GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SENATE BILL 177
RATIFIED BILL

AN ACT TO PROVIDE FOR VARIOUS STATUTORY REVISIONS AND OTHER AMENDMENTS AND BUDGET CORRECTIONS.

The General Assembly of North Carolina enacts:

PART I. STATUTORY REVISIONS AND OTHER AMENDMENTS

COUNCIL OF DISTRICT ATTORNEYS CORRECTIONS AND REVISIONS

SECTION 1.1.(a) G.S. 7A-414(b), as amended by Section 16.20 of S.L. 2026-41, reads as rewritten:

"(b) The Executive Director shall do all of the following:

…

(8) Employ staff counsel or retain private counsel to provide legal services for the Council and any district attorney or staff. The Executive Director may approve the expenditure of lapsed salary savings to pay for legal services under G.S. 7A-414.1.

(9) Notwithstanding the provisions of G.S. 138-6(a)(1), elect to establish a per-mile reimbursement rate for transportation by privately-owned vehicles at a rate less than the business standard mileage rate set by the Internal Revenue Service.

(10) Perform additional duties and exercise additional powers as may be prescribed by statute or assigned by the Council."

SECTION 1.1.(b) G.S. 7A-415, as amended by Section 16.20 of S.L. 2026-41, reads as rewritten:

"**§ 7A-415. Resource prosecutors.**

(a) The Council of District Attorneys may employ resource prosecutors as appointed by the executive director. A resource prosecutor shall be an attorney licensed and eligible to practice in the courts of this State and shall serve at the pleasure of the executive director. A resource prosecutor shall take the same oath of office as a district attorney in this State and shall be authorized to represent the State in any court of this State without taking an additional oath. When assisting a district attorney, a resource prosecutor shall have the same authority, power, and privileges as an assistant district attorney serving in the requesting district attorney's office.

(b) A Council of State agency, other than the Department of Justice, may enter into an agreement with the Council of District Attorneys to assign resource prosecutors under subsection (a) of this section to matters referred by the agency to district attorneys. A resource prosecutor working under this agreement may do all of the following:

(1) Handle any criminal matters that result from an investigation conducted by the agency, under the authority vested in that agency under State law.

(2) Assist the agency and agency's staff in criminal matters.

(3) At the request of a district attorney, prosecute criminal matters that result from an investigation by the agency.

(4) Perform other duties assigned by the Executive Director of the Council of District Attorneys and serve at the pleasure of the Executive Director.

(c) Notwithstanding any provision of law to the contrary, the procedure set forth in subsection (b) of this section is the exclusive way a Council of State agency, other than the Department of Justice, may employ an attorney authorized to prosecute on behalf of the State."

SECTION 1.1.(c) G.S. 147-64.6(c)(26), as amended by Section 24.5 of S.L. 2026-41, is repealed.

SECTION 1.1.(d) G.S. 7A-420(a)(4), as amended by Section 16.20 of S.L. 2026-41, is repealed.

SECTION 1.1.(e) G.S. 7A-420(b), as recodified by Section 16.20 of S.L. 2026-41, is repealed.

SECTION 1.1.(f) This section becomes effective July 1, 2027.

JALEEYAH'S LAW CLARIFICATIONS

SECTION 1.2.(a) G.S. 14-50.16A(2), as amended by subsection (a) of Section 2 of S.L. 2026-37, reads as rewritten:

"(2) Criminal gang activity. – The commission of, attempted commission of, or solicitation, coercion, or intimidation of another person to commit (i) any offense under Article 5 of Chapter 90 of the General Statutes or (ii) any offense under Chapter 14 of the General Statutes except Article 9, 22A, 40, 46, or 59 thereof, and further excepting G.S. 14-82, 14-145, 14-183, 14-184, 14-186, 14-190.9, 14-247, 14-248, or 14-313 thereof, and either of the following conditions is met:

a. The offense is committed with the intent to benefit, promote, or further the interests of a criminal gang or for the purposes of increasing a person's own standing or position within a criminal gang.

b. The participants in the offense are identified as criminal gang members acting individually or ~~collectively.~~collectively to further any criminal purpose of a criminal gang."

SECTION 1.2.(b) This section is effective December 1, 2026.

LICENSE CLASS EXCEPTION FOR OPERATORS OF EMERGENCY VEHICLES

SECTION 1.3. G.S. 20-7(a) reads as rewritten:

"(a) License Required. – To drive a motor vehicle on a highway, a person must be licensed by the Division under this Article or Article 2C of this Chapter to drive the vehicle and must carry the license while driving the vehicle. The Division issues regular drivers licenses under this Article and issues commercial drivers licenses under Article 2C.

A license authorizes the holder of the license to drive any vehicle included in the class of the license and any vehicle included in a lesser class of license, except a vehicle for which an endorsement is required. To drive a vehicle for which an endorsement is required, a person must obtain both a license and an endorsement for the vehicle. A regular drivers license is considered a lesser class of license than its commercial counterpart.

The classes of regular drivers licenses and the motor vehicles that can be driven with each class of license are:

(1) Class A. – A Class A license authorizes the holder to drive any of the following:

a. A Class A motor vehicle that is exempt under G.S. 20-37.16 from the commercial drivers license requirements.

b. A Class A motor vehicle that has a combined GVWR of less than 26,001 pounds and includes as part of the combination a towed unit that has a GVWR of at least 10,001 pounds.

(2) Class B. – A Class B license authorizes the holder to drive any Class B motor vehicle that is exempt under G.S. 20-37.16 from the commercial drivers license requirements.

(3) Class C. – A Class C license authorizes the holder to drive any of the following:

a. A Class C motor vehicle that is not a commercial motor vehicle.

b. When operated by a volunteer member of a fire department, a rescue squad, or an emergency medical service (EMS) in the performance of duty, a Class A or Class B fire-fighting, rescue, or EMS motor vehicle or a combination of these vehicles. For purposes of this sub-subdivision, and notwithstanding license and vehicle classification restrictions applicable under G.S. 20-8(3), a nonresident who holds a valid noncommercial drivers license issued by another state is deemed to hold a Class C license in this State, provided the nonresident satisfies all other requirements of this sub-subdivision.

b1. When operated by a career member of a fire department, rescue squad, or an emergency medical service (EMS) in the performance of a duty, a Class A or Class B fire-fighting, rescue, or EMS motor vehicle or a combination of these vehicles, provided the member holds a valid Emergency Vehicle Driver certification issued by the State Fire and Rescue Commission. For purposes of this sub-subdivision, and notwithstanding license and vehicle classification restrictions applicable under G.S. 20-8(3), a nonresident who holds a valid noncommercial drivers license issued by another state is deemed to hold a Class C license in this State, provided the nonresident satisfies all other requirements of this sub-subdivision. The State Fire and Rescue Commission may establish requirements for the issuance and renewal of the Emergency Vehicle Driver certification required by this sub-subdivision, including periods of validity, expiration dates, and requirements for recertification, which may include successful completion of the Emergency Vehicle Driver course.

c. A combination of noncommercial motor vehicles that have a GVWR of more than 10,000 pounds but less than 26,001 pounds. This sub-subdivision does not apply to a Class C license holder less than 18 years of age.

The Commissioner may assign a unique motor vehicle to a class that is different from the class in which it would otherwise belong.

A person holding a commercial drivers license issued by another jurisdiction must apply for a transfer and obtain a North Carolina issued commercial drivers license within 30 days of becoming a resident. Any other new resident of North Carolina who has a drivers license issued by another jurisdiction must obtain a license from the Division within 60 days after becoming a resident."

COMPLEX FAMILY FINANCIAL COURT MODIFICATIONS

SECTION 1.4.(a) G.S. 50-110, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-110. Definitions.**

The following definitions shall apply in this Article:

(1) Chief Complex Family Financial Court Judge. – A Complex Family Financial Court Judge designated by the Chief Justice of the North Carolina Supreme Court as provided for in G.S. 7A-45.1(a14) who determines which ~~cases~~

claims are designated as complex family financial ~~cases,~~ claims, assigns all ~~cases~~ claims designated as complex family financial ~~cases,~~ claims to a Complex Family Financial Court Judge, and prepares any required reports in addition to conducting hearings and entering orders in ~~their~~ his or her assigned complex family financial cases.

(2) Complex family financial case. – ~~Any~~ A case in which a complex family financial claim or claims ~~approved for hearing as a complex family financial case~~ is designated to be heard and decided by a Complex Family Financial Court Judge as provided for by this Article. ~~Claims eligible for hearing as a complex family financial case are equitable distribution, alimony, postseparation support, child support, or any combination of those claims.~~

(2a) Complex family financial claims. – Claims brought under this Chapter that have been designated as a complex family financial claims as provided for in G.S. 50-114. Only claims for equitable distribution, alimony, postseparation support, child support, or any combination of those claims are eligible for designation as a complex family financial claim.

(3) Complex Family Financial Court Judge. – A special superior court judge appointed pursuant to G.S. 7A-45.1(a14) to hear and enter orders in complex family financial ~~cases filed in district court.~~claims."

SECTION 1.4.(b) G.S. 50-111, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-111. Complex Family Financial Court Judge.**

To serve as a Complex Family Financial Court Judge, the individual must meet the following minimum qualifications:

(1) Attorney licensed in North Carolina and in good standing with the North Carolina State Bar.

(2) Substantial involvement handling complex family financial ~~cases~~ matters during the 10 calendar years prior to the year of application, including the following:

a. Average at least 600 hours per year handling complex family financial ~~cases.~~matters.

b. No less than 400 hours handling complex family financial ~~cases~~ matters in any one year.

(3) During the five calendar years prior to the application:

a. Completed at least 45 hours of continuing legal education credits in family law, nine of which may be in related fields, including taxation, trial advocacy, evidence, negotiation, including training in mediation, arbitration, and collaborative law, real property, estate planning and probate law, trusts, business organizations, employee benefits, bankruptcy, and immigration law. Only nine hours will be recognized for attendance at an extended negotiation or mediation training course. Parenting coordinator training will not qualify for family law or related field hours.

b. A minimum of six hours of continuing legal education must have been completed in each of those five years.

(4) Satisfactory peer review by 10 lawyers or judges who are identified by the applicant. The identified individuals must have personal knowledge of the competence and qualification of the applicant in handling complex family financial matters at the pretrial, trial, and posttrial level. All identified individuals must be licensed and in good standing to practice law in the State of North Carolina. No identified individual may be related by blood or

marriage to the applicant nor be a colleague at the applicant's place of employment at the time of the application."

SECTION 1.4.(c) G.S. 50-112, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-112. Authority and duties of a Complex Family Financial Court Judge.**

~~(a) A Complex Family Financial Court Judge under this Article has the following authority and responsibilities in all complex family financial cases in district court:~~

~~(1) To conduct hearings and to ensure that the parties' due process rights are protected.~~

~~(2) To take testimony and establish a record.~~

~~(3) To evaluate evidence and make decisions regarding the issues being heard.~~

~~(4) To enter temporary, interim, and final orders related to the issues being heard.~~

~~(5) To enter orders granting or denying any motion filed under G.S. 1A-1 or any local rules of court for the county in which the action was filed related to actions under this Chapter.~~

~~(6) To subpoena witnesses and documents.~~

(b) A Complex Family Financial Court Judge is authorized to conduct hearings in district court on complex family financial ~~cases~~ claims statewide.

(c) A Complex Family Financial Court Judge ~~must~~ shall complete at least nine hours of continuing legal education credits in family law or related fields each year, including taxation, trial advocacy, evidence, negotiation (including training in mediation, arbitration, and collaborative law), real property, estate planning and probate law, trusts, business organizations, employee benefits, bankruptcy, and immigration law. Only one hour per year will be recognized for attendance at negotiation or mediation training, and parenting coordinator training will not qualify for family law or related field hours."

SECTION 1.4.(d) G.S. 50-113, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-113. Designation of a complex family financial claim.**

(a) A party designating a claim as a complex family financial claim shall file a Notice of Designation in the district court in which the action has been filed and shall contemporaneously serve the notice on all parties or ~~counsel and on the Chief Complex Family Financial Court Judge.~~ counsel. The Notice of Designation shall, in good faith and based on information reasonably available, succinctly state each applicable factor provided in G.S. 50-114, the reasons supporting each factor for designation as a complex family financial claim, and any other information supporting designation as a complex family financial claim. Any factor or reasons supporting the designation not asserted in the Notice of Designation shall be deemed conclusively ~~waived.~~waived and not considered by the Chief Complex Family Financial Court Judge when determining designation.

(b) Within 30 days after service of the Notice of Designation, any other party may, in good faith, file and serve an opposition to the designation of the claim as a complex family financial claim. The opposition to the designation of the claim shall assert all reasons for which the party opposing designation objects to the designation, and any reason not asserted shall be deemed conclusively waived. The opposition to the designation shall be served on each opposing party or counsel ~~and the Chief Complex Family Financial Court Judge~~ and shall be filed in the district court in which the action has been filed.

(c) ~~A family court judge assigned to the case~~The chief district judge of the district in which the case is filed may request designation of pending family financial claims as complex family financial claims by following the procedure in subsection (a) of this section. ~~If the judicial district does not have a designated family court, the chief district court judge for the judicial district may request the designation.~~ Any party to the action may file and serve opposition to the request for designation as provided for in subsection (b) of this section.

(d) Based on the written Notice of Designation and any opposition filed, the Chief Complex Family Financial Court Judge shall determine whether the ~~action~~ claims should be designated as ~~a~~ complex family financial ~~claim~~ claims by written order entered within 45 days of service of the Notice of Designation. This designation is final and not subject to appeal.

(e) Each party shall pay equal shares of the additional filing fee as required under G.S. 7A-305. Only one additional filing fee shall be required per complex family financial case.

(f) Once an order granting designation of a claim as a complex family financial claim is entered, that claim shall be designated and administered as a complex family financial case and assigned to a Complex Family Financial Court Judge by the Chief Complex Family Financial Court Judge. All proceedings related to the complex family financial claims ~~designated as a complex family financial claim~~ shall be before the assigned Complex Family Financial Court Judge. ~~Judge to whom the complex family financial case has been assigned.~~ If any complex family financial claim status is denied, the claim or claims to which the designation was denied shall be heard ~~with any other claims filed under this Chapter.~~before a district court judge for the district in which the claims were filed."

~~(g) Complex family financial cases are subject to all provisions of Article 1 of this Chapter, the North Carolina Rules of Civil Procedure, the North Carolina Rules of Evidence, any applicable local rules of court for the county in which the complex family financial case is pending, and any rules which may be adopted by the Chief Justice of the North Carolina Supreme Court."~~

SECTION 1.4.(e) G.S. 50-114, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-114. Factors for complex family financial ~~case~~ claim determination.**

The Chief Complex Family Financial Court Judge shall consider ~~each of~~ the following factors in determining whether a claim or claims shall be designated as a complex family financial ~~case:~~claim:

(1) Valuation and classification issues related to trusts, including active and passive increases or decreases in value.
(2) Valuation and classification issues related to businesses, including active or passive increases or decreases in value.
(3) Valuation and classification of real property, including active or passive increases or decreases in value.
(4) Valuation and classification issues regarding complex retirement or other employment benefits, including employee stock ownership plans, stock options, profit sharing, defined contribution plans, and defined benefit plans.
(5) Valuation and classification of profits, bonuses, or other income or assets received after the date of separation.
(6) Active or passive changes in value to separate property during the marriage.
(7) Tax issues arising from the distribution of assets and debts, including tax loss carryforwards, refunds, credits, or tax consequences.
(8) Whether there are loans or transfers between businesses or shareholders.
(9) Whether there are third-party defendants.
(10) Validity of a premarital or property settlement agreement pled in defense to an equitable distribution, alimony, postseparation support, or child support case.
(11) Total value of real and personal property.
(12) Calculation of income for spousal support, child support, or both when income includes non W-2 income.
(13) Total length of time requested for trial on the issues detailed on the Notice of Designation.

~~Claims~~ Complex family financial claims which have been filed in excess of 365 days shall be given priority over complex family financial claims filed less than 365 days, and requested trial dates for the complex family financial ~~case~~ claims in excess of 15 days shall be given priority."

SECTION 1.4.(f) G.S. 50-115, as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"**§ 50-115. Complex family financial hearings.**

~~(a) Motion hearings shall be held virtually unless the assigned judge determines good cause exists to hold the hearing in person. If an in-person hearing is ordered, it shall be held at the courthouse in the county in which the action was filed in an available district or superior courtroom staffed by a deputy or assistant clerk and bailiff.~~

~~(b) Hearings on the issues designated as a complex family financial case shall be held in person at the courthouse in the county in which the action was filed in an available district or superior courtroom staffed by a deputy or assistant clerk and bailiff.~~

~~(c) All complex family financial hearings must be recorded and exhibits maintained as required for any other matter.~~

~~(d) Any hearing on final disposition of the complex family financial case must be scheduled on consecutive days.~~

Hearings on motions and trials shall be held in the county of venue. Proceedings may be conducted using audio and video transmission pursuant to G.S. 7A-49.6."

SECTION 1.4.(g) G.S. 7A-45.1(a14), as enacted by Section 16.19 of S.L. 2026-41, reads as rewritten:

"(a14) In addition to any other special superior court judges authorized by law, effective July 1, 2026, the Chief Justice of the North Carolina Supreme Court shall appoint three special superior court judges to serve terms expiring at the earlier of (i) eight years from the date that each judge takes office or (ii) the date of the judge's death, retirement, resignation, or removal from office. Special superior court judges appointed pursuant to this subsection shall be designated as special superior court judges to hear and decide complex family financial ~~cases~~ claims as defined in ~~G.S. 50-110(2)~~ G.S. 50-110 in the district court under G.S. 7A-244 and shall be known as Complex Family Financial Court Judges.

Upon the natural expiration of the term of a special superior court judge appointed pursuant to this subsection, or upon the expiration of a term due to a judge's death, retirement, resignation, or removal from office, a successor shall be appointed to a new term in the same manner and for the same length as other judges appointed pursuant to this subsection.

A special superior court judge takes the same oath of office and is subject to the same requirements and disabilities as are or may be prescribed by law for regular judges of the superior court, save the requirement of residence in a particular district and mandatory retirement age. ~~The mandatory retirement age for a special superior court judge appointed pursuant to this subsection shall be 78 years of age.~~No superior court judge appointed pursuant to this subsection may continue in office beyond the last day of the calendar year in which the superior court judge attains 78 years of age."

SECTION 1.4.(h) Section 16.19.(c) of S.L. 2026-41 is repealed.

SECTION 1.4.(i) G.S. 7A-27(b), as amended by Section 16.19 of S.L. 2026-41, reads as rewritten:

"(b) Except as provided in subsection (a) of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:
   a. Affects a substantial right.
   b. In effect determines the action and prevents a judgment from which an appeal might be taken.
   c. Discontinues the action.
   d. Grants or refuses a new trial.
   e. Determines a claim prosecuted under G.S. 50-19.1.
   f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly. This sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action.
   g. Denies, upon the court's own motion or the motion of a party, the transfer of an action or proceeding pursuant to Rule 42(b)(4) of the North Carolina Rules of Civil Procedure.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(5) From any final judgment of a Complex Family Financial Court Judge as defined in ~~G.S. 50-110(3).~~G.S. 50-110.

(6) From any interlocutory order or judgment of a Complex Family Financial Court Judge as defined in ~~G.S. 50-110(3)~~ G.S. 50-110 that does any of the following:
   a. Affects a substantial right.
   b. In effect determines the action and prevents a judgment from which an appeal might be taken.
   c. Discontinues the action.
   d. Grants or refuses a new trial.
   e. Determines a claim prosecuted under G.S. 50-19.1."

SECTION 1.4.(j) This section is retroactively effective to July 1, 2026.

PROVIDE FOR SHELLFISH LEASE RENEWALS FOR DEMONSTRATION OR RESEARCH LEASES IMPACTING EDUCATIONAL INSTITUTIONS

SECTION 1.6. G.S. 113-202.1(i) reads as rewritten:

"(i) To the extent required by demonstration or research aquaculture development projects, the Secretary may amend existing leases and issue leases that authorize use of the bottom and the water column. Demonstration or research aquaculture development projects may be authorized for ~~five years with no more than one renewal and~~renewable five-year periods when the project is proposed or formally sponsored by an educational institution which conducts research or demonstration of aquaculture. Production of shellfish with a sales value in excess of five thousand dollars ($5,000) per acre per year shall constitute commercial production. Demonstration or research aquaculture development projects shall be exempt for the rental rate in subsection (d) of this section unless commercial production occurs as a result of the project."

