 6% within each town. This bill creates a taxing district comprising of all the areas within Pender County exclusive of the Towns of Burgaw, Surf City, and Topsail Beach, and authorize that district to levy a room occupancy tax of up to 3%. Effectively, this would allow a room occupancy tax of up to 6% to be levied throughout Pender County. The proceeds of the new occupancy tax in the district must be remitted to the Pender County Tourism Development Authority. At least two-thirds of the funds must be used to promote travel and tourism in the district and the remainder must be used for tourism-related expenditures in the district. Pender County District P would conform to the Guidelines for Occupancy Tax adhered to by the House Finance Committee.

In addition, the bill contains the following provisions of interest:

- Section 10 would, eliminate the authority of the City of Southport to exercise extraterritorial jurisdiction, returning the area currently within the ETJ of the City of Southport to the jurisdiction of the County of Brunswick for enforcement of land use regulations and allowing any person with vested rights in the ETJ area from the City of Southport to exercise those vested rights as if no change in jurisdiction occurred.
- Section 12 would add Currituck County to the list of counties and municipalities that may utilize the power of eminent domain and acquire property by condemnation for the purpose of engaging in beach erosion control and flood and hurricane protection works.

As a local bill, it is not subject to review by the Governor. **Effective: June 28, 2024. Session Law 2024-21.**

House Bill 971, Human Trafficking Changes, does the following:

- Develops human trafficking awareness training for various sectors.

- Increases penalties for solicitation of prostitution.
- Provides confidentiality measures for human trafficking victims.
- Requires disclosure of certain criminal convictions in child custody proceedings.
- Prohibits viewing of pornography on government devices.
- Grants campus police access to CJLEADS.
- Protects housing records for victims of violence from being public.
- Modifies the definition of "victim" in the Crime Victim's Compensation Act.

More specifically, regarding victim confidentiality, the bill would:

- Amends GS 14-43.17 to remove exceptions for court orders to seal documents in a court file.
- Limits motions for victim confidentiality to criminal cases under Article 10A (human trafficking).
- Allows motions to be filed in the trial court where the case is pending or most recently pending.
- Extends the hearing date from five to ten business days after filing.
- Shifts the responsibility to notify the State and defendant of the motion and hearing to the movant.
- Removes the requirement for the Administrative Office of the Courts (AOC) to develop policies for court orders on victim confidentiality.
- Extends immunity to Clerks of Superior Court and removes the exception for gross negligence.

Effective: June 28, 2024. Session Law 2024-26.

Senate Bill 124, Predatory Roofing/Ins. Rebate Reform, does the following:

- Requires contracts for residential roof replacement or repair to have a five-business day cancellation period following an insurance claim denial for the work to be performed under the contract.
- Allows insurers, insurance producers, or limited representatives to offer or provide products or services not specified in an insurance policy if certain conditions are met.
- Limits the commission, fee, or other valuable consideration given for the referral of insurance business by an unlicensed individual to a licensed insurance agent or broker to \$50.00 or less in value.

Effective: June 20, 2024. Session Law 2024-11.

Senate Bill 355, North Carolina Farm Act of 2024, does the following:

- Communication Lines Study: Requires a study on communication lines that pose public safety hazards, especially to agricultural operations, with a report due before the 2025 Regular Session.
- Shellfish Leases: Amends rules for shellfish bottom leases, including a requirement for the Secretary to act on applications within 365 days.

- Soil Testing Services: Limits soil testing services provided by the Commissioner to in-state samples during peak season, with a minimum fee of \$4.
- Bioenergy Research Funding: Allows all funds appropriated to the Bioenergy Research Initiative to be used for promoting new and emerging crops and related research initiatives.
- Prescribed Burning Program: Establishes the Prescribed Burning Cost Share Program, effective July 1, 2025, to support prescribed burns on privately owned forestlands.
- Use of Timber Sale Proceeds: Expands allowable uses of proceeds from timber sales to include capital improvement projects and land management.
- Hive Regulation: Limits local government regulation of hives to within incorporated limits.
- GIS Disclaimer: Requires GIS systems offered by counties and cities to include a prominent disclaimer about data accuracy, effective January 1, 2025.
- Stormwater Fees: Prohibits counties and cities from imposing stormwater utility fees on property used for bona fide farm purposes. Specifically, the provision reads as follows:

