

# Local Government

**See full summary documents for additional detail**

## **Purchases by Volunteer Organizations Active in Disasters – Disaster Recovery Act of 2025 - Part I.**

SL 2025-2 (H47), Sec. 5.4

Section 5.4 of S.L. 2025-2 (House Bill 47) allows Volunteer Organizations Active in Disasters (VOADs) to purchase surplus heavy construction equipment and motor vehicles from the State through the Department of Administration (DOA) for the purpose of aiding in disaster recovery. It further provides that the DOA must loan surplus heavy construction equipment and motor vehicles to units of local government and VOADs for a period of five years. At the end of the five-year period, the ownership of the loaned surplus property transfers to the unit of local government or VOAD.

This section became effective March 19, 2025.

## **Reconstruction of Nonconforming Residential Structures – Disaster Recovery Act of 2025 - Part I.**

SL 2025-2 (H47), Sec. 5.7

Section 5.7 of S.L. 2025-2 (House Bill 47) allows the reconstruction or repair of a nonconforming residential structure in the affected area if several criteria are met, including, to the greatest extent possible, compliance with the local government's current development regulations. For the purposes of this summary, "affected area" means the counties under a major disaster declaration as a result of Hurricane Helene.

This section became effective March 19, 2025, and expires June 30, 2030.

## **Local Government FEMA Loan Reimbursement from Previous Disasters – House Budget Technical Corrections.**

SL 2025-4 (H74), Sec. 1A.3

Section 1A.3 of S.L. 2025-4 (House Bill 74) authorizes units of local government that received State loan funds pursuant to previously enacted legislation responding to Hurricanes Matthew, Florence, Michael, and Dorian, to assist with cashflow management while awaiting federal reimbursement to apply to the Department of Public Safety's Office of Recovery and Resiliency for forgiveness of all or part of the outstanding loan principal and interest if:

- The unit of local government applied for Public Assistance reimbursement from the Federal Emergency Management Agency (FEMA) and that application was denied, in whole or in part.

- The unit of local government does not have any active appeals or active arbitrations for Public Assistance reimbursement from FEMA.
- The project worksheet has been closed.

This section became effective May 14, 2025.

### **Birth Certificates for Persons Adopted.**

SL 2025-9 (S248)

S.L. 2025-9 (Senate Bill 248) requires the State Registrar to provide county registrars of deeds with electronic access to adoptee birth certificates. The county registrars must provide a certified copy of an adoptee birth certificate to the adoptee, the adoptee's children, the adoptive parents, the adoptee's spouse, and the adoptee's siblings upon request. If a requested adoptee birth certificate has not been digitized, the county registrar of deeds may request the State Registrar to digitize the certificate, and the State Registrar must fulfill the request within two business days.

This act becomes effective January 1, 2026.

### **Revise Voluntary Agricultural District Laws.**

SL 2025-12 (H126)

S.L. 2025-12 (House Bill 126) amends the process for State and local agencies and governmental units to condemn or rezone qualifying farmland in a voluntary agricultural district (VAD) by doing all the following:

- Requiring an ordinance establishing a VAD to limit the ability of a State or local public agency or government entity to condemn or rezone qualifying farmland in a VAD by requiring the agency or entity to request that the agricultural advisory board (Board) hold a public hearing on the proposed condemnation or rezoning and submit written findings and a recommendation to the State or local public agency.
- Extending the period within which a Board must hold a public hearing and submit recommendations on a proposed State or local agency condemnation or rezoning, from 30 days to 45 days.
- Prohibiting an agency from formally initiating a condemnation or rezoning action until 120 days after the date on which the Board submits its findings and recommendations to the agency.

This act became effective October 1, 2025, and applies to condemnation or rezoning actions initiated on or after that date.