ADJUST REQUIREMENTS FOR SHARING SUICIDE AND CRISIS LIFELINE INFORMATION

SECTION 1.7.(a) G.S. 115C-47(73), as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"(73) To Provide Students the Suicide and Crisis Lifeline ~~Phone Number and the NC Peer Warmline~~ Phone Number. – A local board of education ~~shall~~ may adopt a policy ~~to ensure~~ requiring all schools in the local school administrative

unit to provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If a local board of education requires the schools to share this phone number with students, it is recommended that the local board of education require the schools to share this information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the schools are directed to share the phone number for the Suicide and Crisis Lifeline with students, the schools shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. ~~numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The board shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, schools shall use the updated phone number. Unless an updated phone number exists, the schools shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~a. On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this sub-subdivision requires a school to issue a student ID.~~

~~b. On the school website.~~

~~c. On the home screen of any electronic device issued to students.~~

~~d. On any school agenda or calendar, whether digital or printed.~~

~~e. On a document during any suicide awareness activity.~~

~~f. On a document when the student registers to attend the school.~~"

SECTION 1.7.(b) G.S. 115C-150.12C(39), as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"(39) To provide students the Suicide and Crisis Lifeline ~~phone number and the NC Peer Warmline~~ phone number. – The board of trustees ~~shall~~ may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the board elects to share this phone number with students, it is recommended that the board direct the school to share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the school is directed to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. ~~numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The board shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the board shall use the updated phone number. Unless an updated phone number exists, the board shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~a. On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this sub-subdivision requires a school to issue a student ID.~~

~~b. On the school website.~~

~~c. On the home screen of any electronic device issued to students.~~

~~d. On any school agenda or calendar, whether digital or printed.~~

e. On a document during any suicide awareness activity.

f. On a document when the student registers to attend the school."

SECTION 1.7.(c) G.S. 115C-218.75(p), as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"(p) To Provide Students the Suicide and Crisis Lifeline Phone Number and the NC Peer Warmline Phone Number. – A charter school shall may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the school elects to share this phone number with students, it is recommended that the school share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the school elects to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The school shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the school shall use the updated phone number. Unless an updated phone number exists, the school shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:

(1) On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this subdivision requires a school to issue a student ID.

(2) On the school website.

(3) On the home screen of any electronic device issued to students.

(4) On any school agenda or calendar, whether digital or printed.

(5) On a document during any suicide awareness activity.

(6) On a document when the student registers to attend the school."

SECTION 1.7.(d) G.S. 115C-229.35(25), as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"(25) The regional school shall may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the board elects to share this phone number with students, it is recommended that the school share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the board elects to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The school shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the school shall use the updated phone number. Unless an updated phone number exists, the school shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:

a. On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this sub-subdivision requires a school to issue a student ID.

b. On the school website.

c. On the home screen of any electronic device issued to students.

d. On any school agenda or calendar, whether digital or printed.

~~e. On a document during any suicide awareness activity.~~

~~f. On a document when the student registers to attend the school.~~"

SECTION 1.7.(e) G.S. 115C-550.2, as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"**§ 115C-550.2. Provide students the Suicide and Crisis Lifeline phone ~~number and the NC Peer Warmline phone~~ number.**

Each private church school or school of religious charter ~~shall~~ may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the school elects to share this phone number with students, it is recommended that the school share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the school elects to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. ~~numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The school shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the school shall use the updated phone number. Unless an updated phone number exists, the school shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~(1) On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this subdivision requires a school to issue a student ID.~~

~~(2) On the school website.~~

~~(3) On the home screen of any electronic device issued to students.~~

~~(4) On any school agenda or calendar, whether digital or printed.~~

~~(5) On a document during any suicide awareness activity.~~

~~(6) On a document when the student registers to attend the school.~~"

SECTION 1.7.(f) G.S. 115C-558.2, as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"**§ 115C-558.2. Provide students the Suicide and Crisis Lifeline phone ~~number and the NC Peer Warmline phone~~ number.**

Each qualified nonpublic school ~~shall~~ may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the school elects to share this phone number with students, it is recommended that the school share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the school elects to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. ~~numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The school shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the school shall use the updated phone number. Unless an updated phone number exists, the school shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~(1) On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this subdivision requires a school to issue a student ID.~~

~~(2) On the school website.~~

~~(3) On the home screen of any electronic device issued to students.~~

~~(4) On any school agenda or calendar, whether digital or printed.~~

~~(5) On a document during any suicide awareness activity.~~

~~(6) On a document when the student registers to attend the school.~~"

SECTION 1.7.(g) G.S. 115D-9.45, as enacted by Section 6.10 of S.L. 2026-41, reads as rewritten:

"**§ 115D-9.45. Provide students the Suicide and Crisis Lifeline phone number and the NC Peer Warmline phone number.**

The State Board of Community Colleges ~~shall~~ may adopt a policy requiring all community colleges to provide students the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. If the State Board of Community Colleges requires the community colleges to share these phone numbers with students, it is recommended that the State Board of Community Colleges require the community colleges to share this information by posting the phrases "To reach the Suicide and Crisis Lifeline, call or text 988" and "To reach the NC Peer Warmline, call 855-733-7762" in several prominent places to make the information readily accessible to all students. If the community colleges are directed to share the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline with students, each community college shall verify that the phone numbers are current and accurate annually, and shall use an updated phone number if one exists. ~~The State Board shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the community colleges shall use the updated phone number. Unless an updated phone number exists, the community colleges shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~(1) On any new student identification (student ID) issued. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this subdivision requires a school to issue a student ID.~~

~~(2) On the school website.~~

~~(3) On the home screen of any electronic device issued to students.~~

~~(4) On any school agenda or calendar, whether digital or printed.~~

~~(5) On a document during any suicide awareness activity.~~

~~(6) On a document when the student registers to attend the school.~~"

SECTION 1.7.(h) G.S. 116-11(3d), as enacted by Section 8.19 of S.L. 2026-41, reads as rewritten:

"(3d) The Board of Governors ~~shall~~ may adopt a policy requiring all constituent institutions to provide students the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. If the Board of Governors requires the constituent institutions to share these phone numbers with students, it is recommended that the Board of Governors require the constituent institutions to post the phrases "To reach the Suicide and Crisis Lifeline, call or text 988" and "To reach the NC Peer Warmline, call 855-733-7762" in several prominent places to make the information readily accessible to all students. If the constituent institutions are directed to share the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline with students, each constituent institution shall verify that the phone numbers are current and accurate annually, and shall use an updated phone number if one exists. ~~The Board of Governors shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the constituent institutions shall use the updated phone number. Unless an updated phone number exists, the constituent institutions shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME~~

~~to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~a. On any new student identification (student ID) issued. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this sub-subdivision requires a school to issue a student ID.~~

~~b. On the school website.~~

~~c. On the home screen of any electronic device issued to students.~~

~~d. On any school agenda or calendar, whether digital or printed.~~

~~e. On a document during any suicide awareness activity.~~

~~f. On a document when the student registers to attend the school.~~"

SECTION 1.7.(i) G.S. 116-239.8(b)(26), as enacted by Section 7.33 of S.L. 2026-41, reads as rewritten:

"(26) To provide students the Suicide and Crisis Lifeline ~~phone number and the NC Peer Warmline~~ phone number. – A laboratory school ~~shall~~ may provide students in grades nine through 12 the phone number for the Suicide and Crisis Lifeline. If the chancellor elects to share this phone number with students, it is recommended that the school share the information by posting the phrase "To reach the Suicide and Crisis Lifeline, call or text 988" in several prominent places to make the information readily accessible to all students. If the chancellor elects to share the phone number for the Suicide and Crisis Lifeline with students, the school shall verify that the phone number is current and accurate annually, and shall use an updated phone number if one exists. ~~numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. The school shall verify that the phone numbers for the Lifeline and the Warmline are current and accurate annually. If either phone number has changed, the school shall use the updated phone number. Unless an updated phone number exists, the school shall have the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" in the following places:~~

~~a. On any new student identification (student ID) issued to a student in grades six through 12. The text shall be in a conspicuous location on the student ID. The text may be printed on the ID or affixed by sticker. Nothing in this sub-subdivision requires a school to issue a student ID.~~

~~b. On the school website.~~

~~c. On the home screen of any electronic device issued to students.~~

~~d. On any school agenda or calendar, whether digital or printed.~~

~~e. On a document during any suicide awareness activity.~~

~~f. On a document when the student registers to attend the school.~~"

EXPAND EDUCATOR PREPARATION PROGRAM ELIGIBILITY FOR TEACHREADYNC PROGRAM

SECTION 1.8.(a) G.S. 115C-269.65(4), as enacted by Section 7.24(g) of S.L. 2026-41, reads as rewritten:

"(4) Eligible educator preparation program. – A recognized educator preparation program that meets all of the following criteria:

a. Is ~~either an institution of higher education or a public school unit.~~an institution of higher education, a public school unit, or a partnership of two or more of those entities.

b. Is selected by a participating unit to enroll apprentices employed by that unit."

SECTION 1.8.(b) This section becomes effective July 1, 2026.

ADVANCED TEACHING ROLES PROGRAM CHANGES

SECTION 1.9.(a) G.S. 115C-310.3, as amended by Section 7.19 of S.L. 2026-41, reads as rewritten:

"**§ 115C-310.3. Definitions.**

The following definitions apply to this Article:

(1) Repealed by Session Law 2026-41, s. 7.19, effective July 7, 2026, and applicable beginning with the 2026-2027 school year.

(2) Advanced teaching role. – A teaching assignment that includes either (i) teaching an increased number of students or (ii) becoming an ATR team lead.

(3) ATR plan. – A local board of education's plan to implement advanced teaching roles under this Article.

(4) ATR school. – A school that is included in an ATR unit's ATR plan.

(5) ATR team lead. – A teaching assignment that includes leading one or more teachers and being responsible, in addition to the teacher of record, for the student performance of all students taught by teachers on that lead teacher's team.

(6) ATR unit. – A local school administrative unit operating under an ATR plan approved by the State Board of Education.

(7) Repealed by Session Law 2026-41, s. 7.19, effective July 7, 2026, and applicable beginning with the 2026-2027 school year.

(8) Classroom teacher. – A teacher who works in the classroom providing instruction to students at least seventy percent (70%) of the instructional day and who is not instructional support personnel.

(8a) Collaborative impact leader I. – An ATR team lead who meets all of the following criteria:

a. Leads a team of two or three teachers.

b. Provides instruction for at least fifty percent (50%) of the instructional day, including instruction to the ATR team lead's own students and students taught by teachers on the ATR team lead's team.

c. Is not a school administrator.

(9) Collaborative impact ~~leader.~~leader II. – An ATR team lead who meets all of the following criteria:

a. Leads a team of between four and eight teachers.

~~b. Does not serve as the teacher of record for any students.~~

c. ~~Provides instruction, including co-teaching, for at least thirty percent (30%) of the instructional day to students taught by teachers on the ATR team lead's team.~~Provides instruction for at least fifty percent (50%) of the instructional day, including instruction to the ATR team lead's own students and students taught by teachers on the ATR team lead's team.

d. Is not a school administrator.

(10) Reserved.

(11) Reserved.

(12) Reserved.

(13) Reserved.

~~(14) Partial-release collaborative impact leader. – An ATR team lead who meets the following criteria:~~

~~a. Serves as the teacher of record for at least one class of students.~~

~~b. Leads a team of two or three teachers.~~

~~c. Is not a school administrator.~~

(14a) Release time. – Duty-free time during regular student contact hours when a teacher may engage in self-directed activities related to the teacher's position, including instructional planning, observation, and coaching.

(15) Teacher of distinction. – A classroom teacher serving in an advanced teaching role who is the teacher of record for at least twenty percent (20%) more students than the average number of students taught by other teachers on the teacher's ATR team.

(16) Teacher of record. – The classroom teacher who is responsible for a student's performance. The term does not include a classroom teacher who is only responsible for a student's performance by virtue of being an ATR team lead."

SECTION 1.9.(b) G.S. 115C-310.5(a) reads as rewritten:

"(a) Proposals. – By July 15 of each year, the State Board of Education shall issue a Request for Proposal (RFP) to allow local boards of education to submit ATR plans for approval. Local boards of education shall submit their proposed ATR plans by August 15. The RFP shall require that proposals include the following information, at a minimum:

…

(10) Assurance that teachers serving in collaborative impact leader I and II positions will receive release time as follows:

a. For elementary and middle school teachers, at least 45 minutes of release time per day in addition to the release time received by classroom teachers at the same ATR school.

b. For high school teachers, at least 3 hours and 45 minutes of release time per week in addition to the release time received by classroom teachers at the same ATR school."

SECTION 1.9.(c) G.S. 115C-310.11(a), as amended by Section 7.19 of S.L. 2026-41, reads as rewritten:

"(a) Award of Grants. ~~– Any funds awarded to an ATR unit pursuant to this section are subject to availability.~~ Any funds awarded to an ATR unit pursuant to this section are subject to availability. Grants include (i) one-time planning funds and (ii) implementation funds for a term of up to three years, renewable once. The State Board of Education shall authorize a second term of grant funds in accordance with subsection (c) of this section. The State Board of Education shall allocate funds to each ATR unit receiving funds pursuant to this section as follows:

(1) One hundred fifty thousand dollars ($150,000) in one-time planning funds prior to or during the first year of the ATR unit's initial grant term.

(2) ~~Fifteen thousand dollars ($15,000) per ATR school in implementation funds for each year the ATR unit receives grant funds, for no more than three years per ATR school.~~For each year the ATR unit receives grant funds, the greater of the following in implementation funds:

a. Fifteen thousand dollars ($15,000) per ATR school, for no more than three years per ATR school.

b. One hundred thousand dollars ($100,000), if at least one of the following applies:

1. The ATR unit is in its initial grant term.

2. The ATR unit is adding at least one new ATR school for the grant year.

3. All of the ATR unit's schools have become ATR schools, excluding alternative schools and cooperative innovative high schools."

SECTION 1.9.(d) G.S. 115C-310.13, as amended by Section 7.19 of S.L. 2026-41, reads as rewritten:

"**§ 115C-310.13. Advanced teaching roles salary supplements.**

(a) ATR units may designate up to fifteen percent (15%) of the teachers in each ATR school as collaborative impact leaders and five percent (5%) of the teachers in each ATR school as teachers of distinction. For the purposes of calculating the number of teachers who are eligible to be designated as either collaborative impact leaders or teachers of distinction, all of the following apply:

(1) If the number of allowable designated positions includes a fractional position that is greater than or equal to one-half, an ATR unit shall round the partial position to a full position.

(2) An ATR unit shall count two ~~partial-release~~ collaborative impact ~~leaders~~ leader I positions as one collaborative impact ~~leader.~~leader II position.

(b) Notwithstanding G.S. 115C-310.5, to the extent funds are made available for this purpose, the State Board of Education shall award funds to ATR units for annual salary supplements for teachers serving in advanced teaching roles, and the receiving ATR units shall provide the salary supplements to participating teachers in accordance with this section and in the following amounts:

(1) Ten thousand dollars ($10,000) for each collaborative impact ~~leaders.~~leader II.

(2) Five thousand dollars ($5,000) for ~~partial-release~~each collaborative impact ~~leaders.~~leader I.

(3) Three thousand dollars ($3,000) for ~~teachers~~ each teacher of distinction.

(b1) If State funds are insufficient to cover the full amount of the supplements identified in subsection (b) of this section, the State Board of Education and the ATR unit shall disburse any supplement funds pro rata. If funds have been disbursed pro rata, ATR units are encouraged but not required to fund the remainder of the supplement from alternate funding sources.

(c) The following additional requirements apply to salary supplements received pursuant to this section:

(1) Loss of a salary supplement received pursuant to this section for any reason is not a demotion under Part 3 of Article 22 of Chapter 115C of the General Statutes.

(2) A teacher is eligible to continue receiving a salary supplement pursuant to this section as long as he or she remains a collaborative impact leader or a teacher of distinction.

(3) A teacher is eligible to receive no more than one annual salary supplement pursuant to this section at any time.

(c1) ATR units are encouraged to use funding from other sources to provide salary supplements in addition to the State-funded salary supplements awarded pursuant to this section.

(d) The Department of Public Instruction shall issue guidance to ATR units on how to effectively develop staffing plans and budgets, including how to maximize resources across multiple funding sources and the reach of teachers in advanced teaching roles to a greater number of students."

SECTION 1.9.(e) Notwithstanding G.S. 115C-310.3(9) and G.S. 115C-310.3(14), as enacted by Section 7.19 of S.L. 2026-41, for the 2026-2027 school year, both of the following apply:

(1) A collaborative impact leader is not prohibited from serving as the teacher of record for students.

(2) A partial-release collaborative impact leader is not required to serve as the teacher of record for any students.

SECTION 1.9.(f) Subsections (a) through (d) of this section become effective July 1, 2027, and apply beginning with the 2027-2028 school year.

REMOVE CAP ON DISTRIBUTION OF FEMININE HYGIENE PRODUCTS TO PUBLIC SCHOOLS

SECTION 1.10. G.S. 115C-377(b2), as enacted by Section 7.18 of S.L. 2026-41, reads as rewritten:

"(b2) Contract for Products. – The Department of Public Instruction shall contract with the Diaper Bank of North Carolina to provide feminine hygiene products to participating public school units ~~on a pro rata basis~~ based on the number of female students in grades six through 12 in the participating public school units."

ADJUST WHICH SCHOOL PERSONNEL WILL RECEIVE TRAINING ON CARDIOPULMONARY RESUSCITATION (CPR) AND USE OF AUTOMATIC EXTERNAL DEFIBRILLATORS (AEDS)

SECTION 1.11. G.S. 115C-375.6(a)(3), as enacted by Section 7.38 of S.L. 2026-41, reads as rewritten:

"(3) Identify the school staff who will receive annual training on cardiopulmonary resuscitation (CPR) and use of automatic external defibrillators (AEDs). ~~At a minimum, school nurses and any staff with supervisory responsibility over students participating in physical activity shall complete this training.~~"

COMMUNITY COLLEGE PRESIDENT CONFIRMATION

SECTION 1.12.(a) Section 6.10(u) of S.L. 2023-134 reads as rewritten:

"**SECTION 6.10.(u)** ~~Subsection~~ Subsections (b) and (f) of this section ~~is~~ are effective July 1, 2027. The amendments to G.S. 115D-3(a1) by subsection (a) of this section are effective July 1, 2027. The remainder of this section is effective the date this act becomes law."

SECTION 1.12.(b) This section becomes effective October 3, 2023.

FISCAL NOTE MODERNIZATION

SECTION 1.13.(a) Article 6D of Chapter 120 of the General Statutes is repealed.

SECTION 1.13.(b) G.S. 120-36.3 reads as rewritten:

"**§ 120-36.3. Functions.**

In addition to the functions prescribed in Article 7 of Chapter 120, the Legislative Services Commission, acting through the Fiscal Research Division, shall have the following powers and duties:

…

(6) To evaluate on a continuing basis all aspects of any State, municipal, or other retirement system, funded in whole or in part out of public funds, and all aspects of any program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds, as to actuarial soundness. The Fiscal Research Division shall make periodic detailed reports to the General Assembly specifically setting forth the findings of such evaluations. In conducting its evaluations the Division shall have complete access without charge to all books, accounts, and personnel of the retirement systems, and to all books, accounts, and personnel of agencies and contractors charged with providing programs of hospital, medical, disability, or related benefits for teachers and State employees.

(7) To render such assistance as the Legislative Services Commission may require with respect to any other matter requiring actuarial evaluations."

SECTION 1.13.(c) Article 7A of Chapter 120 of the General Statutes is amended by adding new sections to read:

"**§ 120-36.4A. Fiscal analyses.**

(a) Definitions. – The following definitions apply in this Article:

(1) Fiscal analysis. – A fiscal memo or fiscal note prepared by the Fiscal Research Division at the request of a legislator, including actuarial notes required by G.S. 120-36.4B. A fiscal analysis is not a part of legislation and is not an expression of legislative intent proposed by the legislation.

(2) Fiscal memo. – A fiscal analysis prepared at the request of a legislator that is confidential as provided in G.S. 120-131.

(3) Fiscal note. – A fiscal analysis of legislation prepared at the request of a legislator that becomes available to the public as provided in G.S. 120-131(b) or by the consent of the requesting legislator.

(4) Legislation. – A bill, resolution, amendment, or committee substitute.

(b) Legislator Request for Fiscal Analysis. – A legislator shall submit a request for a fiscal analysis to the Director of the Fiscal Research Division, or the Director's designee, and shall designate if the request is for a fiscal memo or fiscal note. The Fiscal Research Division shall prepare a fiscal analysis as promptly as possible within two weeks of submission of that request, unless the legislator agrees to an extension of time.