(4a) A city shall not impose a stormwater utility fee on property used for bona fide farm purposes, provided the property owner presents to the city any of the following documents as evidence that the farm is being used for bona fide farm purposes:

- a. A farm sales tax exemption certificate issued by the Department of Revenue.
 - b. A copy of the property tax listing showing that the property is eligible for participation in the present-use value program pursuant to G.S. 105-277.3.
 - c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal.
- Reenactment of Tax Credits: Reenacts and amends the conservation tax credit provision for certain real property donations, effective for taxable years beginning on or after January 1, 2025. There would be a cap on the amount that can be claimed, by an individual taxpayer and cumulatively by all taxpayers in a particular tax year, and the tax credit sunsets after a few years
 - NC Great Trails State Day: Establishes the third Saturday of October as NC Great Trails State Day starting in October 2024.

Effective: July 3, 2024. Session Law 2024-32.

Senate Bill 607, Regulatory Reform Act of 2024, is the legislature's comprehensive regulatory reform legislation for 2024. The bill does the following, among other things:

- Requires an additional means of notice to advertise property tax liens in addition to those currently required by law – currently, tax collectors are required to post notices of tax liens in specific locations. County tax collectors must post a notice of a new tax lien at the county courthouse and at least once in a newspaper that circulates in the taxing district. Municipal tax collectors must post a notice of a new tax lien at the city or town hall and at least once in a newspaper that circulates in the taxing district. Currently, advertisements of tax liens must be posted between March 1 and June 30 of each year. Failure to post the notice in accordance with G.S. 105-369(c) does not affect the validity of the tax or the tax lien. Section 22 would require tax collectors to also post a notice of

the tax lien in a conspicuous place on the taxed parcel. This section would become effective for taxes imposed for taxable years on or after January 1, 2025.

- Clarify prohibition on counties and cities enacting and enforcing certain ordinances, rules, and regulations related to battery-charged security fences.
- Provides that, notwithstanding any local development regulation to the contrary, a lawfully erected on-premises advertising sign can be relocated or reconstructed within the same parcel if the square footage of the sign does not increase, and the sign complies with local development regulations in place when the sign was erected. Construction on the sign would have to begin within two years of removal. This section would further provide that a local government could not require removal of a lawfully erected nonconforming on-premises advertising sign unless the local government pays monetary compensation to the sign owner. Upon payment of monetary compensation, it would be the local government's responsibility to remove the sign in a timely manner.
- Prohibits public water and sewer systems from imposing unauthorized conditions and implementing preference systems for allocating service to residential development. The bill prohibits local government units from requiring an applicant for water or sewer service for residential development to agree to any condition not otherwise authorized by law, or to accept any offer by the applicant to consent to any condition not otherwise authorized by law. These conditions would include, without limitation, any of the following:
 - Payment of taxes, impact fees or other fees, or contributions to any fund.
 - Adherence to any restrictions related to land development or land use, including those within the scope of G.S. 160D-702(c).
 - Adherence to any restrictions related to building design elements within the scope of G.S. 160D-702(b).
- Delay fisheries harvest reporting system by one year - Section 6 of Session Law 2023-137 created a phased in reporting requirement for certain commercial and recreational fish harvests, to be managed by the Division of Marine Fisheries of the Department of Environmental Quality and the Wildlife Resources Commission. Pursuant to the act, violation of the reporting requirement would be punishable by a verbal warning starting December 1, 2024, punishable by a warning ticket starting December 1, 2025, and punishable by an infraction and \$35 fine starting December 1, 2026. This bill delays the effective dates of the above punishments by one year.
- Requires the Coastal Resources Commission to revise the CAMA rules to provide that for certain fixed docks, piers, or walkways damaged or destroyed by natural elements, fire, or normal deterioration, activity to rebuild the dock, pier, or walkway to its pre-damage condition shall be considered repair of the structure, and shall not require CAMA permits, without regard to the percentage of framing and structural components required to be rebuilt. At the time a dock, pier, or walkway damaged or destroyed by natural elements, fire, or normal deterioration is repaired, the width and length of the dock, pier, or walkway structure may be enlarged by not more than five feet or five percent, whichever is less, and the structure may be heightened, without need for a CAMA permit. These changes would not, however, apply to docks and piers: (i) greater than six feet in width; (ii) greater than 800 square feet of platform area; or (iii) that are adjacent to a federal navigation channel. The bill would also require local building inspection departments to, not later than 60 days after an inspection of a dock, pier, or catwalk or