## **Adult Protection Multidisciplinary Teams.**

SL 2025-23 (S400)

S.L. 2025-23 (Senate Bill 400) authorizes counties to establish Case Review Multidisciplinary Teams, consisting of various professionals associated with social services, law enforcement, and health care, to (i) review selected active cases in which disabled adults or older adults are being served by adult protective services and (ii) make recommendations to the board of county commissioners for addressing systemic problems and service gaps that may exist in the delivery of services to disabled adults and older adults.

This act became effective October 1, 2025.

## **Emergency Communications Exemptions/Sanitary Board/Section 401 Certifications.**

SL 2025-50 (H768)

S.L. 2025-50 (House Bill 768) does the following:

- Exempts certain buildings and structures from emergency responder communications coverage requirements found within the North Carolina Fire Code, requires the Building Code Council to adopt rules in accordance with the act, and directs the Building Code Council and local governments to follow the requirements of the act until the effective date of permanent rules.
- Provides that vacancies on a sanitary district board that provides water and sewer service and that lies solely within a county with more than 17 municipalities that lie wholly within that county, shall be filled by the remaining sanitary district board members until the next election for board members with a resident from the same residency district of the vacating sanitary district board member.
- Establishes statutory requirements for the Department of Environmental Quality's (DEQ) handling of applications under Section 401 of the Clean Water Act for projects that are eligible for a Nationwide Permit or Regional General Permit issued by the United States Army Corps of Engineers. DEQ is required to:
  - Notify an applicant of the required fee within 5 days of receipt of an application. DEQ's review period begins on the date the fee is paid. The fee is waived if DEQ does not notify an applicant of the fee within 5 days of receipt of the application.
  - Within 30 days of the beginning of the review period, DEQ must (i) determine whether the application is complete and notify the applicant accordingly and, (ii) if DEQ determines an application is incomplete, specify all deficiencies in a notice to the applicant. Review of amended applications or supplemental information responses provided by the applicant must occur within 20 business days of receipt. If DEQ fails to issue a notice that the application is incomplete within the requisite initial 30-day period, or the supplemental 20 day review period, the application is deemed complete.

- Either approve or deny an application within (i) 10 business days of the date the application is deemed complete if no public hearing is held or (ii) 15 business days of the close of the record if a public hearing is held and no additional information is required. Failure of DEQ to approve or deny the application within the requisite time results in a waiver of the certification requirement by the State, unless the applicant agrees, in writing, to an extension of time, which must not exceed one year from the State's receipt of the application for certification.
- Issue a certification, with or without conditions or limitations, upon determining that the proposed discharges into navigable waters subject to the federal Clean Water Act will comply with State water quality requirements. DEQ can include as conditions or limitations in a certification any effluent limitations or other limitations necessary to assure the proposed discharges into navigable waters subject to the federal Clean Water Act will comply with State water quality requirements. DEQ must not impose any other conditions or limitations in a certification.
- DEQ can deny a certification application only if it determines that no reasonable conditions or limitations would provide assurance that the proposed discharges into navigable waters subject to the federal Clean Water Act will comply with State water quality requirements.

The section of the act pertaining to buildings and structures exempt from emergency responder communications coverage requirements expires when permanent rules adopted as required by the act become permanent. The section of the act pertaining to the filling of a vacancy in a sanitary district board became effective July 2, 2025. The section of the act pertaining to applications under Section 401 of the Clean Water Act became effective October 1, 2025.

### **Exemption from Nonbetterment Costs – JMAC/ABC/Other Revisions.**

SL 2025-65 (S664), Part IV

Part IV of S.L. 2025-65 (Senate Bill 664) requires the Department of Transportation to pay the nonbetterment cost of relocating water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and are owned by (i) a municipality with a population of 20,000 or less, or (ii) a private water or sewer utility organized pursuant to Chapter 62 of the General Statutes (Public Utilities) serving 20,000 or fewer customers.

This Part is effective retroactive to January 1, 2025, and applies to (i) nonbetterment costs arising after that date and (ii) nonbetterment costs arising before that date but unpaid by a municipality on that date.