(c) Content. – A fiscal analysis shall provide a five-year estimate of the direct budgetary effects of the requested document on expenditures or revenues of State or local governments. If, after careful investigation, the Fiscal Research Division determines that no dollar estimate is possible, the analysis shall contain a statement to that effect, setting forth the reasons why no dollar amount can be given. Technical and mechanical defects may be noted but no comment or opinion shall be included in a fiscal analysis with regard to the merits of the measure for which the analysis is prepared. A fiscal analysis may include consideration of any of the following, when relevant:

(1) Impacts on State revenue.

(2) Personnel costs.

(3) Operating costs.

(4) Incarceration costs.

(5) Capital impacts.

(6) Impacts on local government revenues and expenditures.

(d) Obligations of Other Government Entities to Assist in Fiscal Analysis. – The following government entities shall provide assistance to the Fiscal Research Division in the preparation of fiscal analyses upon request as promptly as possible within one week of the request for assistance, unless the fiscal analyst agrees to an extension of time:

(1) Office of State Budget and Management.

(2) Department of Revenue.

(3) Department of State Treasurer.

(4) Department of State Auditor.

(5) Sentencing Policy and Advisory Commission and Administrative Office of the Courts for any fiscal analysis of legislation that may create a net increase in incarceration, including capital outlay costs if the proposal would require increased cell space.

(6) Teachers' and State Employees' Retirement System of North Carolina or other retirement systems funded in whole or in part out of public funds, and actuaries employed by those systems, for any fiscal analysis of legislation for changes to that retirement system, as provided in G.S. 120-36.4B.

(7) North Carolina State Health Plan for Teachers and State Employees or any other program of hospital, medical, disability, or related benefits provided for teachers and State employees funded in whole or in part by State funds, and actuaries employed by those systems, for any fiscal analysis of legislation for changes to that benefits system, as provided in G.S. 120-36.4B.

(8) The State department most directly concerned with the fiscal analysis.

(9) Officials of units of local government, as appropriate.

(e) Publication of Fiscal Notes. – The Fiscal Research Division shall notify by electronic mail and provide a copy of the fiscal note signed by the fiscal note authors and the Director of the Fiscal Research Division to (i) the requestor of the fiscal note and (ii) the sponsors of the legislation analyzed by the fiscal note prior to publication. The Fiscal Research Division shall publish a copy of the fiscal note on the public website maintained by the General Assembly. The posted fiscal note shall include a disclaimer that the fiscal note is not a part of the legislation and is not an expression of legislative intent proposed by the legislation. A copy of the fiscal note shall also be attached to the permanent record of the legislation maintained by the Principal Clerk at the time the legislation is considered by the house.

"**§ 120-36.4B. Actuarial notes.**

(a) Definitions. – The following definitions apply in this Article:

(1) Actuarial note. – A published fiscal note that includes an actuarial analysis that provides a reliable estimate of the financial and actuarial effect of a proposed change in legislation for a retirement system or program of hospital, medical, disability, or related benefits. For legislation that contemplates removing a public agency as a participating employer from the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System, the actuarial note shall include an estimate of cost of the withdrawal liability the agency would owe under procedures established by the Boards of Trustees of the Retirement Systems.

(2) Amendment with an actuarial impact. – An amendment or proposed committee substitute proposing a change in the law relative to retirement systems or benefit programs.

(3) Benefit program. – A program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds.

(4) Legislation with an actuarial impact. – A bill or resolution proposing a change in the law relative to retirement systems or benefit programs.

(5) Retirement system. – A State, municipal, or other retirement system, funded in whole or in part out of public funds.

(b) Request for Actuarial Note. – The Fiscal Research Division shall prepare an actuarial note that combines a fiscal analysis prepared as provided in G.S. 120-36.4A with an actuarial analysis prepared as provided in subsection (c) of this section as promptly as possible within two weeks of submission of that request, unless the legislator agrees to an extension of time. A request for an actuarial note shall be submitted to the Director of the Fiscal Research Division, or the Director's designee, along with a copy of the legislation or amendment with an actuarial impact, as follows:

(1) A legislator who introduces legislation with an actuarial impact shall submit a request for an actuarial note.

(2) A chair of a committee shall submit a request for an actuarial note for an amendment with an actuarial impact offered in that committee.

(3) A legislator, prior to sponsoring a floor amendment with an actuarial impact, shall submit a request for an actuarial note for that amendment.

(c) Request for Actuarial Analysis. – Within two weeks of notification by the Fiscal Research Division of a request for an actuarial note, an actuary of the retirement system or benefit program affected by the legislation or amendment with an actuarial impact shall provide an actuarial analysis to the Fiscal Research Division, unless an extension of time is agreed to by the requesting legislator as being necessary in preparation of the note, for inclusion in the actuarial note. Any person who signs an actuarial analysis requested under this section knowing it to contain false information shall be fined not more than five hundred dollars ($500.00) or

imprisoned not more than six months, or both. The actuarial analysis shall be factual and shall, if possible, provide a reliable estimate of both the immediate effect and, if determinable or reasonably foreseeable, the long-range actuarial effect of the measure. No comment or opinion shall be included in the actuarial analysis with regard to the merits of the measure for which the note is prepared.

(d) Publication of Actuarial Note. – The Fiscal Research Division shall notify by electronic mail and provide a copy of the actuarial note signed by the actuarial note authors and the Director of the Fiscal Research Division to (i) the requestor of the actuarial note and (ii) the sponsors of the legislation or amendment with an actuarial impact prior to publication. The Fiscal Research Division shall publish a copy of the actuarial note on the public website maintained by the General Assembly. The posted actuarial note shall include a disclaimer that the actuarial note is not a part of the legislation and is not an expression of legislative intent proposed by the legislation. A copy of the actuarial note shall also be attached to the permanent record of the legislation maintained by the Principal Clerk at the time the legislation is reported by committee to the house.

(e) Committee Requirements. – No committee may vote on legislation with an actuarial impact until an actuarial note has been distributed to that committee. The distributed actuarial note shall be attached by the committee clerk to the original of the proposed legislation that is reported favorably by the committee. If a chair requests an actuarial note for an amendment with an actuarial impact offered in committee, that actuarial note shall be attached to the report of the committee on the measure as a supplement.

(f) Floor Requirements. – An amendment with an actuarial impact offered on the floor of the house is not in order unless that amendment is accompanied by an actuarial note.

(g) Plans Not Administered by the State. – A legislator may request an actuarial note for any legislation or amendment impacting a local government retirement or pension plan not administered by the State, or a local government program of hospital, medical, disability, or related benefits for local government employees not administered by the State. An actuarial note is not required for committee or floor consideration of legislation or amendments described in this subsection.

"**§ 120-36.4C. Agency submission of fiscal impact on local governments.**

(a) Any State department, institution, agency, or other authority making requests for State appropriations to fund changes in existing programs or for implementing new programs shall, if such changes or new programs would require local expenditures, incorporate as a part of the information submitted in support of the request a statement of the estimated fiscal effect on the units of local government.

(b) Any State department, institution, agency, or other authority requesting a member or members of the General Assembly to introduce legislation which if enacted would have a fiscal impact on the units of local government of this State shall furnish to such member or members, and to the Fiscal Research Division, a statement of the estimated fiscal effect containing a realistic estimate of the effect of the measure for the ensuing two fiscal periods.

(c) In accordance with G.S. 150B-21.4, an agency is required to prepare a fiscal note on a proposed administrative rule that affects the expenditures or revenues of a unit of local government."

SECTION 1.13.(d) G.S. 120-36.7 is repealed.

SECTION 1.13.(e) G.S. 120-111.2(5) reads as rewritten:

"(5) Analyze each item of proposed pension and retirement legislation in accordance with ~~Article 15 of Chapter 120 of the General Statutes.~~ G.S. 120-36.4B."

SECTION 1.13.(f) G.S. 120-111.3 reads as rewritten:

"**§ 120-111.3. Analysis of legislation.**

Every bill, which creates or modifies any provision for the retirement of public officers or public employees or for the payment of retirement benefits or of pensions to public officers or public employees, shall, upon introduction in either house of the General Assembly, be referred to the Committee on Pensions and Retirement of each house. When the bill is reported out of committee it shall be accompanied by a written report by the Committee on Pensions and Retirement containing, among other matters which the Committee deems relevant, the actuarial note required by ~~Article 15 of Chapter 120 of the General Statutes,~~ G.S. 120-36.4B, and pursuant to the Rules of the General Assembly, and an evaluation of the proposed legislation's actuarial soundness and adherence to sound retirement and pension policy. Any bill referred to the Committee on Pensions and Retirement cannot be further considered by that house until such bill has received a favorable report, a report without prejudice, or has been recalled from that committee.

Whenever a bill is considered by the Committee on Pensions and Retirement that proposes changes in the benefits of any State-administered retirement or pension plan to be financed by unencumbered actuarial experience gains generated either through a change in actuarial assumptions adopted by the plan for the previous budget year or through a continuation of the actuarial assumptions adopted by the plan for the previous budget year, the Committee shall give equal consideration to the effects that such unencumbered actuarial gains would have upon annual employer or State contributions to the plan and to the amount by which the plan's unfunded accrued liabilities, if any, might be reduced. If such unencumbered actuarial experience gains could be used to modify annual employer or State contributions to the plan resulting in a corresponding effect upon State appropriations, the Committee on Pensions and Retirement shall, upon a favorable report, refer the bill to the Committee on Appropriations of the same house before the bill is considered by that house."

SECTION 1.13.(g) Article 15 of Chapter 120 of the General Statutes is repealed.

SECTION 1.13.(h) G.S. 120-131.1(a) reads as rewritten:

"(a) A request, including any accompanying documents, made to an agency employee by a legislative employee of the Fiscal Research Division for assistance in the preparation of a fiscal ~~note~~ analysis, as defined in G.S. 120-36.4A, is confidential. An agency employee who receives such a request or who learns of such a request made to another agency employee of his or her agency shall reveal the existence of the request only to other agency employees of the agency to the extent that it is necessary to respond to the request, and to the agency employee's supervisor and to the Office of State Budget and Management. All documents prepared by the agency employee in response to the request of the Fiscal Research Division are also confidential and shall be kept confidential in the same manner as the original request, except that documents submitted to the Fiscal Research Division in response to the request cease to be confidential under this section when the Fiscal Research Division releases a fiscal note based on the documents."

SECTION 1.13.(i) G.S. 128-29(g)(2) reads as rewritten:

"(2) Funding of the LEIA. – In the event that (i) the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by ~~Article 15 of Chapter 120 of the General Statutes,~~G.S. 120-36.4B, or (ii) the Board of Trustees identifies a specific administrative or information technology purpose that is necessary to prevent an interruption to the normal operation of the Retirement System, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System."

SECTION 1.13.(j) G.S. 135-7(h)(2) reads as rewritten:

"(2) Funding of the LEIA. – In the event that (i) the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by ~~Article 15 of Chapter 120 of the General Statutes,~~G.S. 120-36.4B, or (ii) the Board of Trustees identifies a specific administrative or information technology purpose that is necessary to prevent an interruption to the normal operation of the Retirement System, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System."

SECTION 1.13.(k) G.S. 135-48.30(a) reads as rewritten:

"(a) The State Treasurer shall have the following powers and duties:

…

(12) Prepare and submit to the Governor and the General Assembly cost estimates for the Plan, including those required by ~~Article 15~~Article 7A of Chapter 120 of the General Statutes.

(13) Disclose to the Governor and the General Assembly changes or additions to the health benefits programs and health care cost containment programs offered under the Plan, together with statements of financial and actuarial effects as required by ~~Article 15~~Article 7A of Chapter 120 of the General Statutes.

…."

SECTION 1.13.(*l*) G.S. 143C-4-10(b)(1) reads as rewritten:

"(1) Benefit enhancement. – Any change to the benefits provided under the Teachers' and State Employees' Retirement System of North Carolina established under G.S. 135-2 or to the Retiree Health Benefit Fund established under G.S. 135-7(f) that is estimated to increase the contributions or liabilities associated with either program, as indicated by an actuarial note provided under ~~G.S. 120-114.~~G.S. 120-36.4B."

REPEAL FEDERAL CERTIFICATION REQUIREMENT

SECTION 1.14. G.S. 120-36.8 is repealed.

ADJUSTMENTS TO STATE HUMAN RESOURCES ACT

SECTION 1.15.(a) G.S. 126A-1-10(e) reads as rewritten:

"(e) Except for career and probationary appointments, the appointment types in this section do not apply to local employees. Local employees may use additional appointment types established by Commission policy."

SECTION 1.15.(b) G.S. 126A-1-11(b)(2) reads as rewritten:

"(2) For experiential programs of less than 12 months, an employee who successfully completes the experiential program shall be assigned a probationary appointment and shall receive a career appointment as provided in subsection (a) of this section. The probationary period required by subsection (a) of this section shall be reduced by the amount of time spent in the experiential program."

SECTION 1.15.(c) G.S. 126A-1-22 reads as rewritten:

"**§ 126A-1-22. Exemptions from this Chapter.**

…

(g) Limited ~~exception~~ exemption employees are exempt from the following:

(1) Article 3 of this Chapter.

(2) Article 4 of this Chapter, except for G.S. 126A-4-3.
(3) ~~G.S. 126A-5-1(a)(4)~~G.S. 126A-5-1(a)(3) and (4) and policies adopted pursuant to ~~that subdivision.~~those subdivisions, and G.S. 126A-5-1(a)(5) as it relates to promotion and transfer.
(4) G.S. 126A-7-10(a)(1), covering hours and days of work, vacation, and sick leave.
(5) Part 3 of Article 7 of this Chapter.

…

(i) Exempt policymaking employees and designated employees of policymakers are exempt from the following:
(1) Article 5 of this Chapter, except for G.S. 126A-5-3 and G.S. 126A-5-13. Designated employees of policymakers are not subject to G.S. 126A-5-13.
(2) Part 2 of Article 6 of this Chapter.
(3) Article 8 of this Chapter.
(4) G.S. 126A-9-3(b).
(5) G.S. 126A-9-4.
(6) Article 10 of this Chapter.

…

(*l*) State employees compensated as teachers are exempt from the following:
(1) Article 3 of this Chapter.
(2) Article 4 of this Chapter, except for G.S. 126A-4-3.
(3) Article 5 of this Chapter, except for G.S. 126A-5-3.
(4) Part 2 of Article 6 of this Chapter.
(5) ~~Part 1 of Article 7 of this Chapter, except as to G.S. 126A-7-2.~~
~~(6)~~ Article 8 of this Chapter.
~~(7)~~(6) Article 9 of this Chapter, except for G.S. 126A-9-5.
~~(8)~~(7) Article 10 of this Chapter.

(m) University health employees are exempt from the following:
(1) Part 2 of Article 1 of this Chapter.
~~(1)~~(1a) Article 3 of this Chapter.
(2) Article 4 of this Chapter, except for G.S. 126A-4-3.
(3) Article 5 of this Chapter, except for G.S. 126A-5-3 and G.S. 126A-5-14.
(4) Part 2 of Article 6 of this Chapter.
(5) ~~Parts 2, 3, and 4 of~~ Article 7 of this Chapter.
(6) Article 8 of this Chapter.
(7) Article 9 of this Chapter, except for G.S. 126A-9-5.

(n) University police employees are exempt from the following:
(1) Article 3 of this Chapter.
(2) Article 4 of this Chapter, except for G.S. 126A-4-3.
(3) Article 5 of this Chapter, except for G.S. 126A-5-3 and G.S. 126A-5-14.
(4) Part 2 of Article 6 of this Chapter.
(5) Parts 2, 3, and 4 of Article 7 of this Chapter.
~~(7)~~(6) Article 9 of this Chapter, except for G.S. 126A-9-5.
~~(8)~~(7) Article 10 of this Chapter.

(o) Local employees are exempt from the following:
(1) G.S. 126A-5-14.
(2) Parts 1, 2, and 3 of Article 7 of this Chapter.
(3) G.S. 126A-9-5.
(4) Article 10 of this Chapter.
(5) Article 13 of this Chapter.
(6) Article 16 of this Chapter."

SECTION 1.15.(d) G.S. 126A-4-3 reads as rewritten:

"**§ 126A-4-3. Minimum salary.**

The Commission shall set the minimum for all salary ranges in the compensation system established in accordance with G.S. 126A-4-1 to at least thirty-one thousand two hundred dollars ($31,200). This minimum salary applies to full-time employees who are not placed on leave without pay during the year. This minimum salary does not apply to ~~State-funded~~ local employees."

SECTION 1.15.(e) G.S. 126A-5-8(a) reads as rewritten:

"(a) An agency may directly hire an employee serving in a non-permanent ~~position~~ appointment into a vacant permanent or time-limited position if all of the following are met:

…."

SECTION 1.15.(f) G.S. 126A-5-9 reads as rewritten:

"**§ 126A-5-9. Lateral transfers.**

Notwithstanding the posting requirements of G.S. 126A-5-2, based on its business or operational needs, an agency may transfer an existing employee into a vacant position with the same classification at an equal or higher salary at the agency with the consent of the employee. ~~Employees in supervisory positions may be transferred pursuant to this section only if the employee is not a career employee or the transfer is to another supervisory position.~~"

SECTION 1.15.(g) G.S. 126A-5-10(a) reads as rewritten:

"(a) Each agency may offer qualified candidates the option to have their applications considered for future positions at the agency and at other agencies within the same classification or comparable classification."

SECTION 1.15.(h) G.S. 126A-5-13 is amended by adding a new subsection to read:

"(c) This section applies only to exempt policymaking employees, exempt managerial employees, and exempt wardens who were originally hired to State government before August 21, 2013."

SECTION 1.15.(i) G.S. 126A-7-2(a)(3) reads as rewritten:

"(3) Parent. – Includes a parent by birth, adoption, foster care, or another legal placement."

SECTION 1.15.(j) G.S. 126A-8-2(f) reads as rewritten:

"(f) ~~Notwithstanding subsection (e) of this section, an~~An employee may be suspended without warning for causes relating to personal conduct detrimental to State service to avoid undue disruption of work or to protect the safety of persons or property or for other serious reasons. The employee shall receive the written notice required by subsection (e) of this section as soon as practicable after a suspension under this subsection occurs."

SECTION 1.15.(k) G.S. 126A-8-4(d) reads as rewritten:

"(d) Local agencies shall establish grievance procedures consistent with ~~this Article~~Commission policy that do not require approval of a final agency decision by OSHR. Local employees shall follow local agency grievance procedures."

SECTION 1.15.(*l*) G.S. 126A-9-2 reads as rewritten:

"**§ 126A-9-2. Voluntary separation incentives.**

An agency may reorganize and restructure its positions through a voluntary separation process that provides incentives to separate in accordance with Commission policy and subject to approval by the Office of State Budget and ~~Management.~~Management or the appropriate local budget authority."

SECTION 1.15.(m) G.S. 126A-16-5(a) reads as rewritten:

"(a) All other information contained in a personnel file is confidential and shall not be open for ~~inspection and examination,~~inspection, examination, or copying except to the following persons:

…

(5) A party by authority of a proper court order may inspect and examine a particular confidential portion of an employee's personnel file. In this subdivision, "court order" includes a lawfully issued subpoena or discovery request so long as the subpoena or discovery request is accompanied by a protective order. ~~parties have moved for the court to issue a protective order regarding the confidential personnel file information.~~ A party may lawfully delay producing requested confidential personnel file documents until the court has ruled on that party's motion for protective order regarding those documents.

…."

SECTION 1.15.(n) G.S. 128-15(d) reads as rewritten:

"(d) The provisions of this section shall be subject to the provisions of Article 1 of Chapter 165 of the General Statutes and Parts 13 and 19 of Article 9 of Chapter 143B of the General Statutes. Exempt policymaking employees and designated employees of policymakers, statutorily exempt employees, State employees compensated as teachers, and local employees, as defined in Chapter 126A of the General Statutes, employees of the legislative and judicial branches, and employees covered by G.S. 126A-1-21(b) are subject to this statute."

SECTION 1.15.(o) G.S. 138A-3(70) reads as rewritten:

"(70) Public servants. – All of the following:

…

e. Confidential assistants ~~and secretaries~~ as ~~defined~~ described in G.S. 126A-1-20, to individuals designated under sub-subdivision a., c., or d. of this subdivision.

f. Employees in exempt positions designated in accordance with G.S. 126A-1-24 and confidential assistants ~~secretaries~~ to these individuals.

g. Any other employees or appointees in the principal State departments as may be designated by the Governor to the extent that the designation does not conflict with the ~~State Personnel~~North Carolina Human Resources Act.

…

x. Employees in exempt warden positions, as defined in G.S. 126A-1-20."

SECTION 1.15.(p) Section 5.4(b) of S.L. 2026-40 reads as rewritten:

"**SECTION 5.4.(b)** By ~~March 1, 2027,~~September 1, 2027, and annually thereafter, each executive branch agency shall report the following information to the Office of State Human Resources, upon request:

…."