walkway that has been replaced in the coastal area, notify the Division of Coastal Management of the replacement. The bill prohibits the North Carolina Residential Building Code from requiring a professional engineer or architect to design or otherwise certify the construction of residential docks, piers, or catwalks or walkways.

- Authorizes the establishment of a measurement line for dune building projects conducted pursuant to permitted terminal groin construction. The bill authorizes the Coastal Resources Commission to, for the purpose of a dune building and beach planting project, authorize local governments that have received a permit to construct a terminal groin to establish a measurement line that represents the location of the first line of stable and natural vegetation that is covered by the dune building and beach planting project. The measurement line must be: (i) established in coordination with the Division of Coastal Management using on-ground observation and survey or aerial imagery for all areas of oceanfront that undergo dune building and beach planting project; and (ii) applicable for a period of no less than two years from the completion of the dune building and beach planting project. The CRC would be directed to amend their rules for this purpose (but implement the policy, prior to an amended rule becoming effective, once the provision becomes law. DEQ would be directed to submit this change to the United States National Oceanic and Atmospheric Administration (NOAA) for approval.
- Excludes aquaculture from the definition of "development" for purposes of CAMA and limits the authority of the Marine Fisheries Commission to adopt rules regulating aquaculture equipment. This provision becomes effective on the later of October 1, 2024 or the first day of a month that is 60 days after the Secretary of DEQ certifies to the Revisor of Statutes that NOAA has approved the changes. The bill provides that the Marine Fisheries Commission (MFC) would not have the authority to adopt rules regulating cages, poles, anchoring systems, or any above-water frames or structural supports used to suspend or hold in place equipment or floating structures used for aquaculture.
- Authorizes replacement of certain erosion control structures - The bill makes several changes to the definition of "terminal groin" to include a structure constructed: (i) where the ocean shoreline converges with Frying Pan Shoals; (ii) to protect the terminus of the island from shoreline erosion "or" inlet migration (existing law provides "and"); (iii) that allows sand moving in the littoral zone to flow "around, over, or through" the structure (existing law provides that sand "flow past"). The bill requires the CRC to permit replacement of a permanent erosion control structure originally permitted pursuant to a variance granted by the Commission prior to July 1, 1995. The language provides that such a permanent erosion control structure is not a terminal groin, and subject to requirements for terminal groins elsewhere in the statute. The bill increases the number of permits for the construction of terminal groins the CRC may issue from six to seven. It was mentioned in committee that the provision was requested by and would apply to Bald Head Island.
- Increase the punishment for property crimes committed against critical infrastructure, including public water supplies, wastewater treatment facilities, and manufacturing facilities, to a Class C felony (was Class 1 misdemeanor), and a fine of \$250,000. Any person injured by reason of damage to a public water system or wastewater treatment system may sue for and recover treble damages, punitive damages, costs, and attorneys' fees from the person who committed the violation, and any person who acts as an

accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation.

The bill became law without the Governor's signature. **Effective: July 9, 2024. Session Law 2024-45.**

Senate Bill 802, C-PACE Program, establishes the Commercial Property Assessed Capital Expenditure (C-PACE) Program to be administered by the Economic Development Partnership of North Carolina (EDPNC) under the Department of Commerce's supervision. This program enables owners of qualifying commercial properties to secure long-term financing from private lenders for improvements related to energy efficiency, water conservation, renewable energy, and resilience. Repayment is secured through an assessment on the improved property, creating a C-PACE lien that remains until the financed amount is fully repaid. Local governments assign the right to receive assessment repayments to the capital provider, who handles billing, collection, and enforcement.

