



TISPC

Legislative Report
March 14, 2025

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.

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

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 291, Regulation of Short-Term Rentals, establishes statewide guidelines for how cities in North Carolina can regulate short-term rentals (STRs), such as Airbnb and VRBO properties. The bill prohibits cities from:

- Banning residential properties or accessory dwelling units from being used as short-term rentals.
- Imposing nightly rental limits or requiring owner-occupancy during rentals.
- Classifying STRs as commercial properties or limiting STR marketplaces.

However, the bill allows certain local regulations, including:

- Permit requirements with a maximum \$25 fee (renewal or reinstatement fees capped at \$25).
- Occupancy limits (two adults per bedroom).

- Parking plans (one space per bedroom).
- Zoning restrictions to residential areas only (must comply with zoning codes).
- Compliance with city ordinances, such as noise, waste removal, and parking regulations.
- Owner availability requirement, ensuring an owner or agent is within 50 miles during rentals.

The bill defines a short-term rental as a residential unit rented for 90 days or less, excluding large condominium complexes operating like hotels or units used for commercial businesses/events.

The act becomes effective immediately upon becoming law.

Introduced by Sens. Moffitt (R); McInnis (R); Hanig (R) and is awaiting committee referral.

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 – TISPC Lobbyists

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