LOCAL GOVERNMENT COMMISSION PERSONNEL FLEXIBILITY

SECTION 1.16.(a) G.S. 126A-1-20 is amended by adding a new subdivision to read:

"(5a) Specialized Local Government Commission employees.- Employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper operation of the Local Government Commission pursuant to G.S. 159-5."

SECTION 1.16.(b) G.S. 126A-1-22 is amended by adding a new subsection to read:

"(p) Specialized Local Government Commission employees are exempt from the following:

(1) Article 3 of this Chapter.

(2) Article 4 of this Chapter."

SECTION 1.16.(c) G.S. 159-5 reads as rewritten:

"**§ 159-5. Secretary and staff of the ~~Commission.~~Commission; compensation of designated employees.**

(a) The chairman shall appoint a secretary of the Commission, and may appoint ~~such~~ other deputies and assistants as may be necessary, who shall be responsible to the chairman through the secretary. The secretary and ~~his~~ the secretary's deputies and assistants ~~shall~~ have and may exercise any power that the chairman ~~himself~~ may exercise. All actions taken by the secretary, including the signing of any documents and papers provided for in this Chapter, shall be effective as though the chairman ~~himself~~ had taken ~~such~~ the action or signed ~~such~~ the documents or papers.

(b) The Commission shall authorize the State Treasurer to establish compensation plans, including salaries and performance-related bonuses, for specialized Local Government Commission employees. The State Treasurer may designate no more that forty percent (40%) of the employees of the State and Local Government Finance Division of the Department of State Treasurer as specialized Local Government Commission employees. In accordance with G.S. 126A-1-22, specialized Local Government Commission employees are exempt from the classification and compensation policies established by the State Human Resources Commission."

ALLOW LOCAL GOVERNMENT COMMISSION CERTAIN ADMINISTRATION POWER OVER THE RURAL HEALTH CARE STABILIZATION PROGRAM

SECTION 1.17.(a) G.S. 131A-36(a) reads as rewritten:

"(a) Requirement. – UNC Health Care shall publish a report each year on the Rural Health Care Stabilization Fund. The report shall be published by November 1 of each year and cover the preceding fiscal year. UNC Health Care shall make the report available to the public and shall give a copy of the report to the Commission, the Joint Legislative Commission on Governmental ~~Operations~~Operations, and the Fiscal Research Division."

SECTION 1.17.(b) For applications submitted for the Rural Health Care Stabilization Program established pursuant to Article 2 of Chapter 131A of the General Statutes that were pending on July 1, 2026, and remain pending on the effective date of this section, the Local Government Commission may, notwithstanding G.S. 131A-31(b), perform the following duties and responsibilities under the Program:

(1) Negotiate the terms of a proposed loan agreement.

(2) Determine the security interests necessary to enforce repayment of the loan.

AMEND RIGHT-OF-WAY MOWING RESTRICTIONS

SECTION 1.18. G.S. 136-32(b) reads as rewritten:

"(b) Compliant Political Signs Permitted. – During the period beginning on the 30th day before the beginning date of early voting under G.S. 163-166.40 and ending on the 10th day after the primary or election day, persons may place political signs in the right-of-way of the State highway system as provided in this section. Signs must be placed in compliance with subsection (d) of this section and must be removed by the end of the period prescribed in this subsection. Any political sign remaining in the right-of-way of the State highway system more than 30 days after the end of the period prescribed in this subsection shall be deemed unlawfully placed and abandoned property, and a person may remove and dispose of such political sign without penalty. ~~The Department of Transportation shall not schedule mowing in any right-of-way in which the placement of political signs is permitted under this section during the period prescribed in this subsection.~~"

EXPAND DOT LOAN AUTHORITY TO GLOBAL TRANSPARK

SECTION 1.19. G.S. 136-176 reads as rewritten:

"**§ 136-176. Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.**

…

(b4) Provided that the State Treasurer reasonably determines that loans will not materially compromise any bonds or indebtedness secured by the Highway Trust Fund, the Department of Transportation (the Department) is authorized to provide such loans to the North Carolina Global TransPark Authority (GTP). Funds loaned under this subsection may be drawn from funds appropriated to the Department, including the Highway Trust Fund. The aggregate outstanding balance of loaned funds issued under this subsection shall not exceed seventy-five million dollars ($75,000,000). Loan proceeds shall be used only for capital improvement projects. A loan made pursuant to this subsection shall be evidenced by a promissory note and written loan agreement approved by the Board of Transportation and by the Board of Directors of the GTP. No indebtedness incurred under this subsection shall constitute a debt of the State or a pledge of the faith and credit or taxing power of the State, and nothing in this subsection obligates the General Assembly to appropriate funds for repayment of any loan. Each loan agreement executed pursuant to this subsection shall specify the following:

(1) The amount advanced.
(2) The capital improvements to be financed.
(3) The permitted use of proceeds.
(4) The interest rate, which may be zero.
(5) The repayment source and schedule.
(6) Any security or other repayment protections.
(7) A final maturity date not later than ten years after the date of origination of the loan.

…."

CAPE FEAR IBT MORATORIUM CLARIFICATION

SECTION 1.20. G.S. 143-215.22L(z)(2), as enacted by Section 12.6 of S.L. 2026-41, reads as rewritten:

"(2) The Secretary may approve an emergency transfer to address a water supply problem caused by a pollution incident or by the temporary failure of a water plant upon written findings that (i) the pollution incident or temporary failure of a water plant has rendered the regular water supply source for the emergency transfer recipient unusable consistent with public health and safety and (ii) the transfer is the only reasonably available alternative source to maintain essential water supply service for the duration of the pollution ~~incident.~~incident or temporary failure of a water plant. For purposes of this subdivision, an alternative source is "reasonably available" if the cost of providing the alternative source would result in a monthly increase or surcharge of no more than ten percent (10%) in the average monthly water bill for customers of the emergency transfer recipient."

LAND AND WATER FUND GAME LAND CHANGES

SECTION 1.21.(a) G.S. 143B-135.234 reads as rewritten:

"**§ 143B-135.234. North Carolina Land and Water Fund.**

(a) Fund Established. – The North Carolina Land and Water Fund is established as a special revenue fund to be administered by the Department of Natural and Cultural Resources. The North Carolina Land and Water Fund shall also be known by its original name, the Clean Water Management Trust Fund. The Fund receives revenue from the following sources and may receive revenue from other sources:

(1) Annual appropriations.

(2) Special registration plates under G.S. 20-81.12.
(3) Other special registration plates under G.S. 20-79.7.
(4) Hazard mitigation funds from the Federal Emergency Management Agency and other agencies.

…

(c) Fund Purposes. – Moneys from the Fund are appropriated annually to finance projects to clean up or prevent surface water pollution and for land preservation in accordance with this Part. Revenue in the Fund may be used for any of the following purposes:

…

(13) To acquire land or interest in land for addition to public game lands for the purposes of conserving wildlife habitat and providing compatible public access for hunting, fishing, wildlife viewing, and other outdoor recreational uses.

…."

SECTION 1.21.(b) G.S. 143B-135.242(b) reads as rewritten:

"(b) Develop Grant Criteria. – The Trustees shall develop criteria for awarding grants under this Part. The criteria developed shall include consideration of the following:

…

(9a) The protection or preservation of public game lands to conserve wildlife habitat and ensure public access to hunting, fishing, wildlife viewing, and other outdoor recreational uses.

…."

SECTION 1.21.(c) The North Carolina Land and Water Fund Board of Trustees shall readopt its Application Rating System to include the changes made in subsection (b) of this section, no later than January 15, 2027, to be effective for the 2027 Land and Water Fund Grant Cycle.

E-PROCUREMENT PORTAL PROMOTION OF EMPLOYMENT OPPORTUNITIES FOR THE BLIND

SECTION 1.22.(a) Part 4 of Article 15 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-1363. Promotion of employment opportunities for the blind through e-procurement.**

In order to increase opportunities and access to goods and services for the blind or visually impaired, the Department, in coordination with the Department of Administration, shall ensure that the North Carolina e-Procurement portal prominently features a direct link on the website home page to information about nonprofit entities in the State that employ individuals who are blind or visually impaired and are authorized vendors under the State Use Program. The link described in this section shall also be included on the "State Agency Login" and the "EPLite Agency Login" sites. The Department shall consult with representatives from nonprofit entities offering goods and services described in this section to determine the most effective content and placement of the direct link."

SECTION 1.22.(b) Implementation of subsection (a) of this section shall occur no later than July 1, 2027, and shall not require additional appropriation of funds.

DEQ LOAN MATURITY EXTENSION

SECTION 1.23. G.S. 159G-40, as amended by Section 12.4(*l*) of S.L. 2026-41, reads as rewritten:

"**§ 159G-40. Terms of loan and execution of loan documents.**

(a) Approval by Local Government Commission. – The Department may not award a loan under this Article unless the Local Government Commission approves the award of the loan

and the terms of the loan. The terms of a loan awarded from the CWSRF and the DWSRF must be consistent with federal law. In reviewing a proposed loan to a local government unit, the Local Government Commission must consider the loan as if it were a bond proposal and review the proposed loan in accordance with the factors set out in G.S. 159-52 for review of a proposed bond issue. The Local Government Commission must review a proposed loan to a nonprofit water corporation, to an emergency operator, and to an investor-owned drinking water corporation in accordance with the factors set out in G.S. 159-153.

(b) Interest Rate and Maturity. – The interest rate payable on and the maximum maturity of a loan are subject to the following limitations:

(1) Interest rate. – Except as provided in subdivision (3) of this subsection, the interest rate for a loan may not exceed the lesser of four percent (4%) or one half the prevailing national market rate for tax-exempt general obligation debt of similar maturities derived from a published indicator. When recommended by the Department, the Local Government Commission may set an interest rate for a loan for a targeted interest rate project at a rate that is lower than the standard rate to achieve the purpose of the target.

(2) Maturity. – Except as otherwise provided in ~~subdivision (3) of~~ this subsection, the maximum maturity for a loan for a project that is not a targeted interest rate project is 20 years or the project's expected life, whichever is shorter. The maximum maturity for a loan for a targeted interest rate project is 30 years or the project's expected life, whichever is shorter.

(2a) Maturity extension. – Subject to approval by the Local Government Commission, the Department may extend the maturity of an existing loan to a term not to exceed 30 years after the completion of the project if necessary to reduce financial hardship experienced by the loan recipient. However, the Department shall not extend the maturity of an existing loan beyond the project's expected life.

(3) NCUC Emergency Reserve Loans. – The interest rate for a loan from the NC Emergency Reserve may not exceed three percent (3%). ~~The~~ Notwithstanding subdivision (2a) of this subsection, the maximum maturity for a loan from the NC Emergency Reserve is 10 years.

…."

AMEND VARIOUS REPORTING DEADLINES

SECTION 1.24.(a) G.S. 160D-402.1(b), as enacted by Section 49(b) of S.L. 2026-59, reads as rewritten:

"(b) Local Government Commission Report. – The Local Government Commission shall annually publish and prominently display on the Commission's website a statewide report of local governments' current fee ~~schedules.~~schedules that have been submitted to the Local Government Commission under subsection (a) of this section."

SECTION 1.24.(b) The first report due to be published by the Local Government Commission pursuant to G.S. 160D-402.1(b), as amended by this section, shall be submitted no later than December 1, 2027.

SECTION 1.24.(c) Section 5 of S.L. 2026-32 reads as rewritten:

"**SECTION 5.(a)** The Environmental Management Commission shall study whether the wastewater design flow rates established pursuant to 15A NCAC 02T .0114(c) and (d) (Wastewater Design Flow Rates) as those rates apply to commercial and industrial water users accurately measure the actual flow rates used by those water users. In conducting the study, the Commission shall consider all of the following:

(1) Reduced water consumption associated with new plumbing fixtures, fittings, and appliances, including any reductions attributable to standards adopted

under the North Carolina Building Code or federal efficiency standards since the flow rates in the rule were last established.

(2) Actual metered water use and measured wastewater flows from commercial and industrial water users in the State.

(3) Wastewater design flow rates used by other states for comparable commercial and industrial water users.

"**SECTION 5.(b)** The Environmental Management Commission shall report its findings to the Environmental Review Commission no later than ~~January 1, 2027.~~June 1, 2027."

ELIZABETH CITY PASQUOTANK COUNTY AIRPORT AUTHORITY

SECTION 1.25. Section 3 of Chapter 198 of the 1987 Session Laws reads as rewritten:

"**Sec. 3.** The Captain of the U. S. Coast Guard Support Center located at the U. S. Coast Guard Base in Pasquotank County, the City Manager of Elizabeth ~~City and~~City, the County Manager of Pasquotank ~~County~~County, and the Chancellor of Elizabeth City State University or the Chancellor's designee shall be ex officio, nonvoting members of the Airport Authority."

CLARIFY JURISDICTION OF THE CITY OF JACKSONVILLE POLICE DEPARTMENT

SECTION 1.26.(a) Section 2 of S.L. 2026-56 is repealed.

SECTION 1.26.(b) This section becomes effective August 6, 2026.

CLARIFY CONTINUING LEGAL EDUCATION REQUIREMENTS FOR GENERAL ASSEMBLY STAFF

SECTION 1.27.(a) For purposes of this section and its implementation, "North Carolina General Assembly Exemption Rule" means 27 NCAC 01D .1517 (Exemptions).

SECTION 1.27.(b) Until the effective date of the revised permanent rule that the North Carolina State Bar Council is required to adopt pursuant to subsection (d) of this section, the Council shall implement the North Carolina General Assembly Exemption Rule as provided in subsection (c) of this section.

SECTION 1.27.(c) With respect to continuing legal education requirements of the North Carolina State Bar, the North Carolina General Assembly Exemption Rule shall be implemented to provide that members and full-time employees of the North Carolina General Assembly who are licensed attorneys are exempt from all continuing legal education requirements for any calendar year in which they serve or are employed for some portion thereof in such capacity without limitation on that member or full-time employee's authorization to practice in North Carolina or represent North Carolina clients.

SECTION 1.27.(d) The Council shall adopt a rule to amend the North Carolina General Assembly Exemption Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. The Council may adopt temporary rules under G.S. 150B-21.1 to comply with this section.

SECTION 1.27.(e) This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

STUDY COMMITTEE ON STRATEGIC DEFENSE SECTOR DEVELOPMENT

SECTION 1.28.(a) Committee Established; Voting Members. – There is established the Study Committee on Strategic Defense Sector Development (Committee). The Committee consists of 11 voting members as follows:

(1) Four members appointed by the President Pro Tempore of the Senate as follows:
    a. Three members who are members of the Senate at the time of appointment, at least one of whom must represent a district within which a United States military installation is located.
    b. One member from private industry with economic development or investment experience.
(2) Four members appointed by the Speaker of the House of Representatives as follows:
    a. Three members who are members of the House of Representatives at the time of appointment, at least one of whom must represent a district within which a United States military installation is located.
    b. One member from private industry with economic development or investment experience.
(3) Three members appointed by the Governor as follows:
    a. Two members who represent military interests or military-related economic development interests in this State.
    b. One member who is employed as a county or regional economic development coordinator.

SECTION 1.28.(b) Nonvoting Members. – The following individuals or the individual's designee shall serve as a nonvoting ex officio member of the Committee:

(1) The Secretary of Commerce.
(2) The Secretary of the Department of Military and Veterans Affairs.
(3) The Chair of the North Carolina Military Affairs Commission.
(4) The President of the North Carolina Association of County Commissioners.
(5) The State Treasurer.

SECTION 1.28.(c) Duties. – The Committee shall serve as a study and advisory committee on the feasibility of and best practices for private and public-private development on military installations in the State, as authorized under 10 USC § 2667 and other relevant federal law. The Committee shall, at a minimum, review all of the following:

(1) Whether and to what extent public resources are necessary for private development on military installations in this State. The review required by this subdivision envisages the proffer, by private industry, the military, or other relevant party of (i) objective, fact-supported data, relevant to determining whether, why, and to what extent the provision of public resources is necessary in developing military property and, if it is subsequently determined that public resources are so necessary and (ii) a cost-benefit analysis demonstrating that the benefits to the State in expending resources for such purposes will outweigh the costs thereof.
(2) Other states in which military property has been developed as described in this section. The Committee shall specifically review (i) instances in which public funds were expended by other states for such development and (ii) instances in which no public funds were expended for such development, and draw conclusions therefrom.
(3) The necessity of developing a "military installation development authority," or similar authority, in this State.
(4) Opportunities for a military installation development authority to consolidate or streamline permitting for private development on military property.
(5) Economic development incentives currently offered by this State, or county or local governments within this State, that could currently, or as modified, be

used to incentivize the development of military property as described in this section.

(6) The general interest of (i) the federal government, (ii) the military, and (iii) county and local governments in this State within which a United States military installation is located, in developing military property as described in this section.

(7) Potential terms of an Enhanced Use Lease under 10 USC § 2667.

(8) Clawback provisions for the State and local governments, as appropriate, to protect public funds.

(9) Any other matter the Committee deems relevant to developing military property as described in this section.

SECTION 1.28.(d) Terms; Officers; Vacancies; Quorum. – Members shall serve until the Committee expires in accordance with this section. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each select one of their appointees who is a member of the General Assembly to serve as cochair for the duration of the respective appointee's term. The Committee shall meet upon call of the cochairs. Vacancies shall be filled by the original appointing authority for which a vacancy exists. A majority of the total membership of the Committee shall constitute a quorum of the Committee.

SECTION 1.28.(e) Report; Expiration. – The Committee shall report its findings and any legislative proposals to the 2027 Regular Session of the 2027 General Assembly. The Committee shall expire upon the earlier of (i) April 30, 2027, or (ii) the filing of its report.

SECTION 1.28.(f) Powers. – The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them.

SECTION 1.28.(g) Administration. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The Director of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee, and the expenses relating to the clerical employees shall be borne by the Committee. Members of the Committee shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 120-3.1, 138-5, and 138-6, as applicable.

SECTION 1.28.(h) Effective July 1, 2026, there is appropriated from the General Fund to the General Assembly the nonrecurring sum of one hundred thousand dollars ($100,000) for the 2026-2027 fiscal year to support the work of the Committee. Of the funds allocated by this section, the Committee may use up to seventy-five thousand dollars ($75,000) for out of State travel for the purpose of researching initiatives in other states to encourage private development on military installations.

PART II. BUDGET REVISIONS

STATE ENTITY APPROPRIATIONS

SECTION 2.1.(a) There is appropriated to the entities listed in this section the following amounts from the following sources to be used, except as otherwise provided, for any public purpose. Recurring funds appropriated in this section are for fiscal years beginning with the 2026-2027 fiscal year. Nonrecurring funds appropriated in this section are for the 2026-2027 fiscal year and do not revert but remain available to the entity for uses consistent with this section.

(1) Seven million dollars ($7,000,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 and five hundred thousand dollars ($500,000) in recurring funds from

the General Fund to the Department of Labor to be used to match federal funds authorized under Section 23 of the Occupational Safety and Health Act and to support the Occupational Safety and Health Division or other administrative functions of the Department.

(2) Two million five hundred thousand dollars ($2,500,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Department of the State Treasurer to be used for information technology purposes.

(3) Twenty-five million dollars ($25,000,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Administrative Office of the Courts to be used for information technology purposes and operations.

(4) Six million dollars ($6,000,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Office of State Human Resources to be used for information technology purposes.

(5) Two million five hundred thousand dollars ($2,500,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Secretary of State to be used for information technology purposes and three hundred ten thousand dollars ($310,000) in recurring funds from the General Fund to the Secretary of State to be used for two full-time employee positions.

(6) Five million dollars ($5,000,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the State Highway Patrol to be used for information technology purposes.

(7) Five million dollars ($5,000,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the State Bureau of Investigation to be used for information technology purposes.

(8) Two million dollars ($2,000,000) in recurring funds from the General Fund to the Department of Agriculture and Consumer Services (DACS) to be used for operations; five million dollars ($5,000,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to DACS to be used for information technology purposes; and seven million dollars ($7,000,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to DACS to be used for any public purpose.

(9) Five hundred thousand dollars ($500,000) in recurring funds from the General Fund to Alcohol Law Enforcement for operations.

(10) Five hundred thousand dollars ($500,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Department of Adult Correction to be allocated to Local Re-entry Councils. The Department shall prioritize the allocation of funds to councils that did not previously receive funding from appropriations provided in S.L. 2026-41.

(11) Five million dollars ($5,000,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the General Assembly to be allocated to the Legislative Services Officer for operations of the General Assembly.

(12) Five million dollars ($5,000,000) in nonrecurring funds from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Office of the State Auditor to be used for information technology purposes.