The bill details that C-PACE liens are subordinate to state, local, and federal tax liens but superior to other liens. It specifies that purchasers of tax-foreclosed properties take title subject to C-PACE assessments. The EDPNC is responsible for application review and approval, in consultation with local governments and the Department of Commerce. A toolkit will be developed to guide the program's administration, including necessary agreements and forms. The bill requires the statewide administrator to prepare a C-PACE toolkit with stakeholders and local governments, subject to the approval of the program sponsor.

Local governments must adopt a resolution to participate, authorizing C-PACE financing within their jurisdiction. A city that would like to participate must receive the consent of the county where it is located prior to the city participating in the C-PACE program. The program administrator can impose fees to cover administration costs, with specific requirements for energy analysis and engineering certifications for proposed improvements.

In reviewing and evaluating C-PACE applications, for existing buildings, required energy conservation results must meet or exceed current State and federal building codes and efficiency standards. Additionally, for both existing and new buildings, a licensed engineering firm or engineer must certify that all available electric public utility energy efficiency and demand response programs have been evaluated before applying for C-PACE financing.

The bill requires that the total financing for qualifying improvements secured by the property does not exceed 35% of the property's value, with a specified method for calculating this value. It also amends GS 105-376(b) to state that any taxing unit purchasing property at a foreclosure sale takes the property subject to liens from C-PACE assessments.

Effective: July 8, 2024. Session Law 2024-44.

BILLS OF INTEREST APPROVED BY THE LEGISLATURE BUT VETOED BY THE GOVERNOR – COULD BECOME LAW LATER THIS YEAR

House Bill 556, Tenancy in Com./E-Notary/Small Claims Changes, includes the following provisions:

- **Prohibition on Certain Local Ordinances:** Prohibits counties and cities from enacting, maintaining, or enforcing an ordinance or resolution that prohibits the refusal to lease or rent a housing accommodation to a person because the person's lawful source of income to pay rent includes funding from a federal housing assistance program. The provision could not be interpreted to prevent a county or city from enacting ordinances or resolutions applicable to owners or operators that receive funding or financial incentives from the county or city.
- **Emergency Video Notarizations:** Extends expiration dates for emergency video notarizations and witnessing to July 1, 2025, to give the North Carolina Secretary of State additional time to complete their rulemaking for the permanent provisions.
- **Notary Public Laws:** Amends confidentiality and geolocation requirements.
- **Litigation Costs in Summary Ejectment:** Clarifies authorized litigation costs, and specifies conditions for charging late fees and attorney fees in eviction cases.
- **Electronic Small Claim Judgments:** Allows electronic rendering of judgments in small claims and adjusts the appeal period accordingly.
- **Concurrent Ownership of Real Property:** Codifies common law rules for tenants in common.

The bill was approved by the legislature but vetoed by Governor Cooper. The House voted to override the veto on July 31. The Senate has not yet taken the veto override vote, but is expected to later this year. The bill has not yet been enacted.

Senate Bill 166, 2024 Bldg. Code Regulatory Reform, would do the following:

- Prohibit certain backflow preventer requirements by public water systems
- Prohibit duplicative water service shut-off valve requirements in certain residential dwellings
- Building permit fees for inspection department clarification – provides that all fees collected by a building inspection department for the administration and enforcement of provisions in the inspection department covered by this statute shall be used for to support the administration and operations of the building inspection department and for no other purposes.
- Residential plan review fee reimbursement - provides that a local government that reviews residential building plans for the purpose of building permit issuance shall perform its initial review concurrently with processes for project development approvals required from other State, federal, and local agencies. If a local government does not perform its initial review within 20 business days of submission of the plans, the local government shall refund to the building permit applicant a portion of their total permit application fee. That portion shall equal ten percent (10%) of the total permit application fee, for each business day in which the local government does not perform its initial review, for a period not to exceed 10 business days.

- Clarify public safety issues for withholding building permits or certificates of occupancy – provides that for the purposes of this subsection, a "public safety issue" shall not include improvement, installation, placement, repair, or replacement of any of the following:
 - Landscaping around dwellings subject to the North Carolina Residential Code within individual lots.
 - Landscaping within common areas within a subdivision development.
 - Street lighting fixtures within common areas of a subdivision development.
- Prohibit unrestricted right of entry as a condition to development approvals - provides that administrative staff are prohibited from requiring unrestricted written consent from a permit applicant to enter any premises or areas not open to the public as a condition to accepting an application for, or the issuance of, development approvals.
- Prohibit technical code compliance affidavits – provides that an inspector is prohibited from requiring affidavits attesting that work is in compliance with the North Carolina Residential Code in lieu of conducting inspections required for work subject to the North Carolina Residential Code.
- Local government curb and gutter design standards - provides that the regulation shall not limit, or prohibit the use of, curb and gutter design standards adopted by the North Carolina Department of Transportation for subdivision roads adjacent to, and serving, dwellings subject to the North Carolina Residential Code.
- Municipal pedestrian facility requirements within ETJ for subdivision streets designated as public - provides that G.S. 160D-804(c) is amended by adding a new subdivision to read:
 - (5) A regulation adopted by a city shall not require a developer to design and construct pedestrian facilities, including sidewalks, within rights-of-way for new streets designated as public and to be submitted to the North Carolina Department of Transportation for review pursuant to G.S. 136-102.6, for small residential subdivisions located in areas subject to municipal planning and development regulation in an extraterritorial jurisdiction established pursuant to G.S. 160D-202, unless the city accepts long-term maintenance responsibilities by written agreement with the North Carolina Department of Transportation prior to construction of pedestrian facilities. For the purposes of this subdivision, "small residential subdivision" means a subdivision development that contains 20 individual lots or less.
- Performance guarantees for subdivisions - provides that a local government shall conduct an inspection of the improvements subject to a performance guarantee within 30 days of a request received from a developer and advise the developer whether the improvements are completed to the required specifications. In the event a local government and developer disagree whether a required improvement is completed to the specifications of a local government, a developer may obtain a certification under seal from a licensed professional engineer that the required improvements have been completed to the specifications of the local government. The bill provides that no performance guarantee may be required for maintenance of any improvement once the improvement is completed to the specification of a local government or upon receipt of a certification under seal from a professional engineer

that the required improvements have been completed to the specification of the local government.

- Amends the Residential Code to include three-and four-family dwellings
- Exclude electric vehicle supply equipment (EVSE) load from feeder and service load calculations for dwellings subject to the North Carolina Residential Code
- Local government review of seals of design – provides that administrative staff, code-enforcement officials, or other local government personnel charged with reviewing plans required by this Chapter shall not make administrative decisions on the scope of work covered by architect or engineer seals of designs affixed to work as required by Chapter 83A or Chapter 89C of the General Statutes, the North Carolina State Building Code, or as otherwise required by law. Nothing in this section should be construed to prevent a local government from reviewing plans, drawings, specifications, reports, or other work that requires a seal pursuant to Chapter 83A or Chapter 89C of the General Statutes, the North Carolina State Building Code, or other relevant laws, before an architect or engineer seal is affixed, to ensure compliance with applicable codes, ordinances, or other design standards or requirements.
- Amend NCDEQ fast track sewer certifications – provides that where a professional engineer provides certification that the design meets or exceeds Minimum Design Criteria developed by the Department applicable to the project, the Commission shall perform a review of a new application for a sewer system extension permit within 45 days of receipt of a complete application.
- Registered environmental health specialists defense and liability – provides that all local health departments shall enter into an annual agreement with the Department to provide environmental health services in accordance with Chapter 130A of the General Statutes. The annual agreement shall include a requirement for quality assurance for all environmental health services. The local health department employing or contracting with the registered environmental health specialist, registered environmental health specialist intern, or registered environmental health associate at the time of the underlying act or omission giving rise to the judgment or settlement shall pay half of the judgment or settlement. The Department may agree, in its sole discretion, to an alternate arrangement with the local health department wherein the Department pays more than half of the judgment or settlement depending on the individual circumstances of the case. Any registered environmental health specialist, registered environmental health specialist intern, or registered environmental health associate employed by or contracted to work for a local health department that has not entered into an annual agreement or fails to abide by the annual agreement, as determined by the Department, as required by subsection (b) of this section shall not be defended by the Attorney General or have their judgement or settlement paid by the Department. The local health department shall be required to pay any judgement against the registered environmental health specialist, registered environmental health specialist intern, or registered environmental health associate or any settlement on their behalf for any act or omission made in the scope and course of enforcing the rules of the Commission for Public Health.
- Clarify the applicability of statutory built-upon area requirements for state and local government stormwater programs and specify that certain artificial turf is not built-upon area
- Prohibit public water and sewer systems from imposing unauthorized conditions and implementing preference systems for allocating service to residential development