(13) Effective when it becomes law for implementation as soon as practicable thereafter, the sum of sixteen million one hundred forty thousand dollars ($16,140,000) in nonrecurring funds from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Department of Health and Human Services, Division of Health Benefits (DHB), to provide a temporary rate increase for personal care services provided to Medicaid beneficiaries through Medicaid Direct, Community Alternatives Program for Children (CAP/C), Community Alternatives Program for Disabled Adults (CAP/DA), and Community Alternatives Program Choice (CAP/CO), estimated to achieve a reimbursement rate equivalent to thirty dollars ($30.00) per hour for personal care services.

(14) Seven hundred fifty thousand dollars ($750,000) in recurring funds from the General Fund to the Office of State Fire Marshal to be used for up to six full-time equivalent positions.

SECTION 2.1.(b) This section is effective July 1, 2026.

DISASTER RELIEF

EDPNC CONTINUED SUPPORT FOR INDUSTRY AND BUSINESS IMPACTED BY HURRICANE HELENE

SECTION 2.2.(a) Notwithstanding S.L. 2024-53 and the Committee Report as described in Section 6.1 of that act, the remaining funds allocated to the Department of Commerce for a grant to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) to conduct a business loss assessment (Page F4, Item 30) shall be used by the nonprofit corporation for economic development activities in the affected area, including business development and recruitment, existing industry support, marketing and promotion for those businesses, and other related activities. For the purposes of this section, the term "affected area" is as defined in Section 1.4 of S.L. 2025-26.

SECTION 2.2.(b) Beginning September 1, 2027, the nonprofit corporation shall submit a report to the Department on the use of the funds in the preceding year. Beginning October 1, 2027, and annually thereafter until October 1, 2030, or when all of the funds have been expended, whichever is earlier, the Department shall submit an annual report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on the use of the funds.

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES ADMINISTRATIVE EXPENSES FOR WILDFIRE MITIGATION

SECTION 2.3. Section 5A.2(d) of S.L. 2026-41, as amended by Section 2.1(a) of S.L. 2026-61, reads as rewritten:

"**SECTION 5A.2.(d)** Allocations. – The funds appropriated in Section 2.2(j) of this act to the Helene Fund shall be allocated, totaling seven hundred six million one hundred twenty-eight thousand five hundred thirty-nine dollars ($706,128,539) in nonrecurring funds for the 2026-2027 fiscal year, as follows:

…

(6) Seven million dollars ($7,000,000) to the Department of Agriculture and Consumer Services for the Forest Development Program under Article 83 of Chapter 106 of the General Statutes. These funds shall be used only within the affected area to mitigate and reduce wildfire risk through fuel management practices and other wildfire reduction methods. The forest development cost-sharing payment under G.S. 106-1014 is not required for these funds. Up

to three hundred fifty thousand dollars ($350,000) of those funds may be used for administrative expenses.

…."

CLARIFY USE OF FUNDS UNDER THE DAM SAFETY GRANT PROGRAM

SECTION 2.4. Notwithstanding G.S. 143-215.32B, as amended by Section 5A.4 of S.L. 2026-41, funds disbursed by the Department of Environmental Quality pursuant to Section 5A.2(d)(4)a. of S.L. 2026-41, as amended by Section 2.6 of S.L. 2026-61, for the dam identified by National Inventory of Dams as NC00373 shall only be used for the removal of the dam and associated costs, and are not eligible to be used for the modification or repair of the dam.

TECHNICAL CORRECTION TO DIVISION OF COMMUNITY REVITALIZATION CASHFLOW

SECTION 2.5. Section 5A.2(d) of S.L. 2026-41, as amended by Section 2.1(a) of S.L. 2026-61, reads as rewritten:

"**SECTION 5A.2.(d)** Allocations. – The funds appropriated in Section 2.2(j) of this act to the Helene Fund shall be allocated, totaling seven hundred six million one hundred twenty-eight thousand five hundred thirty-nine dollars ($706,128,539) in nonrecurring funds for the 2026-2027 fiscal year, as follows:

(1) Five hundred fifteen million dollars ($515,000,000) to NCEM as follows:

a. Four hundred fifty million dollars ($450,000,000) to provide the nonfederal share for federal disaster recovery programs for Hurricane Helene. Up to twenty million dollars ($20,000,000) of these funds may be used by DCR for cashflow needs for Community Development Block Grant – Disaster Recovery-Related ~~programs, including the Temporary Relocation Assistance Program,~~programs established in Section 5A.7 of this act; provided that any nonfederal share needs be prioritized over this use. At the conclusion of the Temporary Relocation Assistance Program, all funds in this subdivision shall be used for the nonfederal share for federal disaster recovery programs for Hurricane Helene.

…."

EXEMPT VOLUNTEER FIRE DEPARTMENTS FROM PERCENTAGE CAP

SECTION 2.6.(a) Exemption. – The maximum grant award requirements of Section 2B.1(e) of S.L. 2025-26 for eligible recipients under the Local Government Capital Grant Program ("Program") do not apply to any grants disbursed to eligible volunteer fire departments, defined in Section 5A.6(c) of S.L. 2026-41.

SECTION 2.6.(b) Applications. – The Office of State Budget and Management shall reevaluate previously submitted applications in accordance with this section and reopen the application window for eligible volunteer fire departments under the Program.

FURTHER AMEND THE REVERSION DATE FOR THE AGRICULTURAL DISASTER CROP LOSS PROGRAM

SECTION 2.7. Section 5A.2(b) of S.L. 2026-41, as amended by Section 2.5 of S.L. 2026-61, reads as rewritten:

"**SECTION 5A.2.(b)** Reallocation of Certain Funds; Maximum Amount; Determination Date. – On ~~January 1, 2027,~~ April 1, 2027, of the funds appropriated to the Department of Agriculture and Consumer Services for the Program established pursuant to Subpart II-D of S.L. 2025-2, up to twenty million dollars ($20,000,000) of unencumbered funds shall be allocated to the North Carolina Forest Service for wildfire mitigation in the affected area. Any funds in excess

of that amount shall revert to the State Emergency Response and Disaster Relief Fund and remain unappropriated."

EDUCATION

NORTHEAST REGIONAL SCHOOL OF BIOTECHNOLOGY AND AGRISCIENCE BOARD AND FUNDING FORMULA REVISIONS

SECTION 2.8.(a) G.S. 115C-229.15(a), as enacted by Section 7.31 of S.L. 2026-41, is amended by adding a new subdivision to read:

"(5) The Executive Director of the NERSBA Early College Foundation shall serve as an ex officio member of the board of directors."

SECTION 2.8.(b) G.S. 115C-229.55, as enacted by Section 7.31 of S.L. 2026-41, reads as rewritten:

"**§ 115C-229.55. Finance and budget.**

…

(d) The State Board of Education shall allocate to the regional school:

…

(4) An additional ~~amount equal to the average per pupil share of the local current expense fund across all local school administrative units in the regional school service area for the prior fiscal year.~~ seven hundred thousand dollars ($700,000) to serve as a supplement to replace local current expense funds.

(e) Of the funds appropriated to the regional school each fiscal year, the sum of up to one hundred thousand dollars ($100,000) shall not revert to the General Fund at the end of the fiscal year but instead shall remain available to the regional school until the end of the following fiscal year."

SECTION 2.8.(c) Notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act to the contrary, the recurring funds appropriated in that act to the Northeast Regional School of Biotechnology and Agriscience for the 2026-2027 fiscal year shall be increased by two hundred fifty thousand dollars ($250,000), resulting in a total net appropriation to the school of seven hundred thousand dollars ($700,000) in recurring funds beginning with the 2026-2027 year, and shall instead be used as funds provided to serve as a supplement to replace local current expense funds in accordance with G.S. 115C-229.55(d)(4), as amended by this act.

REVISE TEACHNC RECRUITMENT INITIATIVE

SECTION 2.9. Section 7.20 of S.L. 2021-180 reads as rewritten:

"**SECTION 7.20.(a)** Definitions. – The following definitions apply in this section:

(1) Department. – Department of Public Instruction.

(2) TeachNC. – The TeachNC Recruitment Initiative established pursuant to subsection (a1) of this section.

"**SECTION 7.20.(a1)** TeachNC Established; Purpose. – The Department of Public Instruction shall ~~adopt~~ establish and maintain the TeachNC ~~recruitment initiative as a comprehensive web platform for future teachers to find information and connect with resources on (i) the teaching profession, (ii) opportunities for educators in North Carolina, and (iii) the process of obtaining an educator's license in the State.~~Recruitment Initiative. The purpose of TeachNC is to assist future teachers of this State by providing them with all the following:

(1) Information and resources on the teaching profession and educator preparation opportunities.

(2) Personalized support from existing teachers or other experts.

(3) Assistance with becoming a licensed teacher.

"**SECTION 7.20.(a2)** Duties of TeachNC. – In collaboration with the Department, recognized EPPs, and public school units, TeachNC shall provide all the following for teacher candidates:

(1) A comprehensive online teacher recruitment and preparation website.
(2) Assistance applying to recognized EPPs.
(3) One-on-one coaching and advice sessions from licensed teachers in the State.
(4) Information about job openings for teachers in this State.
(5) Other services to reduce barriers to the teaching profession.

"**SECTION 7.20.(b)** ~~The~~ Report. – In collaboration with TeachNC, the Department shall report to ~~the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and~~ the Joint Legislative Education Oversight Committee by March 15, ~~2022, and annually thereafter,~~2027, on ~~implementation of the platform, including integration of the technology with outside entities, such as educator preparation programs (EPPs) and businesses, and data on user outcomes, including at least the following:~~the impacts of TeachNC in the most recent school year and academic year, including at least the following:

(1) ~~The number of user accounts, visitors to the website, and web-initiated chats.~~ The number of (i) user accounts on the TeachNC website, (ii) visitors to that website, and (iii) communications with teacher candidates through that website.
(2) ~~The number of users who were seeking teacher licensure who applied to institutions with an EPP after visiting the TeachNC web platform and, of those users, the number of users who successfully enrolled into institutions with an EPP and who completed teacher licensure programs.~~ The number of TeachNC website users who applied to a recognized EPP after visiting the website and the number of those individuals who then enrolled in a recognized EPP.
(3) ~~The number of users who applied for employment in public schools after visiting the TeachNC web platform and the number of teachers who continue to teach in the public schools after finding employment utilizing TeachNC.~~ The number of applicants to a recognized EPP who received support from TeachNC.
(4) The number of applicants identified in subdivision (3) of this subsection who (i) became a licensed teacher, (ii) accepted employment as a teacher in a public school unit, or (iii) did both.
(5) A description of each in-person or virtual recruitment event hosted or cohosted by TeachNC and the approximate number of registrants.
(6) The number of one-on-one coaching and advice sessions provided for teacher candidates.
(7) Any other information the Department deems relevant regarding the impact of TeachNC, including collaborations with other entities and marketing efforts.

~~The report submitted by March 15, 2022, shall also include any recommendations by the Department on potential cost-sharing arrangements or public-private partnerships with outside entities for ongoing sustainability or continued growth of the recruitment initiative.~~"

REVISE CHILDREN OF WARTIME VETERANS SCHOLARSHIP FUNDING FLEXIBILITY FOR THE 2026-2027 AND 2027-2028 ACADEMIC YEARS

SECTION 2.10. Section 6 of S.L. 2025-72, as amended by Section 2.5 of S.L. 2026-1 and Section 8A.6 of S.L. 2026-41, reads as rewritten:

"**SECTION 6.(a)** For purposes of subsection (b) of this section, the following definitions shall apply:

(1) Authority. – The State Education Assistance Authority.

(1a) Child. – A person who meets all of the following:

a. Is under 25 years old when the person submits an application for scholarship funds.

b. Is a resident for tuition purposes, as defined in G.S. 116-143.1(b), who has established legal residence (domicile) in North Carolina and maintained that legal residence for at least 12 months immediately prior to his or her classification as a resident for tuition purposes. This determination shall be made by the coordinated and centralized residency determination process administered by the Authority.

c. Holds a high school diploma or its equivalent.

d. Is compliant with the Selective Service System, if applicable.

(2) Commission. – The Veterans' Affairs Commission of the Department.

(3) Department. – The Department of Military and Veterans Affairs.

(4) Program. – The program administered by the Department to award scholarship funds that is referred to as Scholarships for Children of Wartime Veterans.

(5) Scholarship funds. – Scholarship funds awarded to the child of a North Carolina veteran under Part 2 of Article 14 of Chapter 143B of the General Statutes.

(6) Secretary. – The Secretary of the Department of Military and Veterans Affairs.

"**SECTION 6.(b)** Notwithstanding Part 2 of Article 14 of Chapter 143B of the General Statutes and any rules adopted or determinations made by the Veterans Affairs Commission, for the 2024-2025, 2025-2026, 2026-2027, and 2027-2028 academic years, the following shall apply relating to the administration of scholarship funds under the Program:

(1) Within funds available for the Program, the following shall be determined:

a. Due to the sacrifice of veterans for the State of North Carolina and the unique needs and challenges of the children of wartime veterans to ensure they have the greatest opportunities to reach their higher education attainment goals, if there are additional eligible recipients, other than those identified by the Department under this Program, who are attending public colleges and universities of the State who may qualify to have their scholarships funded with monies from the Escheat Fund, the Authority, after consultation with the Secretary, may fund those scholarships with monies from the Escheat Fund.

b. For the 2025-2026 and 2026-2027 academic years, the following shall occur:

1. After consultation with the Authority, the Secretary shall determine whether to prioritize the award of new applicants as follows:

I. In Class I-A, I-B, and IV scholarships, prior to awarding Class II and III scholarships. Class II and Class III awards may be determined following awards for Class I-A, I-B, and IV depending on the availability of funds for the Program.

II. For the 2026-2027 academic year only, in scholarships for new applicants who meet the following requirements:

A. Apply to receive scholarships as undergraduate students.

B. Qualify as residents for tuition purposes under the criteria set forth in G.S. 116-143.1 and in

accordance with the coordinated and centralized residency determination process administered by the Authority.

~~C. Are otherwise eligible to receive scholarships in accordance with the Program requirements.~~

2. The Secretary, after consulting with the Authority, may determine the following based on the number of eligible students, including new and renewal students:

I. For the 2025-2026 academic year, whether to reduce the room and board allowance award for students attending a public institution and the maximum allowance award for students attending private institutions, prior to August 15, 2025.

II. For the 2026-2027 academic year, whether to establish a standardized payment schedule or formula within available funds for the academic year to ensure the efficient and effective administration of the scholarships.

3. After the preceding actions have been taken, if funds available for the Program are still insufficient to provide scholarships to all eligible students, the Authority may adjust and standardize award amounts as necessary, including establishing a lottery and providing pro rata scholarship awards for room and board, or both, for the applicable academic year, to ensure the efficient administration of the scholarship funds.

b1. For the 2026-2027 and 2027-2028 academic years, notwithstanding G.S. 143B-1224(3), a child who falls within the provisions of any eligibility class described in G.S. 143B-1226(b) is eligible to receive scholarship funds.

c. For the 2027-2028 academic year, the following shall occur:

1. The Authority, after consultation with the Secretary, shall do the following:

I. Establish a formula and standardized payment schedule for maximum scholarship awards for students under the Program that reflects the cost of attendance for eligible students receiving scholarship funds who are enrolled at approved public and private institutions of higher education, including mandatory fees, room, and board, as applicable. In establishing the payment schedule, the Authority shall prioritize the efficient and effective administration of scholarships to all eligible applicants under the Program. If the Secretary determines that funds for the Program are insufficient for the 2027-2028 academic year pursuant to sub-sub-subdivision 3. of this sub-subdivision, the Authority may take necessary steps to adjust scholarship amounts, subject to the standardized payment schedule, to account for the number of eligible applicants and the availability of the funds in the 2027-2028 academic year. The Secretary shall notify

eligible students if it is necessary to adjust scholarship awards.

II. Post the standardized payment schedule on its website in an easy-to-read and accessible format.

III. By April 1, 2027, report the standardized payment schedule to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division.

2. The Secretary shall open applications for the Program for the 2027-2028 academic year to new applicants no later than April 1, 2027. The priority period for submission of applications to the Department shall close by May 1, 2027. Depending on the number of new eligible applicants and the availability of funds for the 2027-2028 academic year, the Secretary may elect to adjust or close the application period for new applications for the 2027-2028 academic year. Only new applicants that meet the following criteria are eligible to receive a scholarship for the 2027-2028 academic year:

I. Are enrolling as undergraduates.

II. Qualify as residents for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with the coordinate and centralized residency determination process administered by the Authority.

3. No later than July 1, 2027, the Authority, after consultation with the Secretary, shall determine whether the funds available for the Program in the 2027-2028 academic year are sufficient to provide scholarships to all eligible students in accordance with the standardized payment schedule.

4. No later than March 15, 2028, the Department shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on General Government on the funds provided for the Program and provide at least the following information:

I. The number of applications from eligible students.

II. The funds needed to provide full scholarships to all applicants who are eligible students.

III. Projected applications from eligible students for the subsequent academic year based on trends in prior years and population growth in the State.

IV. Any adjustments made to the scholarship amounts under the standardized payment schedule in place for the 2027-2028 academic year.

V. Any other measures taken to provide meaningful scholarship awards.

VI. In recognition of the sacrifices made by veterans and their families for the State of North Carolina, recommendations for legislative changes needed to ensure the efficient and effective administration of scholarships for all eligible students in future academic years.

…

"**SECTION 6.(c)** This section becomes effective June 30, 2025, and applies to awards granted for the 2024-2025, 2025-2026, 2026-2027, and 2027-2028 academic ~~years.~~years. Prior to January 15, 2027, the Commission shall review all applications submitted for the 2026-2027 academic year and determine whether any additional applicants are eligible to receive scholarship funds in accordance with this section. The Commission shall send updated scholarship notifications to all applicants. The Commission shall notify the Authority of any additional recipients. If funds are available, the Authority shall disburse scholarship funds that are equivalent to an award for an entire academic year to additional recipients."

UNC SYSTEM HEALTH CARE PROFESSIONS FUND

SECTION 2.11.(a) G.S. 116-36.10, as enacted by Section 8.20 of S.L. 2026-41 and amended by Section 3.16(a) of S.L. 2026-61, reads as rewritten:

"**§ 116-36.10. UNC System Health Care ~~Access~~ Professions Fund.**

(a) Fund Established. – There is established the UNC System Health Care ~~Access~~Professions Fund (Fund) as a nonreverting, interest-bearing special fund. The Fund shall consist of funds appropriated by the General Assembly and the interest earned on those funds. The Fund shall be used for the following:

…."

SECTION 2.11.(b) Section 8.20(b) of S.L. 2026-41, as amended by Section 3.16(b) of S.L. 2026-61, reads as rewritten:

"**SECTION 8.20.(b)** Notwithstanding any provision of law to the contrary, including the Committee Report referenced in Section 45.2 of this act, S.L. 2023-134, the Committee Report referenced in Section 43.2 of S.L. 2023-134, and Section 2.5 of S.L. 2026-42, The University of North Carolina System Office shall allocate to the UNC System Health Care ~~Access~~ Professions Fund established pursuant to G.S. 116-36.10, as enacted by this section, all of the following funds:

…."

AUTHORITY TO INCLUDE NORTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES IN COMMON DIGITAL TRANSCRIPT

SECTION 2.12. The State Education Assistance Authority (Authority), in consultation with the Department of Public Instruction, the Community Colleges System Office, The University of North Carolina System Office, the North Carolina Independent Colleges and Universities, the College Foundation, Inc., and the Department of Information Technology, may incorporate the private colleges and universities located in this State into the common digital transcript developed pursuant to Section 8A.15 of S.L. 2023-134. No later than March 15 of the year following the year in which the Authority begins the process to include the private colleges and universities into the common digital transcript, the Authority shall report to the Joint Legislative Education Oversight Committee on at least the following information:

(1) Any additional steps to be taken for this purpose and a timeline for completing those steps and publishing the transcript to students enrolled at private colleges and universities in the State.

(2) Estimates of any additional costs needed to expand the common digital transcript to private colleges and universities.

REQUIRE SCHOOLS IN NORTH CAROLINA COMPETENCY-BASED EDUCATION INNOVATION GRANT PROGRAM TO USE FUNDS TO RECEIVE TRAINING FROM THE PROGRAM VENDOR

SECTION 2.13.(a) Section 7.14 of S.L. 2026-41 is amended by adding a new subsection to read:

"**SECTION 7.14.(f1)** Vendor Provides Implementation Training. – Participating schools shall use any funds provided for training on the implementation of CBE in those schools pursuant to subsection (e) of this section only to receive training provided by the Vendor selected pursuant to subsection (f) of this section."

SECTION 2.13.(b) This section applies to contracts entered into on or after the date this act becomes law.