- Establish a time limit for review of applications submitted to the Department of Environmental Quality for water distribution systems to construct or alter a public water system
- Reorganize Building Code Council – would reduce the Building Code Council from 17 to 13, and change the make-up of the Council and appointment of members (which were all Governor appointments under existing law) as follows:
 - 1 member appointed by the Speaker of the House who shall hold an unlimited general contractor license and specializes in multifamily construction.
 - 1 member appointed by the President Pro Tem of the Senate who shall hold a license as a professional engineer and specializes in structural engineering.
 - 1 member appointed by the Speaker of the House who shall hold an unlimited general contractor license and specializes in commercial construction.
 - 1 member appointed by the President Pro Tem of the Senate who shall hold a license as a professional engineer and specializes in electrical engineering.
 - 1 member appointed by the Speaker of the House who shall hold a license as an attorney-at-law and specializes in construction law.
 - 1 member appointed by the President Pro Tem of the Senate who shall hold an unlimited electrical contractor license.
 - 1 member appointed by the Governor subject to legislative confirmation who shall hold a general contractor license and specializes in the construction of buildings greater than 75 feet in height.
 - 1 member appointed by the Governor subject to legislative confirmation who shall hold a license as a professional engineer and specializes in mechanical engineering.
 - 1 member appointed by the Governor subject to legislative confirmation who shall hold an unlimited plumbing and heating contractor license and specializes in plumbing contracting.
 - 1 member appointed by the Governor subject to legislative confirmation who shall hold an unlimited plumbing and heating contractor license and specializes in mechanical contracting.
 - 1 member appointed by the Governor subject to legislative confirmation who shall be a Level III Code-enforcement official employed by a municipality or county.
 - 1 member appointed by the Governor subject to legislative confirmation who shall be a North Carolina certified Level III Fire Code Official.
 - 1 member appointed by the Governor subject to legislative confirmation as a representative of the fuel-gas industry.

****Initially, the House rejected the revised bill after Rep Dean Arp (R-Union), an engineer, spoke against the provision that would remove an architect from the State Building Code Council. Later in the same House session, Rep. Arp asked the House to reconsider the vote and said he had commitments to continue working on that provision and attempting to find a compromise. After his comments, the House voted again and approved the bill.**

The bill was approved by the legislature but vetoed by Governor Cooper. The House and Senate have not yet taken the veto override vote, but are expected to do so later this year. The bill has not yet been enacted.

Senate Bill 445, Recording of Court-Filed Documents, would do the following:

- Exempt any certified copy of a court-filed document from formatting requirements applicable to paper documents presented to a register of deeds for registration.
- Begin the small claims appeal period when a judgment is rendered.
- Require written findings of indigency in small claims appeals.
- Modify criteria for plaintiff's motion to dismiss summary ejectment appeal.
- Require the clerk to disburse certain payments made during summary ejectment appeal within five days of request.
- Increase punishment for willful and wanton damage to the residential real property of another.
- Prohibit fraudulent rental, lease, or advertisement for sale of residential real property.