CLARIFY CONTRACT FOR SCHOOL PLANNING SECTION DATA SHARING PLATFORM

SECTION 2.14. Section 7.34 of S.L. 2026-41 reads as rewritten:

"**SECTION 7.34.** For the 2026-2027 fiscal year, the School Planning Section of the Department of Public Instruction shall maintain its contract with ~~a~~the third-party entity ~~to maintain~~ that is currently providing a digital platform to facilitate data sharing among local school administrative units and county governments regarding products and services purchased for elementary and secondary education, including capital improvement projects. In order to promote equitable purchasing in the State, all local school administrative units and county governments shall participate in the platform and share relevant information regarding educational expenses. The platform shall include at least the following components:

…."

SUPPLEMENTAL TRANSPORTATION FUNDS FOR INCREASED FUEL COSTS

SECTION 2.15. There is appropriated from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Department of Public Instruction the sum of forty million dollars ($40,000,000) in nonrecurring funds for the 2026-2027 fiscal year to provide additional funds to public school units for increased school transportation fuel costs. The Department shall allocate the funds to public school units based on need, as determined by fuel costs in excess of the approximate price per gallon supported by the primary transportation allotment for the 2026-2027 fiscal year.

SUPPLEMENTAL DRIVERS EDUCATION FUNDS FOR INCREASED FUEL COSTS

SECTION 2.16.(a) For the purposes of this section, a "vendor" is a public or private person or entity that contracts with a public school unit to administer all or part of the driver education program in that public school unit.

SECTION 2.16.(b) There is appropriated from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Department of Public Instruction the sum of one million dollars ($1,000,000) in nonrecurring funds for the 2026-2027 fiscal year to be allocated to the State Public School Fund to be added to the drivers education allotment for the purpose of supplementing drivers education programs due to increased fuel costs. Funds appropriated pursuant to this section may only be used for the purchase of or reimbursement for the purchase of fuel used in drivers education programs. If a public school unit has a vendor for the drivers education program for the 2026-2027 school year, the public school unit shall provide a portion of the funds allocated pursuant to this section to the vendor. The amount provided to each vendor shall be proportional to the amount allocated to the public school unit, the services provided by the vendor, and the vendor's increased costs.

MAINTAIN AT LEAST CURRENT UNIVERSITY OF NORTH CAROLINA ENROLLMENT FUNDING LEVELS IN SUBSEQUENT FISCAL YEARS

SECTION 2.17.(a) There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of forty-six million three hundred seventy-five thousand five hundred eight dollars ($46,375,508) in recurring funds beginning with the 2027-2028 fiscal year to ensure the amount of nonrecurring funding provided for UNC

enrollment funding adjustment in the 2026-2027 fiscal year pursuant to S.L. 2026-41 continues to be provided as recurring funds in the 2027-2028 fiscal year and subsequent fiscal years.

SECTION 2.17.(b) When developing the base budget, as defined by G.S. 143C-1-1, for the 2027-2028 fiscal year, the Director of the Budget shall include the amount appropriated in subsection (a) of this section for that fiscal year.

ALLOW REMAINING FUNDS APPROPRIATED FOR THE AFTER-SCHOOL ROBOTICS GRANT PROGRAM TO BE USED FOR THE COMPETITIVE SPEECH AND DEBATE GRANT PROGRAM

SECTION 2.18. Notwithstanding the Committee Report referenced in Section 45.2 of S.L. 2026-41, Section 7.64(d) of S.L. 2026-41, as enacted by Section 3.26 of S.L. 2026-61, or any other provision of law to the contrary, any funds of the two million dollars ($2,000,000) in nonrecurring funds appropriated to the Department of Public Instruction for the After-School Robotics Grant Program for the 2026-2027 fiscal year that remain unencumbered after the Department has awarded funds pursuant to Section 7.30 of S.L. 2026-41 may be used to grant additional awards under the Competitive Speech and Debate Grant Program, as enacted by Section 3.26 of S.L. 2026-61.

EXTEND WILSON COMMUNITY COLLEGE BIOLOGICS TRAINING CENTER FUNDING REVERSION DATES

SECTION 2.19.(a) Section 2A.5A of S.L. 2025-89, as amended by Section 2.1 of S.L. 2025-92, reads as rewritten:

"**SECTION 2A.5A.** There is appropriated from the General Fund to the Community Colleges System Office the sum of ten million dollars ($10,000,000) in nonrecurring funds for the 2025-2026 fiscal year to provide funds to Wilson Community College to support the operation of the biologics training center. Funds appropriated pursuant to this section shall not revert at the end of the 2025-2026 fiscal year but shall remain available until June 30, ~~2027.~~2030."

SECTION 2.19.(b) The funds appropriated in S.L. 2026-41 from the Economic Development Project Reserve to the Community Colleges System Office to be allocated to Wilson Community College to support the development of its biologics training center shall not revert at the end of the 2026-2027 fiscal year but shall remain available until June 30, 2030.

ECU VIRTUAL SCHOOL PSYCHOLOGY TRAINING PROGRAM CARRYFORWARD

SECTION 2.20. Notwithstanding S.L. 2026-41 and the Committee Report referenced in Section 45.2 of that act, the one million dollars ($1,000,000) in nonrecurring funds appropriated to the Board of Governors of The University of North Carolina in S.L. 2026-41 for the 2026-2027 fiscal year and allocated to East Carolina University for the operation of a virtual school psychology training program shall not revert at the end of the 2026-2027 fiscal year, but shall remain available for that purpose until expended.

POSTSECONDARY TRANSFER TECHNOLOGY FUNDS CARRYFORWARD

SECTION 2.21. Section 8.21 of S.L. 2026-41 is amended by adding the following new subsection to read:

"**SECTION 8.21.(b1)** Limited Carryforward. – The two million five hundred thousand dollars ($2,500,000) in nonrecurring funds appropriated to the Board of Governors of The University of North Carolina in this act for the 2026-2027 fiscal year to expand the Initiative to accelerate transfer pathways under this section shall not revert at the end of the 2026-2027 fiscal year, but shall remain available until the end of the 2027-2028 fiscal year."

EXTEND AVAILABILITY OF FUNDS FOR DPI TO CONTRACT WITH INSTRUCTURE HOLDINGS, INC. FOR LEARNPLATFORM

SECTION 2.22. Notwithstanding any provision of S.L. 2026-41 or the Committee Report described in Section 45.2 of that act to the contrary, the nonrecurring funds appropriated from the General Fund to the Department of Public Instruction for the 2026-2027 fiscal year to be used to contract with Instructure Holdings, Inc. for services related to the LearnPlatform, including providing selected public school units with access to a system that supports the organization, streamlining, and analysis of education technology, shall not revert at the end of the 2026-2027 fiscal year but shall remain available until June 30, 2028.

TECHNICAL CORRECTION FOR COMPUTER SCIENCE GRADUATION DELAY PROVISION

SECTION 2.23.(a) Section 7.53 of S.L. 2026-41 is repealed.

SECTION 2.23.(b) Notwithstanding Section 2.5 of S.L. 2023-132 and G.S. 115C-83.31(a)(3), for the 2026-2027 school year only, a public school unit may submit a signed notification to the Department of Public Instruction by July 1, 2026, stating that a computer science course fulfilling the requirements of G.S. 115C-81.90(c) was not available to students. This submission waives the requirement to offer such a course for the 2026-2027 school year. Submission of a notification that a course fulfilling G.S. 115C-81.90(c) was not available shall waive the graduation requirement established by G.S. 115C-83.31(a)(3) for students entering the ninth grade in the 2026-2027 school year. A public school unit that submits a signed notification to the Department of Public Instruction for the 2026-2027 school year shall also submit a plan to the Department by January 1, 2027, specifying which of the introductory computer science courses from the list of approved courses adopted by the State Board of Education as required by G.S. 115C-81.90(c) will be offered to students to meet the requirement established pursuant to G.S. 115C-83.31(a)(3) beginning with students entering ninth grade in the 2027-2028 school year. The Department shall maintain a list of public school units that submitted a notification under this section.

SECTION 2.23.(c) This section applies only to Wake and Johnston Counties.

SECTION 2.23.(d) This section applies retroactively to July 1, 2026.

HEALTH AND HUMAN SERVICES

CAREER-READY LEAD TEACHER ACADEMY PILOT PROGRAM/SCHOOL-AGE CREDENTIAL CLARIFICATION

SECTION 2.24. Section 9D.8 of S.L. 2026-41 reads as rewritten:

"…

"**SECTION 9D.8.(*l*)** As a means to assist younger individuals with a career pathway to provide child care services, the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE), shall establish a Provisional Early Childhood Credential or Provisional School-Age Credential for individuals who are 16 or 17 years of age and preparing to work in licensed child care programs in this State. To qualify for the provisional credential, an individual shall complete an approved early childhood education course offered through a North Carolina public high school (FE11), a Career and College Promise course (EDU 119), an Intro to School-Age Care course (EDU 120 or EDU 2120), a Career and College Promise Workforce Continuing Education pathway (EDU 3119), or a career-ready lead teacher academy.

"**SECTION 9D.8.(m)** By March 31, 2027, the Community College System, the Department of Public Instruction (DPI), the North Carolina Center for Afterschool Programs (NC CAP), and DCDEE shall collaborate to ensure the required child care health and safety trainings are embedded in each of the courses in subsection (*l*) of this section so that individuals who are working to obtain the Provisional Early Childhood Credential or Provisional School-Age

Credential can access the required trainings through structured micro credentials, and, through this collaboration, DCDEE shall ensure its trainings are available in the Moodle platform. The Community College System, DPI, NC CAP, and DCDEE shall also collaborate to create pre-apprenticeship and apprenticeship pathways aligned with the Provisional Early Childhood Credential or Provisional School-Age Credential. DCDEE shall issue the Provisional Early Childhood Credential or Provisional School-Age Credential to individuals who meet the requirements established under subsection (*l*) of this section. The Provisional Early Childhood Credential or Provisional School-Age Credential shall enable those individuals to work in any out-of-school and summer programs, including those located at licensed child care facilities, as group leaders as defined in the child care licensing rules according to the following staff/child ratios and group sizes:

Age	**Ratio Staff/Children**
For a group that includes a child 5 years of age	1/10
For a group of children 6 years of age and older	1/14 to 1/16

No out-of-school or summer program providing child care pursuant to this section shall care for more than 25 children in one group. The out-of-school or summer program providing care for 26 or more children shall provide for two or more groups according to the ages of children and shall provide separate supervisory personnel.

"**SECTION 9D.8.(n)** When an individual who has received a provisional credential pursuant to this section reaches 18 years of age and has obtained a high school diploma or its equivalent, the individual shall notify the Division of Child Development and Early Education (Division) of such, if they wish to receive the full Early Childhood Credential or School-Age Credential, and the Division shall issue the individual the full North Carolina Early Childhood Credential or School-Age Credential which shall enable that individual to be employed as a lead teacher in any licensed child care program in this State."

EXTENSION OF TEMPORARY CERTIFICATE OF NEED EXEMPTION

SECTION 2.25. Section 9E.4A(c) of S.L. 2021-180, as amended by Section 9F.1 of S.L. 2023-134, reads as rewritten:

"**SECTION 9E.4A.(c)** This section is effective 30 days after this act becomes law, and expires ~~December 31, 2027.~~December 31, 2029."

SNAP BENEFIT COST-SHARING MODIFICATIONS

SECTION 2.26.(a) G.S. 108A-52.2, as enacted by Section 9J.14(a) of S.L. 2026-41, reads as rewritten:

"**§ 108A-52.2. Benefit cost-sharing.**

(a) Definitions. – For purposes of this section, the following definitions apply:

(1) Assessment factor. – The product of a county's penalty factor and its base year sales tax ~~allocation.~~distribution.

(2) Base year sales tax ~~allocation.~~ distribution. – The net proceeds of the tax collected under ~~Articles 39, 40, and 42~~ Article 39 of Chapter 105 of the General Statutes and ~~allocated~~ distributed to a taxing county during the most recently completed State fiscal year, used solely for calculation purposes.

(3) County FNS benefit cost-share. – The annual amount a county must pay toward the State FNS benefit cost-share that is equal to ~~The~~ the sum of a county's flat assessment and a county's proportional assessment.

(4) FNS. – The State food and nutrition services program, also known as the federal Supplemental Nutrition Assistance Program (SNAP).

(5) PER. – Payment error rate.

(6) Penalty factor. – The ratio of a county's portion of the statewide payment error rate dollar amount attributable to a county, expressed as a decimal.

(7) Public Law 119-21. – The Reconciliation Act of 2025, Public Law 119-21, 139 Stat. 72 (2025).

(8) State FNS benefit cost-share. – The dollar amount the State is required to pay toward FNS benefit costs under federal law for a given federal fiscal year.

(b) Calculation and Notification of County FNS Benefit Cost-Share Amount. – If the applicable State PER results in a benefit cost-sharing fiscal obligation ~~to~~ of the State pursuant to Public Law 119-21, each county's FNS benefit cost-share shall be determined by the Department, withheld from the county's sales tax distributions, and applied to the State's FNS benefit cost-share in accordance with this section. ~~the Department shall implement the method described in this subsection to withhold from each county's sales tax allocation an amount to be applied to the State's FNS benefit cost-share.~~By August 1 of each year, the Secretary of Revenue shall provide to the Department each county's base year sales tax distribution amounts. On or before September 1 of each year, the Department shall calculate each county's monthly FNS benefit cost-share amount, which is the county FNS benefit cost-share amount divided by 12, and notify the Secretary of Revenue of the amounts and a schedule of withholding. The Department shall also notify each county of its county FNS benefit cost-share amount. A county's FNS benefit cost-share ~~shall be based on~~ is the sum of the following assessments:

(1) ~~Each county shall be subject to a~~ A flat assessment, to be calculated by multiplying the county's base year sales tax ~~allocation~~ distribution by three-quarters percent (0.75%).

(2) ~~Every~~ For a county to which a PER dollar amount is attributable for the applicable federal fiscal ~~year shall be subject to~~ year, a proportional ~~assessment,~~ assessment to be calculated by multiplying the county's assessment factor by a fraction, the numerator of which is the State FNS benefit cost-share minus the sum of all counties' flat assessments, as described in subdivision (1) of this subsection, and the denominator of which is the sum of all counties' assessment factors.

(c) Withholding and Distribution of Funds. – ~~On or before October 1 of each year, the Department shall calculate and notify the Secretary of Revenue of each county's FNS benefit cost-share amount. The~~ Beginning October 1 of each year, the Secretary of Revenue shall withhold from each county's ~~monthly base year sales tax allocation~~ distribution under G.S. 105-472 the amount required to be withheld upon notification from the Department.~~the county's annual FNS benefit cost-share amount divided by 12, or an appropriate amount to ensure sufficient monthly transfers are made to reach the State FNS benefit cost-share by the required date.~~ The ~~total~~ amount withheld shall be ~~remitted~~ distributed to the ~~Department~~ Department in accordance with the schedule of withholding provided by the Department. All funds remitted shall be placed in a nonreverting special fund to be used by the Department in the implementation of this section and to pay the State FNS benefit cost-share.

(c1) Taxing District Hold Harmless. – This subsection applies to a county that has a FNS benefit cost-share withheld from its sales tax distribution, that levies and collects ad valorem taxes on behalf of a taxing district, and that has the ad valorem method of distribution under G.S. 105-472 in effect at the time of withholding. A county shall distribute to a taxing district its share of the net proceeds of the tax levied under Article 39 of Chapter 105 of the General Statutes in accordance with G.S. 105-472(b)(2) as if no funds were withheld under subsection (c) of this section.

(d) Report. – The Department shall submit an annual report by February 1 of each year to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the assessment amounts, by county, along with any other recommendations."

SECTION 2.26.(b) Section 9J.14(d) of S.L. 2026-41 reads as rewritten:

"**SECTION 9J.14.(d)** Subsections (a) and (b) of this section become effective ~~October 1, 2027,~~ July 1, 2027, and apply to withholdings from county sales tax distributions on or after that date."

REDIRECT FUNDS PROVIDED FOR THE RESPONSIBLE FATHERHOOD NC PROGRAM

SECTION 2.27.(a) Notwithstanding the Committee Report referenced in Section 45.2 of S.L. 2026-41 or any other provision of law to the contrary, the nonrecurring funds appropriated to the Department of Health and Human Services, Division of Social Services, for the Responsible Fatherhood NC Program (Page C110, Item 296 of the Committee Report for S.L. 2026-41, as amended by Section 4.10 of S.L. 2026-61), shall, in its entirety, be provided as a directed grant to Family First, Inc.

SECTION 2.27.(b) Section 9J.13(a) of S.L. 2026-41, as amended by Section 4.10 of S.L. 2026-61, reads as rewritten:

"**SECTION 9J.13.(a)** Allocation of Funds. – Of the funds appropriated in this act from the General Fund to the Department of Health and Human Services, Division of Social Services (Division), the sum of two million seven hundred fifty thousand dollars ($2,750,000) in nonrecurring funds for the 2026-2027 fiscal year shall be ~~used to implement the provisions of this section. The Division shall allocate the funds provided under this section as follows:~~provided to Family First, Inc., as a directed grant to develop and implement a program related to the promotion of fatherhood that may include managing a grant program for community-based nonprofit organizations that address the needs of fathers or provide parenting education for fathers.

~~(1) Up to two million dollars ($2,000,000) shall be used to contract for the Program Manager authorized by subsection (c) of this section.~~

~~(2) The remainder of the funds shall be used for the grants authorized in accordance with subsections (e) and (f) of this section.~~"

SECTION 2.27.(c) Subsections (b) through (h) of Section 9J.13 of S.L. 2026-41 are repealed.

DIRECTED GRANT FUNDS FOR ALLIANCE HEALTH

SECTION 2.28. Notwithstanding any provision of S.L. 2026-41, as amended, or the Committee Report referenced in Section 45.2 of that act to the contrary, the directed grant allocated from the Opioid Abatement Fund (Budget Fund 231005) to Alliance Health, a local management entity/managed care organization, for the Hope Center for Youth and Family Crisis (Page C79, Item 210 of the Committee Report) shall instead be allocated to Alliance Health to fund evidence-based addiction treatment and recovery supports. These funds shall be used to respond to the negative impacts of the opioid epidemic in North Carolina.

COMPETITIVE GRANTS TO SHERIFFS' OFFICES FOR ADDICTION TREATMENT IN JAILS

SECTION 2.29.(a) The lead-in language of Section 4.5 of S.L. 2026-61 reads as rewritten:

"**SECTION 4.5.** G.S. ~~112C-314(d)(1),~~ 122C-314(d)(1), as enacted by Section 9G.3(c) of S.L. 2026-41, reads as rewritten:"

SECTION 2.29.(b) This section is retroactively effective July 1, 2026.

AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

TOWN OF ROBBINSVILLE ECONOMIC DEVELOPMENT GRANT

SECTION 2.30. There is appropriated from the General Fund to the Office of State Budget and Management the sum of two hundred eighty thousand dollars ($280,000) in nonrecurring funds for the 2026-2027 fiscal year to provide a directed grant to the Town of Robbinsville for wastewater system extensions to local economic development projects.

CITY OF GOLDSBORO/REALLOCATION OF WASTEWATER FUNDS

SECTION 2.31. Unexpended and unencumbered funds allocated to the Wayne County Development Alliance, a nonprofit corporation, for a water or wastewater infrastructure project by Section 12.2(e)(61) of S.L. 2023-134, as modified by Section 4.2(f) of S.L. 2024-1, shall instead be allocated to the City of Goldsboro (City) to be used for wastewater infrastructure improvements and repairs in accordance with the agreement entered into between the City and the Town of Eureka titled "Wastewater System Ownership Transfer Agreement Among The Town of Eureka, N.C. and The City of Goldsboro, N.C.," as approved by the Goldsboro City Council on October 19, 2026.

NC WINE AND GRAPE GROWERS COUNCIL FUND EXTENSION

SECTION 2.32. Notwithstanding S.L. 2026-41 and the Committee Report referenced in Section 45.2 of that act, funds appropriated by that act to the Department of Agriculture and Consumer Services for the North Carolina Wine and Grape Growers Council, as described on Page D6, Item 13 of the Committee Report, shall not revert at the end of fiscal year 2026-2027 but shall instead remain available until expended.

NC FARM TO SCHOOL PROGRAM FUND EXTENSION

SECTION 2.33. Notwithstanding S.L. 2026-41 and the Committee Report referenced in Section 45.2 of that act, as amended by Section 5.1 of S.L. 2026-61, funds appropriated by those acts to the Department of Agriculture and Consumer Services for the North Carolina Farm to School Program, as described on Page B22, Item 75 of the Committee Report, shall not revert at the end of fiscal year 2026-2027 but shall instead remain available until expended.

MODIFY MICRO-BUDGET PRODUCTION GRANT FUND

SECTION 2.34. G.S. 143B-437.02C, as enacted by Section 11.5 of S.L. 2026-41, reads as rewritten:

"**§ 143B-437.02C. The Micro-Budget Production Grant Fund.**

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special, nonreverting account to be known as the Micro-Budget Production Grant Fund to provide funds to encourage smaller productions to develop the filmmaking industry within the State. The Department of Commerce shall adopt guidelines providing for the administration of the program. Those guidelines shall include the following provisions, which shall apply to each grant from the account:

…

(b) Applicability of Film and Entertainment Grant Fund Provisions. – Except to the extent inconsistent with this section, the provisions of G.S. 143B-437.02A shall apply to this section.

…

(d) Substantiation. – The Secretary shall work with the North Carolina Film Office to adopt guidelines to provide a process of substantiation that balances (i) sufficiently verifying the actual qualifying expenses of a certified production receiving a grant under this section and (ii) limiting the cost of the substantiation to no more than a reasonable amount of the grant awarded."

FILM GRANTS

SECTION 2.35.(a) There is appropriated from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Department of Commerce (Department) the nonrecurring sum of thirty-one million dollars ($31,000,000) for the 2026-2027 fiscal year to be allocated to the Film and Entertainment Grant Fund established under G.S. 143B-437.02A (Fund) and subject to the following:

(1) For the 2026-2027 fiscal year, grant awards from the Fund using funds appropriated by this subsection may only be made to production companies for productions in the State for which no grant agreement has been executed with the Department as of June 24, 2026.

(2) For the 2027-2028 and subsequent fiscal years, grant awards from the Fund using funds appropriated by this subsection may be made to production companies for any production regardless of the date of execution of the grant agreement.

SECTION 2.35.(b) G.S. 143B-437.02A reads as rewritten:

"**§ 143B-437.02A. The Film and Entertainment Grant Fund.**

…

(c1) Approval. – Before awarding a grant to a production company that applies pursuant to subsection (c) of this section, the Secretary shall submit the proposed grant to the Economic Investment Committee established pursuant to G.S. 143B-437.54 for approval. Before approving the proposed grant, the Committee must find that all of the following conditions are met:

(1) The grant is consistent with the goals of increasing the number of entertainment productions occurring in the State and developing the filmmaking industry within the State.

(2) The grant awarded under this section is necessary for completion of the production in this State.

(3) The proposed grant amount is appropriate for the benefit of the production to the State.

(4) The priority for the use of funds for the production that is the subject of the grant is consistent with the factors set forth in subdivision (a)(5) of this section when compared to other productions that have received grants and compared to other productions for which an application has been submitted.

(5) The Department has made reasonable efforts to ensure that the percentage used to calculate the grant does not exceed the average of the range allowed.

(6) The amount of the grant, when considered with all other grants awarded under this section, does not exceed the amount available for awards from the Fund.

…

(e) ~~Report.~~ Department of Revenue Report. – The Department shall provide to the Department of Revenue, and the Department of Revenue must include in the economic incentives report required by G.S. 105-256, the following information, itemized by production company:

…

(e1) Spending Report. – No later than one month after the end of each fiscal quarter, the Department shall (i) publish on its website and (ii) submit to the entities listed in subdivisions (1) through (4) of this subsection, a report detailing the allocation, commitment, and disbursement of funds in the Film and Entertainment Grant Fund. The report shall be submitted to the following:

(1) The Fiscal Research Division of the General Assembly.

(2) The Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

(3) The Joint Legislative Economic Development and Global Engagement Oversight Committee.

(4) The chairs of the House and Senate Appropriations Committees.

…."

SECTION 2.35.(c) This section applies to grants awarded on or after the effective date of this act.

CAROLINA SMALL BUSINESS DEVELOPMENT FUND DIRECTED GRANT

SECTION 2.36. There is appropriated from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the Office of State Budget and Management the sum of three million seven hundred fifty thousand dollars ($3,750,000) in nonrecurring funds for the 2026-2027 fiscal year to provide a directed grant to Carolina Small Business Development Fund, a nonprofit corporation, for any public purpose.

WESTERN NORTH CAROLINA SITE DEVELOPMENT MODIFICATION

SECTION 2.37. Section 2E.3 of S.L. 2024-57 reads as rewritten:

"**SECTION 2E.3.(a)** Appropriation. – Notwithstanding any provision of S.L. 2023-134 or the Committee Report referenced in Section 43.2 of that act to the contrary, of the twenty-three million five hundred twenty thousand dollars ($23,520,000) in nonrecurring funds for the 2023-2024 fiscal year appropriated to the Office of State Budget and Management – Special Appropriations to provide a directed grant to Burke Partnership for Economic Development, Inc. (Burke Partnership), a nonprofit corporation, for acquisition and capital costs associated with constructing a megasite in western North Carolina, the sum of twenty million dollars ($20,000,000) shall not be used for that purpose but shall instead be used for purposes consistent with this section.

"**SECTION 2E.3.(b)** Purpose. – The purpose of this section is to establish a framework whereby the State may provide funding to ~~Burke Partnership,~~the entities listed in this subsection, who shall, in consultation with the Department of Commerce (Commerce), use that funding for site development and pre-construction and construction activities ~~at the Burke Business Park located in Burke County.~~as provided in this section. All funds provided ~~to Burke Partnership~~ under this section shall be recouped by ~~Burke Partnership,~~the recipient entity in their entirety, in accordance with the provisions of this section. The funding shall be allocated as follows:

(1) Eighty percent (80%) of the funds repurposed by subsection (a) of this section to Burke Partnership for qualifying activities at either the Burke Business Park or a location owned by Burke County and located in the county.

(2) Twenty percent (20%) of the funds repurposed by subsection (a) of this section to McDowell Economic Development Association (MEDA), a nonprofit corporation, for qualifying activities at a location owned by McDowell County and located in the county.

"**SECTION 2E.3.(c)** Contract Required. – As a necessary precondition to using funds for construction activities as provided by this section, ~~Burke Partnership~~each recipient entity shall execute a project design and management agreement with ~~Burke County Government~~the county government in which the site is located and a contract with the Department that, at a minimum, provides for (i) acceptable uses of funds, which shall only include site development and pre-construction and construction activities at the ~~Burke Business Park,~~sites authorized in subsection (b) of this section, (ii) fund recoupment requirements, in accordance with subsection (d) of this section, (iii) ~~Burke Partnership's~~each recipient entity's liability in the event of any fund recoupment deficiencies, (iv) acceptable contract termination provisions in the event ~~Burke Partnership~~a recipient entity no longer requires funding under this section, and (v) clawback provisions in the event ~~Burke Partnership~~a recipient entity does not fulfill its responsibilities under this section.

"**SECTION 2E.3.(d)** Recoupment of Funds/Liability. – ~~Burke Partnership~~Each recipient entity shall recoup all funds used by it under this section ~~within 36 months of the date that the funds are used or otherwise obligated. No funds shall be used or obligated by Burke Partnership~~

~~after December 31, 2027, and all funds shall be recouped~~ upon the occurrence of the ~~earlier~~ earliest of (i) 12 months following receipt of a letter of intent from an active economic development project to locate or expand on one of the sites in western North Carolina for which funds were repurposed in subsection (a) of this section, ~~December 31, 2027, or~~ (ii) February 1, 2033, or (iii) termination by ~~Burke Partnership~~the recipient entity of the contract required by ~~section (c)~~subsection (c) of this section. Proceeds derived from the sale or lease of any buildings created with funds provided by this section shall first be used to recoup State funds provided by this section. ~~Burke Partnership~~Each recipient entity shall maintain financial and accounting records detailing the use of all funds used by it under this section in accordance with generally accepted accounting principles. ~~Burke Partnership~~Each recipient entity shall be liable for any deficiency in the recoupment of funds used or otherwise obligated by it under this section.

"**SECTION 2E.3.(e)** Reporting. – No later than December 1, 2024, and quarterly thereafter until ~~December 31, 2027, Burke Partnership~~ February 1, 2033, each recipient entity shall report on the use of funds provided to it under this section to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Joint Legislative Economic Development and Global Engagement Oversight Committee and to the Fiscal Research Division. In the event a clawback is triggered under this section, the Department shall report in the manner provided by G.S. 143B-435.1.

"**SECTION 2E.3.(f)** Repurposing/Reversion. – Upon the occurrence of the earlier of (i) ~~December 31, 2027,~~February 1, 2033, or (ii) termination by ~~Burke Partnership~~the recipient entities of the ~~contract~~ contracts required by subsection (c) of this section, the twenty million dollars ($20,000,000) repurposed under subsection (a) of this section shall no longer be available for purposes consistent with this section but shall instead be used by Burke Partnership for acquisition and capital costs associated with constructing a megasite in western North Carolina. Funds repurposed by this subsection that are not expended or encumbered by ~~December 31, 2030,~~February 1, 2033, shall revert to the Regional Economic Development Reserve. This subsection supersedes the reversion dates for directed grants specified elsewhere, including in Section 5.3(b)(4) of S.L. 2023-134, but nothing in this section shall be construed or is intended to waive or supersede any other requirement for directed grants set forth in Section 5.3 of S.L. 2023-134."

MOORE COUNTY PARTNERS IN PROGRESS ECONOMIC DEVELOPMENT FUNDS MODIFICATION

SECTION 2.37A. Notwithstanding the Committee Report referenced in Section 43.2 of S.L. 2022-74 (Committee Report) and Section 1.1 of S.L. 2025-4, as amended by Section 1.1(b) of S.L. 2026-1, the unexpended balance of the directed grant for the 2022-2023 fiscal year to Moore County Partners in Progress (Page D20, Item 35 of the Committee Report) may be used for the design and construction of the Iron Horse access road.

JUSTICE AND PUBLIC SAFETY

TELECOMMUNICATIONS AND DATA CONNECTIVITY TECHNICAL CORRECTION

SECTION 2.38. G.S. 7A-305(a)(1a) reads as rewritten:

"(1a) For the upgrade, maintenance, and operation of the judicial and county courthouse telecommunications and data connectivity, the sum of ~~four~~ fourteen dollars ~~($4.00),~~($14.00), to be credited to the Court Information Technology Fund."

REPORT DATE FOR TRIAD CRIME LAB LOCATION STUDY

SECTION 2.39. For the study of a new location for the Triad Crime Lab funded in S.L. 2026-41 and described in Item 79 on Page E30 of the Committee Report referenced in Section 45.2 of that act, the Department of Justice shall report on that study to the Chairs of the House of Representatives Appropriations Committee on Justice and Public Safety, the Chairs of the Senate Appropriations Committee on Justice and Public Safety, and the Fiscal Research Division, on or before June 30, 2027. The report shall include (i) the estimated cost of completing the laboratory, (ii) the estimated cost of operating the laboratory during its first five years of operation, (iii) an estimated timeline for completion of the laboratory, and (iv) any other information deemed relevant by the Department.

PROVIDE FUNDING FOR COMPLEX FAMILY FINANCIAL COURT

SECTION 2.40. There is appropriated from the General Fund to the Administrative Office of the Courts the sum of three hundred twenty-five thousand dollars ($325,000) in recurring funds beginning in the 2026-2027 fiscal year to be used to hire three full-time court coordinators to each serve one Complex Family Financial Court Judge.

FUNDS FOR DISTRICT ATTORNEY POSITION IN PROSECUTORIAL DISTRICT 19

SECTION 2.41. There is appropriated from the General Fund to the Administrative Office of the Courts (Budget Fund 100072) the sum of three hundred thirteen thousand thirty-six dollars ($313,036) in recurring funds beginning in the 2026-2027 fiscal year for the salary and benefits of the district attorney position for the new Prosecutorial District 19 in Catawba County.

FUNDS FOR ADDITIONAL COSTS INCURRED FROM TRANSFER OF CJIN TO THE STATE BUREAU OF INVESTIGATION

SECTION 2.42. There is appropriated from the General Fund to the Department of Public Safety the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2026-2027 fiscal year to be used for costs incurred by the Department from the transfer of the Criminal Justice Information Network (CJIN) to the State Bureau of Investigation in Section 20.8 of S.L. 2026-41.

GENERAL GOVERNMENT

CLARIFICATION OF DEPARTMENT OF LABOR FUND PURPOSES

SECTION 2.43. Section 7 of S.L. 2026-58 reads as rewritten:

"**SECTION 7.** There is appropriated from the General Fund the following sums in recurring funds beginning in the 2026-2027 fiscal year, as follows:

(1) Two hundred twenty-five thousand dollars ($225,000) to the Office of the State Fire Marshal for positions to facilitate administrative functions.

(2) Three hundred thousand dollars ($300,000) to the Department of Labor.~~Labor for positions to facilitate the directives of Sections 13.3, 13.4, and 13.5 of S.L. 2026-41.~~"

DMVA TECHNICAL CORRECTIONS

SECTION 2.44.(a) Section 35.1(c) of S.L. 2026-41 reads as rewritten:

"**SECTION 35.1.(c)** For the 2026-2027 fiscal year, the Department of Military and Veterans Affairs shall use the funds provided under G.S. 65-45(b)(2), as enacted by this section, to contract with a vendor to maintain and operate solely the Sandhills State Veterans Cemetery. The Department shall provide a report detailing improvements and care to the House Appropriations Committee on General Government and the Senate Appropriations Committee on General Government and Information ~~Technology.~~Technology no later than March 1, 2027."

SECTION 2.44.(b) Section 35.2(b) of S.L. 2026-41 is repealed.

SECTION 2.44.(c) Section 35.3(a) of S.L. 2026-41 reads as rewritten:

"**SECTION 35.3.(a)** Of the funds appropriated in this act to the ~~Department of Military and Veterans Affairs,~~Office of State Budget and Management (hereinafter "OSBM"), the sum of seven hundred fifty thousand dollars ($750,000) in nonrecurring funds shall be allocated for the Veterans Life Center Challenge Grant, consistent with G.S. 143B-1218, as amended by subsection (b) of this section."

SECTION 2.44.(d) Section 35.3(d) of S.L. 2026-41 reads as rewritten:

"**SECTION 35.3.(d)** G.S. 143B-1218, as amended by subsection (b) of this section, expires on June 30, ~~2027.~~2028."

SECTION 2.44.(e) Section 35.3(e) of S.L. 2026-41 reads as rewritten:

"**SECTION 35.3.(e)** Any funds remaining pursuant to the Veterans Life Center Challenge Grant after the ~~2026-2027~~2027-2028 fiscal year grant disbursement to the Center shall revert to the General Fund at the end of the ~~2026-2027~~2027-2028 fiscal year."

SECTION 2.44.(f) This section becomes effective on July 1, 2026.

JONES COUNTY VETERANS SERVICES OFFICER

SECTION 2.45. Notwithstanding S.L. 2026-41 and the Committee Report referenced in Section 45.2 of that act or any other provision of law to the contrary, the funds appropriated to support a Veterans Services Officer position in Jones County shall instead be used to support the transition of the existing part-time Veterans Services Officer to a full-time Veterans Services Officer.

INFORMATION TECHNOLOGY

MODIFY ACCESS TO IVC DATA

SECTION 2.46.(a) Section 40.6(a) of Session Law 2026-41, reads as rewritten:

"**SECTION 40.6.(a)** Of the funds appropriated to the Government Data Analytics Center (GDAC) in this act, the sum of five hundred thousand dollars ($500,000) in recurring funds beginning in the 2026-2027 fiscal year shall be used to develop and enhance data resources within the Criminal Justice Law Enforcement Automated Data Services (CJLEADS). These enhancements shall include, but are not limited to, confidential involuntary commitment (IVC) ~~notifications~~ notifications, data elements available from the Judicial Branch case management system, and providing the Department of Health and Human Services (DHHS), the Government Data Analytics Center (GDAC), the North Carolina Health Information Exchange Authority (NC HIEA), and law enforcement access to these data elements through CJLEADS to the extent allowed by federal law, real-time availability of mental health beds by location, and a resource catalog of available behavioral health services and community programs. Funds shall be used to support information reporting, software, managed services, and technical infrastructure through existing public-private partnerships and enterprise solutions within the GDAC to carry out the requirements of this section."

SECTION 2.46.(b) Section 40.6(b) of Session Law 2026-41, as amended by Section 8.1 of Session Law 2026-61, reads as rewritten:

"**SECTION 40.6.(b)** The Department of Health and Human Services (DHHS), the Department of Information Technology (DIT), the Administrative Office of the Courts (AOC), the Government Data Analytics Center (GDAC), the North Carolina Health Information Exchange Authority (NC HIEA), and CJLEADS shall make systematic improvements utilizing available technological resources to ensure the State is collecting and making available the most helpful information for ~~judges~~ judges, magistrates, and clerks to make involuntary commitment (IVC) determinations, both inpatient and outpatient; increasing data collection and sharing between DHHS and the Judicial Branch Case Management System of IVC exams and court ~~proceedings.~~proceedings; and providing DHHS, GDAC, NC HIEA, and law enforcement access

to confidential IVC data elements from the Judicial Branch case management system through CJLEADS to the extent allowed by federal law. The DHHS, DIT, and NC HIEA shall facilitate the connection of behavioral health hospitals and providers to NC HealthConnex, including grants to behavioral health facilities lacking electronic medical records systems, prioritizing those facilities with potential to contribute the most useful IVC data."

SPECIAL APPROPRIATIONS

REVERSION DATE EXTENSION FOR CERTAIN DIRECTED GRANTS

SECTION 2.47. This section applies to any directed grants, beginning with funds appropriated in S.L. 2022-74, that (i) remain unexpended as of the effective date of this act and (ii) are subject to a reversion date prior to June 30, 2031. Notwithstanding any provision of law to the contrary regarding reversion of those grants, the grants described by this section shall not revert on the respective dates currently set for reversion but shall remain available for expenditure for the purpose for which the funds were appropriated until June 30, 2031.

DIRECTED GRANT DISBURSEMENTS EXPEDITED

SECTION 2.48. This section applies to any directed grants up to two million dollars ($2,000,000) appropriated as nonrecurring funds, beginning with funds appropriated in S.L. 2022-74, that, as of the effective date of this section, (i) have not reverted and (ii) have distributions remaining to be disbursed due to the operation of G.S. 143C-6-21, Section 5.2(b)(2) of S.L. 2026-41, or any other provision of law requiring disbursements in multiple installments. Any amount remaining on any grant described in this section shall be disbursed in its entirety to the intended recipient within 30 days of the effective date of this section. Nothing in this section is intended to affect the requirements applicable to directed grants set forth in G.S. 143C-6-23.

OSBM DIRECTED GRANT CHANGES

SECTION 2.49. Section 26.10 of S.L. 2026-41, as enacted by Section 6.2 of S.L. 2026-42 and amended by Section 7.4 of S.L. 2026-61, reads as rewritten:

"…

"**SECTION 26.10.(b)** Notwithstanding any provision of this act or the Committee Report referenced in Section 45.2 of this act to the contrary, the following directed grants allocated by the Office of State Budget and Management – Special Appropriations for the 2026-2027 fiscal year are amended as follows:

…

(56) The directed grant to Jackson Volunteer Fire Department, Inc., for a training facility (Page F59, Item 388) shall instead be allocated as a directed grant to Jackson Community Volunteer Fire and Rescue, Inc., a nonprofit corporation, in the same amount and for the same purpose.

(57) The directed grant to Cohen Veterans Network, Inc., for services to veterans experiencing traumatic brain injuries (Page F46, Item 247) shall instead be allocated as a directed grant to Hope for the Warriors, a nonprofit corporation, in the same amount for the same purpose.

(58) The directed grant to The Lantern Project, Inc., for constructing a shelter (Page F76, Item 563) shall instead be used for counter-trafficking operations.

(59) The directed grant to the Town of Caswell Beach for capital improvements (Page F79, Item 592) may also be used to purchase equipment.

(60) The directed grant to the Town of Ronda for park improvements and equipment (Page F87, Item 680) shall instead be allocated as a directed grant to the Town of Pilot Mountain in the same amount for any public purpose.

(61) The directed grant to North 321 VFD, Inc., for vehicles and related equipment (Page F66, Item 458) shall instead be allocated as a directed grant to North 321 Volunteer Fire Department, Inc., in the same amount for any public purpose.

(62) The directed grant to Southeastern Healthcare of North Carolina, Inc. (Page F33, Item 100), as amended by subdivision (29) of this subsection, shall instead be allocated as a directed grant to Southeastern Wake Adult Day Center, a nonprofit corporation, in the same amount and for the same purpose.

(63) The directed grant allocated to the Town of Youngsville for a town hall renovation project (Page F96, Item 774) is instead allocated as a directed grant to the Town of Youngsville for capital improvement projects within its jurisdiction in the same amount.