The bill was approved by the legislature but vetoed by Governor Cooper. The House and Senate have not yet taken the veto override vote, but are expected to do so later this year. The bill has not yet been enacted.

BILLS OF INTEREST NOT ENACTED INTO LAW

House Bill 309, Various Transportation Changes, would do following, among other things:

- Require the Commissioner of Motor Vehicles to be appointed by and serve at the pleasure of the Governor, with the Senate's advice and consent, instead of the Secretary of the Department of Transportation (DOT).
- Replace one of the Governor's appointees to the North Carolina Railroad Board of Directors with the Commissioner of Agriculture or their designee.
- Establishes the Rail Transportation Corridor Authority with specified powers and duties. It allows the creation of an authority for areas meeting certain criteria and sets out the powers, jurisdiction, and operational guidelines of the Authority, including the ability to issue debt and manage rail corridor projects.

The bill passed the Senate and is currently in the House Rules Committee. The bill was not enacted into law.

House Bill 385, Various Energy/Env. Changes. Several provisions from this bill were added to Senate Bill 607 discussed above, which was enacted. The bill would make various other regulatory, energy and environmental changes, to include:

- Require the Department of Environmental Quality (DEQ) to report quarterly on applications for permits required for natural gas pipelines and gas-fired electric generation facilities.
- Expand requirements for issuance of 401 certifications by DEQ to projects located at an existing or former electric generating facility.
- Amend the statute governing cleanfields renewable energy demonstration parks.
- Authorize renewable energy certificates for natural gas generated from renewable energy resources.
- Amend the statutes governing natural gas local distribution companies cost recovery.
- Require the Office of State Archaeology to provide information to landowners or prospective purchasers in areas of environmental concern upon request, and establish limits on associated CAMA permit conditions.
- Prohibit certain backflow preventer requirements by public water systems.

The bill was not enacted into law.

House Bill 864, PFAS Pollution and Polluter Liability, would hold PFAS manufacturers accountable for water cleanup costs. The bill would allow North Carolina's top environmental regulator to mandate manufacturers of "forever chemicals" (PFAS) to fund water system cleanup upgrades if their discharges contaminate drinking water beyond acceptable levels. This legislation was championed by Republican lawmakers from the Wilmington area, where PFAS discharges into the Cape Fear River have led public utilities to spend heavily on filtration. Representative Ted Davis emphasized that it is unfair for ratepayers to bear these costs, and the bill aims to hold the responsible companies accountable. The measure, supported by both parties, would authorize the Department of Environmental Quality (DEQ) to order responsible PFAS manufacturers to cover the necessary costs for contamination removal. The bill particularly affects The Chemours Co., identified for long-term PFAS discharges from its Fayetteville Works plant, which were not widely known until 2017. The bill also stipulates that public water systems must reduce customer water rates if they receive reimbursement for abatement costs. The bill was not enacted into law.

House Bill 966, Expedited Removal of Unauthorized Persons, would modify the process for property owners and landlords, or their authorized representatives, to expeditiously remove an unauthorized person from residential property. The bill would require property to give unauthorized occupants at least four hours' notice to leave before commencing expedited removal proceedings, allowing written notice to be posted on the front door if personal notice efforts fail. The complaint and summons must be filed and issued in the county where the property is located, with the sheriff required to serve these documents within 24 hours. A hearing before a magistrate must occur between 12 and 48 hours after service. The complainant is not required to pay filing fees. The complaint must prove several points, including ownership, the unauthorized status of the occupant, and the absence of any pending litigation related to the property. If the court rules in favor of the property owner, it must immediately issue an order for the unauthorized person to vacate within 2 to 8 hours. The order is served at the hearing, with procedures outlined for non-appearance or early departure by the unauthorized person. The court will set an appeal bond, with a minimum of \$1,000, considering specific factors. The order can be appealed to district court, and unauthorized persons can petition to stay the removal order by posting a bond.

Failure to remove personal property within the allotted time allows the owner to move the property to or near the property line, and failure to vacate is deemed criminal trespass. Property owners can only use expedited removal if they believe in good faith that removal grounds exist; otherwise, they are guilty of an unfair trade practice and a Class 1 misdemeanor. The bill would empower magistrates to accept complaints and issue summons for expedited removal when the clerk's office is closed. The bill was not enacted into law.

House Bill 984, Removal of Squatters from Private Property, is substantially similar to House Bill 966 discussed above. The bill was not enacted into law.

House Bill 1034, Nonjudicial Foreclosure of Timeshare Liens, would establish a nonjudicial foreclosure process for certain liens filed in connection with timeshare ownership in North Carolina. Ultimately the bill sponsor determined the bill would not substantially improve the existing foreclosure process that exists in North Carolina, and the proponents of the bill decided that they do not plan to have this bill considered in the 2024 legislative session. The bill was not enacted into law.

House Bill 1044, County Tier Designation Study Bill, would direct the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill to conduct a study evaluating potential changes to the county tier designation system used in the state, as specified in G.S. 143B-437.08. The study would explore altering the criteria used to rank the state's counties, potentially impacting how resources and aid are distributed. The study would also look into adjusting the frequency or timing of when county rankings are assessed and updated. The Collaboratory is to collaborate with the Department of Commerce, the Department of Health and Human Services, and the Department of Public Instruction to ensure a comprehensive evaluation. The focus will be on aligning proposed changes with the state's economic development goals, utilizing current and high-quality data, ensuring the methodology is understandable, and accurately identifying regions that are economically distressed. The bill was not enacted into law.

House Bill 1053, Sea Turtle Protection Act, is designed to safeguard sea turtles by regulating artificial lighting in coastal areas of North Carolina where turtles are known to nest. The Wildlife Resources Commission would be tasked with establishing designated coastal areas likely to be used by sea turtles for nesting. These areas will be clearly marked and published on the Commission's website. The bill imposes specific restrictions on artificial lighting to minimize its impact on turtle habitats. This includes:

- Prohibiting floodlights and ensuring wall-mounted fixtures do not illuminate the beach.
- Requiring pole lighting to be equipped with turtle-friendly lighting or shielded to prevent illumination of the beach.
- Mandating the use of low-profile luminaires for parking lots and dune crossings.
- Implementing turtle-friendly lighting or hoods for balcony lights and window treatments to prevent light from shining onto the beach from upper floors.

The bill was not enacted into law.

House Bill 1070, Property Rights and Protections, would do the following:

- Begin the small claims appeal period when a judgment is rendered (either signed or electronically by the magistrate), rather than when entered.
- Require written findings of indigency for small claims appeals; modifies criteria for a plaintiff's motion to dismiss a summary ejectment appeal; and requires clerks to disburse rental payments made during an appeal within five days of a request.
- Increase the punishment for willful and wanton damage to residential property from a Class 1 misdemeanor to a Class I felony if damages exceed \$500.
- Establish a Class H felony for renting or leasing property without lawful ownership; and establish a Class I felony for advertising property for rent, lease, or sale without legal authority.

The bill was not enacted into law.

Senate Bill 640, Amend Occupational Licensing Board Statutes, would amend the Machinery Act to exclude from property taxation personal property that was suitable when fully functional to be used by the owner for the production of income or in connection with a business, or both, but due to malfunction or nonfunction has a value not greater than scrap value. The bill would extend the end of the regular listing period from January 31 to April 15 and eliminate the ability of individuals to request an extension to that same date for good cause shown. The bill would maintain the current ability of an individual to request an extension to June 1 in those counties that have provided for electronic listing of personal property. The bill was not enacted into law.

Senate Bill 866, Wetlands Protection and Restoration Act, would provide state funds to protect and restore wetlands and amend the law to provide additional protections to isolated wetlands. The bill was not enacted into law.

Senate Bill 884, Funds/Water Filtration Grants, aims to enhance access to safe drinking water for low-income households in specific areas of North Carolina. The bill outlines financial support and the targeted application of water filtration systems within the Neuse and Cape Fear river basins. The bill was not enacted into law.

For more information about legislation described in the legislative reports, feel free to contact us at dferrell@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 – TISPC Lobbyists

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