(64) The directed grant to the Edgecombe County Sheriff's Benevolent Fund (Page F51, Item 300) shall instead be allocated as a directed grant to Edgecombe County in the same amount and for the same purpose.

(65) The directed grant to The North Carolina Life Sciences Organization (Page F66, Item 463) shall instead be allocated as a directed grant to The North Carolina Museum of Life and Science, Inc., a nonprofit corporation, in the same amount for the same purpose.

(66) The directed grant to The Coastal Pregnancy Center (Page F46, Item 244) shall instead be allocated in equal amounts as directed grants for the same purposes to (i) International Athletes' Abolition Mission, a nonprofit corporation, for the 1st Choice Pregnancy Resources of Pamlico and (ii) WaterLife Pregnancy Care Center, Inc., a nonprofit corporation.

(67) Of the two million dollars ($2,000,000) in nonrecurring funds allocated to the Town of Holly Springs for capital improvements (Page F82, Item 633) for the 2026-2027 fiscal year, one million dollars ($1,000,000) shall instead be allocated to the Town of Fuquay-Varina for the same purpose.

(68) The directed grant to Caldwell County – Capital Improvements for capital improvements (Page F40, Item 174) may also be used for any public purpose.

(69) The directed grant to Caldwell County – EMS Equipment for the Caldwell County Emergency Medical Services for equipment needs, including ballistic gear and body armor (Page F40, Item 175) may also be used for any public purpose.

(70) The directed grant to Caldwell County Schools – Facility Improvements to be distributed equally amongst South, West, and Hibriten high schools for facility improvements (Page F40, Item 177) may also be used for any public purpose distributed equally amongst those schools.

(71) The directed grant to Forsyth County for the Piney Grove Fire Department (Page F53, Item 319) shall instead be allocated as a directed grant to The Piney Grove Volunteer Fire and Rescue Department, Inc., a nonprofit corporation, in the same amount for the same purpose.

(72) The directed grant to the Etowah/Henderson Environmental Advocacy Initiative for water and sewer research and data collection (Page F52, Item 306) shall instead be allocated as a directed grant to the same entity in the same amount for any public purpose.

(73) Of the three hundred sixty-five thousand dollars ($365,000) allocated as a directed grant to First Flight Society, Inc. (Page F53, Item 316), up to one hundred forty-eight thousand dollars ($148,000) may be used to contract with a firm for fundraising services to support the celebration of the 125th

anniversary of the Wright brothers' first flight, notwithstanding any provision of law to the contrary.

(74) The directed grant to W.E.B. DuBois Community Development Corporation (Page F92, Item 739) shall instead be allocated as a directed grant to Village of C.A.R.E., a nonprofit corporation, in the same amount for a technical training hub based in Wake Forest.

(75) The directed grant to WARM Café to purchase a mobile trailer to support meal service (Page F93, Item 745) shall instead be used to support meal services in the same amount."

ENGELHARD VOLUNTEER FIRE DEPARTMENT DIRECTED GRANT MODIFICATION

SECTION 2.50. Notwithstanding S.L. 2023-134 or the Committee Report referenced in Section 43.2 of that act, remaining funds appropriated to the Office of State Budget and Management – Special Appropriations for a directed grant to the Engelhard Volunteer Fire Department, Inc. (VFD) may be used by the Engelhard VFD for any public purpose.

NASH COUNTY DIRECTED GRANT MODIFICATION

SECTION 2.51. Notwithstanding S.L. 2023-134 and the Committee Report referenced in Section 43.2 of that act, the directed grant provided to Nash County for capital improvements and related equipment at a detention facility (Page F76, Item 478) may also be used for public safety complex construction.

UNCW EQUESTRIAN CLUB GRANT CLARIFICATION

SECTION 2.52. Pursuant to Section 5.2(b)(5) of S.L. 2026-41, the University of North Carolina at Wilmington (UNCW) shall satisfy all requirements necessary to receive and administer the grant of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2026-2027 fiscal year to support the equestrian club under the Department of Campus Recreation, UNCW Sport Club Program (Page F91, Item 723). All requirements under Section 5.2 of S.L. 2026-41, as amended, apply to this grant to the extent that those requirements do not conflict with this act.

TRANSYLVANIA COUNTY FUNDS EXTENSION

SECTION 2.53. Funds allocated to Transylvania County by Section 12.2(e)(184) of S.L. 2023-134, as amended by Section 12.3(c) of S.L. 2026-41, notwithstanding any provision of those acts to the contrary, shall not revert but instead shall remain available for expenditure for the purposes for which the funds were appropriated until June 30, 2031.

CAPITAL

SCIF REVERSION CHANGES

SECTION 2.54.(a) Section 42.15 of S.L. 2026-41 reads as rewritten:

"**SECTION 42.15.** Requirements. – For purposes of this Part, nonrecurring funds allocated from the State Capital and Infrastructure Fund as grants to non-State entities, as defined by G.S. 143C-1-1(d), are subject to all of the following requirements:

…

(3) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, unless otherwise indicated, nonrecurring funds appropriated in this Part as grants shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) June 30, ~~2029,~~2031, whichever occurs first. If a grant appropriated under this Part has been reallocated in a subsequent act, the funds

shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) two years after the reallocation, whichever occurs first. Funds reverted pursuant to this subdivision shall revert to the General Fund.

…."

SECTION 2.54.(b) Section 40.8(3) of S.L. 2021-180, as amended by Section 42.9 of S.L. 2026-41, reads as rewritten:

"(3) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, unless otherwise indicated, nonrecurring funds appropriated in this Part as grants shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) June 30, ~~2027,~~2031, whichever occurs first. ~~If a grant appropriated under this Part has been reallocated in a subsequent act, the funds shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) two years after the reallocation, whichever occurs first.~~ Funds reverted pursuant to this subdivision shall revert to the General Fund."

SECTION 2.54.(c) Section 40.7(3) of S.L. 2023-134, as amended by Section 42.9 of S.L. 2026-41, reads as rewritten:

"(3) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, unless otherwise indicated, nonrecurring funds appropriated in this Part as grants shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) June 30, ~~2027,~~2031, whichever occurs first. ~~If a grant appropriated under this Part has been reallocated in a subsequent act, the funds shall not revert until (i) expended, (ii) the particular project has been completed, or (iii) two years after the reallocation, whichever occurs first.~~ Funds reverted pursuant to this subdivision shall revert to the General Fund."

CODIFICATION OF THE CAPITAL PROJECT FLEXIBILITY FUND

SECTION 2.55.(a) G.S. 143C-8-7.1 is amended by adding a new subsection to read:

"(f) There is established the Capital Project Flexibility Fund, a fund in the State Capital and Infrastructure Fund, to be used in accordance with this subsection. After making a reasonable attempt to adjust the project scope of a capital improvement project to meet the total project amount authorized by the General Assembly, the Office of State Budget and Management may, in accordance with subsection (d) of this section, utilize funds available in the Fund to supplement separate funds allocated for any State agency capital improvement project authorized by an act of the General Assembly. Funds utilized pursuant to this subsection may not be used to increase the amount authorized for a project by more than ten percent (10%). For the purposes of this subsection, a capital improvement project is a State agency project that (i) has been authorized by an act of the General Assembly and (ii) is funded by an appropriation from the State Capital and Infrastructure Fund. The term does not include repairs and renovations projects."

SECTION 2.55.(b) The Capital Project Flexibility Fund established in subsection (a) of this section shall consist of funds allocated to project code FLEX21 in S.L. 2021-180 and subsequent acts of the General Assembly and is intended to be used for capital improvement projects authorized by the General Assembly in S.L. 2021-180 and subsequent acts.

UNCP CAPITAL PROJECT ADJUSTMENT

SECTION 2.56.(a) Section 40.1(a) of S.L. 2023-134 reads as rewritten:

"**SECTION 40.1.(a)** The following agency capital improvement projects have been assigned a project code for reference to allocations in this Part, past allocations, and for intended project support by the General Assembly for future fiscal years:

Agency Capital Improvement Project	**Project Code**
…	
The University of North Carolina	

…
University of North Carolina at Pembroke–
Health Sciences Center UNC/PEM21-1
Givens Performing Arts ~~Center Renovation~~Center–
Renovation/Design/Replacement UNC/PEM23-1
…."

SECTION 2.56.(b) Section 40.8(a)(1) of S.L. 2023-134, as enacted by Section 9.1(a) of S.L. 2024-1, reads as rewritten:

"**SECTION 40.8.(a)** Notwithstanding any provision of law or the Committee Report referenced in Section 43.2 of this act to the contrary, the following grants and funds allocated from the State Capital and Infrastructure Fund are amended as follows:

(1) The funding allocated to the University of North Carolina at Pembroke for project code UNC/PEM23-1 in the sum of six million one hundred thousand dollars ($6,100,000) for the 2024-2025 fiscal ~~year~~ year, and subsequent amounts in later fiscal years, may be used for the comprehensive renovation or replacement of the Givens Performing Arts ~~Center.~~Center, including design and property acquisition."

SECTION 2.56.(c) Section 42.1(a) of S.L. 2026-41 reads as rewritten:

"**SECTION 42.1.(a)** The following agency capital improvement projects have been assigned a project code for reference to allocations in this Part, past allocations, and for intended project support by the General Assembly for future fiscal years:

Agency Capital Improvement Project **Project Code**

…
The University of North Carolina
…
University of North Carolina at Pembroke–
Health Sciences Center UNC/PEM21-1
Givens Performing Arts ~~Center Renovation~~ Center–
Renovation/Design/Replacement UNC/PEM23-1
…."

ACCELERATE MANN HALL RENOVATION

SECTION 2.57.(a) Section 42.1 of S.L. 2026-41 is amended by adding the following new subsection to read:

"**SECTION 42.1.(n)** Notwithstanding any provision of law to the contrary, there is appropriated from the State Capital and Infrastructure Fund the sum of ten million dollars ($10,000,000) in nonrecurring funds for the 2026-2027 fiscal year to be allocated to project code UNC/NCS23-1."

SECTION 2.57.(b) Section 42.2 of S.L. 2026-41 reads as rewritten:

"**SECTION 42.2.** It is the intent of the General Assembly to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for the projects listed in future years. The following schedule lists capital improvement projects that will begin or be completed in fiscal years outside of the 2026-2027 fiscal year and estimated amounts (in thousands) needed for completion of those projects:

Project Code	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
…						
~~UNC/NCS23-1~~	~~N/A~~	~~N/A~~	~~N/A~~	~~2,000~~	~~8,000~~	~~N/A~~

…."

FSU CHANCELLOR'S RESIDENCE CORRECTION

SECTION 2.58. Section 42.11A of S.L. 2026-41, as enacted by Section 10.1 of S.L. 2026-61, reads as rewritten:

"**SECTION 42.11A.** Notwithstanding G.S. 146-30 or any other provision of law to the contrary, the net proceeds from the sale of the Chancellor's residence at Fayetteville State University shall be retained by Fayetteville State University and shall be deposited into a special fund to be used solely for the ~~purchase of another residence for the Chancellor,~~acquisition of real property for the purpose of future expansion of the Fayetteville State University campus, as approved by the Board of Trustees of Fayetteville State University and consistent with applicable policies of the Board of Governors of The University of North Carolina."

MODIFY STATE CAPITAL AND INFRASTRUCTURE FUND GRANTS

SECTION 2.59.(a) Section 40.17 of S.L. 2021-180, as enacted by Section 9.1(d) of S.L. 2021-189 and amended by Section 18.1 of S.L. 2022-6, Section 16(a) of S.L. 2022-11, Section 40.2(a) of S.L. 2022-74, Section 40.5(n) of S.L. 2023-134, Section 9.1(c) of S.L. 2024-1, Section 7.1(b) of S.L. 2025-4, and Section 42.5(e) of S.L. 2026-41, is amended by adding the following new subdivisions to read:

"(84) The remaining amount of funding originally allocated to Gates County from the State Capital and Infrastructure Fund in two separate grants totaling five hundred thousand dollars ($500,000) in nonrecurring funds for the 2021-2022 fiscal year may also be used for (i) evaluation of existing county facilities, (ii) renovation and improvements at the former Buckland Elementary School property, and (iii) establishing a Senior Center focused on services, programs, and amenities tailored for senior citizens of Gates County.

(85) The funds allocated to the City of Whiteville from the State Capital and Infrastructure Fund in the amount of two million dollars ($2,000,000) in nonrecurring funds for the 2021-2022 fiscal year for recreation equipment shall instead be provided to the following entities in the following amounts:

a. The sum of one million seven hundred thousand dollars ($1,700,000) to the Town of Fair Bluff to be used for the completion of the roof at the Carver Apartments.

b. The sum of one hundred fifty thousand dollars ($150,000) to the Town of Lake Waccamaw to repair or replace the roof for the fire department.

c. The sum of one hundred fifty thousand dollars ($150,000) to the Town of Tabor City for the police department building.

(86) The funds for Caldwell County in the sum of five million five hundred thousand dollars ($5,500,000) in nonrecurring funds for the 2021-2022 fiscal year for repairs and renovation of the courthouse may also be used for any public purpose.

(87) The funds for Caldwell County in the sum of eight million five hundred thousand dollars ($8,500,000) in nonrecurring funds for the 2021-2022 fiscal year for a new 911 center may also be used for any public purpose.

(88) The funds for Caldwell County in the sum of three million dollars ($3,000,000) in nonrecurring funds for the 2021-2022 fiscal year for repairs and renovations of county facilities may also be used for any public purpose.

(89) The funds for Caldwell Community College in the sum of one million six hundred thirty-two thousand seven hundred twenty-five dollars ($1,632,725) in nonrecurring funds for the 2021-2022 fiscal year for equipment may also be used for any public purpose.

(90) The funds for Caldwell Community College in the sum of eleven million five hundred thousand dollars ($11,500,000) in nonrecurring funds for the 2021-2022 fiscal year and eleven million five hundred thousand dollars ($11,500,000) in nonrecurring funds for the 2022-2023 fiscal year for a new Health Science building may also be used for any public purpose.

(91) The funds for Caldwell Community College in the sum of five million dollars ($5,000,000) in nonrecurring funds for the 2021-2022 fiscal year for the construction of a new occupational training facility may also be used for any public purpose."

SECTION 2.59.(b) Section 40.8(a) of S.L. 2023-134, as enacted by Section 9.1(a) of S.L. 2024-1 and amended by Section 7.1(a) of S.L. 2025-4, Section 5.2(a) of S.L. 2025-89, and Section 42.5(d) of S.L. 2026-41, is amended by adding the following new subdivisions to read:

"(8) The funds allocated to Columbus County for a new facility for the Department of Aging from the State Capital and Infrastructure Fund in the amount of five hundred fifty thousand dollars ($550,000) in nonrecurring funds for the 2023-2024 fiscal year, including any accrued interest, shall instead be provided to the Town of Tabor City for the police department building.

(9) Of the funds allocated to Columbus County for a new transfer station from the State Capital and Infrastructure Fund in the amount of four million dollars ($4,000,000) in nonrecurring funds for the 2023-2024 fiscal year, the sum of two million three thousand nine hundred seven dollars ($2,003,907) shall instead be provided to the Town of Tabor City for the police department building.

(10) Of the funds allocated to Columbus County for a new transfer station from the State Capital and Infrastructure Fund in the amount of four million dollars ($4,000,000) in nonrecurring funds for the 2023-2024 fiscal year, the sum of five hundred thousand dollars ($500,000) shall instead be provided to the Town of Tabor City for the Tabor City Senior Center.

(11) The funds for Caldwell Community College in the sum of nine million dollars ($9,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of thirty million dollars ($30,000,000) in nonrecurring funds for the 2024-2025 fiscal year to assist with construction costs related to a new health science building may also be used for any public purpose."

SECTION 2.59.(c) Section 40.8(a)(4) of S.L. 2023-134, as enacted by Section 9.1(a) of S.L. 2024-1 and amended by Section 7.1(a) of S.L. 2025-4, reads as rewritten:

"(4) The funding allocated to the City of Charlotte in the sum of seventeen million five hundred thousand dollars ($17,500,000) for the 2023-2024 fiscal year and the sum of two million five hundred thousand dollars ($2,500,000) for the 2024-2025 fiscal year shall instead be used to provide grants to the following entities and purposes:

…

h. Two million dollars ($2,000,000) to the City of Lenoir to be used for Harpers Avenue Area infrastructure ~~improvements.~~improvements or for any public purpose.

…

n. One million dollars ($1,000,000) to the Town of Hudson for downtown infrastructure ~~improvements.~~improvements or for any public purpose."

SECTION 2.59.(d) Section 40.2(h) of S.L. 2022-74, as enacted by Section 9.2 of S.L. 2023-11, is amended by adding the following new subdivisions to read:

"(5) The funds for the Town of Granite Falls in the sum of one million one hundred twenty-five thousand dollars ($1,125,000) in nonrecurring funds for the 2022-2023 fiscal year for capital improvements or equipment may also be used for any public purpose.

(6) The funds for Caldwell County in the sum of one million dollars ($1,000,000) in nonrecurring funds for the 2022-2023 fiscal year for capital improvements or equipment at the courthouse may also be used for any public purpose.

(7) The funds to Alleghany County for capital improvements or equipment for a new public swimming pool in the sum of four hundred thousand dollars ($400,000) in nonrecurring funds for the 2022-2023 fiscal year may also be used for public recreation projects, including ball fields at Veteran's Park."

SECTION 2.59.(e) Section 42.5 of S.L. 2026-41 is amended by adding a new subsection to read:

"**SECTION 42.5.(f)** Notwithstanding the Committee Report referenced in Section 45.2 of this act or any other provision of law to the contrary, up to one million dollars ($1,000,000) of the funds allocated from the State Capital and Infrastructure Fund to the Greensboro Sports Foundation for capital improvements at the Greensboro Coliseum may be used for economic development purposes."

TRANSPORTATION

AMEND EFFECTIVE DATE FOR EXTENDED DURATION SAFETY INSPECTIONS FOR LARGE VOLUME RENTAL CAR COMPANIES

SECTION 2.60.(a) Section 43.12 of S.L. 2026-41 is amended by adding a new subsection to read:

"**SECTION 43.12(e)** This section becomes effective October 1, 2028."

SECTION 2.60.(b) Subsection (a) of this section is retroactively effective July 1, 2026.

SECTION 2.60.(c) Notwithstanding subsection (a) of this section or any other provision of law, the provisions of Section 43.12 of S.L. 2026-41 apply to large volume rental company vehicles, as that term is defined in G.S. 20-183.2 as amended by Section 43.12 of S.L. 2026-41, that were inspected in accordance with Part 3A of Chapter 20 of the General Statutes between July 1, 2026, and the date this act becomes law.

I-95 ROAD IMPROVEMENTS

SECTION 2.61.(a) There is appropriated from the General Fund to the Office of State Budget and Management to be transferred to the Department of Transportation the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2026-2027 fiscal year, to be used for road improvements on Interstate 95 in and near Rocky Mount.

SECTION 2.61.(b) For any agreements entered into pursuant to G.S. 136-28.6 for projects using funds authorized under subsection (a) of this section, the participation limits in subsections (d) and (e) of G.S. 136-28.6 do not apply.

PITT-GREENVILLE AIRPORT PROJECT

SECTION 2.62. Notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act to the contrary, nonrecurring funds in the amount of four million five hundred thousand dollars ($4,500,000) allocated to the Pitt County Greenville Airport Authority shall instead be allocated to the City of Greenville for the Pitt-Greenville Airport Authority to ensure compliance with FAA regulations.

CARRY FORWARD OF FUNDS FOR FERRY PROJECTS

SECTION 2.63. Notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act to the contrary, any nonrecurring funds appropriated for the 2026-2027 fiscal year for the following multi-year ferry capital projects shall not revert at the end of the 2026-2027 fiscal year, but shall remain available for the purposes described in the Committee Report until expended:

Project	**FY 2026-27**
Manns Harbor Shipyard Electrical Updates	$5,000,000
Manns Harbor Shipyard Paint Booth Door Replacement	$3,500,000
Manns Harbor Shipyard Compressed Air System Upgrades	$1,620,000
Propulsion Control Units	$2,350,000
M/V Hunt Switchboard Replacement	$750,000
Ramp and Gantry Crane Rehabilitation and Maintenance	$3,000,000

PART III. MISCELLANEOUS

SECTION 3.1. Adjustments to Appropriations. – The totals of Part II of S.L. 2026-41, as amended by S.L. 2026-42, 2026-58, and 2026-61, are adjusted in accordance with the provisions of this act.

SECTION 3.2. Effective Date. – Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of November, 2026.

s/ Bill Rabon
Presiding Officer of the Senate

s/ Howard Penny, Jr.
Presiding Officer of the House of Representatives

_____
Josh Stein
Governor

Approved _____.m. this _____ day of _____, 2026