### **County Waste Management Assistance.**

SL 2025-66 (S706)

S.L. 2025-66 (Senate Bill 706) does the following:

- Requires that 30% of the net proceeds of the scrap tire disposal tax be credited to the Scrap Tire Disposal Account (Account) and that excess funds must be credited to the Highway Fund if the amount in the Account exceeds \$300,000 at the end of a fiscal year.
- Reenacts the Account as it existed immediately before its repeal and locates the Account within the Department of Environmental Quality (DEQ). DEQ can use funds in the Account as follows:
  - 75% of the revenue for grants to units of local government to assist them in disposing of scrap tires.
  - 15% of the revenue for grants to encourage the use of processed scrap tire materials. The grants can be made to encourage the use of tire-derived fuel, crumb rubber, carbon black, or other components of tires for use in products such as fuel, tires, mats, auto parts, gaskets, flooring material, or other applications of processed tire materials.
  - Up to \$175,000 for administrative costs and to support a DEQ position to implement the requirements of the scrap tire program.
  - The remaining revenue to fund the clean up of illegal scrap tire collection sites that DEQ has determined are nuisances.
- Removes the deadline for DEQ's report to the Environmental Review Commission (ERC) on the implementation of the North Carolina Scrap Tire Disposal Act.
- Requires DEQ to include in its annual report to the ERC and the Fiscal Research Division the beginning and ending balances of the Account for the reporting period and the amount credited to the Account during the reporting period.
- Provides that local governments that do not comply with requirements to (i) make a good faith effort to achieve the States' 40% municipal solid waste reduction goal and comply with the State's comprehensive solid waste plan, (ii) annually report on solid waste management programs and waste reduction activities within the unit of local government, and (iii) establish and maintain a solid waste reduction program are not eligible for grants from the Account and cannot receive the proceeds of the scrap tire disposal tax or white goods disposal tax. The proceeds of the taxes withheld from units of local government must be credited to the Highway Fund.
- Limits the use of the tax on new tires to the disposal of scrap tires.

The act became effective October 1, 2025, and applies to quarterly crediting of the proceeds of the scrap tire disposal tax occurring on or after that date.

### **Codify Lake Norman Marine Commission. – Various State and Local Government Provisions.**

SL 2025-67 (H23), Part V

Part V of S.L. 2025-67 (House Bill 23) does the following:

- Codifies the session law language that established the Lake Norman Marine Commission and makes various revisions to the laws that govern the Commission.

- Subjects individuals serving on the Lake Norman Marine Commission to the State Ethics Act, which would require them to submit a Statement of Economic Interest to the State Ethics Commission.
- Makes various conforming changes to the statute that governs the membership of the Catawba/Wateree River Basin Advisory Commission.
- Provides that the initial appointments to the governing board of the Lake Norman Marine Commission become effective on the date that is seven calendar days following the adoption by three or more eligible local governments of a joint resolution reconstituting the Lake Norman Marine Commission.
- Provides that all rules, regulations, and decisions made by the predecessor Lake Norman Marine Commission remain in full force and effect until and unless duly modified by the reconstituted Lake Norman Marine Commission.

This Part became effective July 7, 2025.

### **The Criminal Illegal Alien Enforcement Act.**

SL 2025-85 (H318)

S.L. 2025-85 (House Bill 318) does the following:

- Modifies the list of offenses for which the administrator of a jail or confinement facility must attempt to determine legal residency of a prisoner to include the following:
  - Any felony.
  - A Class A1 misdemeanor under the unborn victims statutes, the rape and other sex offenses statutes, or the assaults statutes.
  - Any violation of a domestic violence protective order.
  - Any offense involving impaired driving.
- Requires a judicial official determining conditions of pretrial release to attempt to determine legal residency for the same offenses applicable to prisoners, and if unable to determine legal residency, commit the defendant to a facility to be fingerprinted and held for a period of two hours after a query to Immigration and Customs Enforcement of the United States Department of Homeland Security (ICE). If ICE does not issue a detainer and administrative warrant for the defendant within the two-hour period, the defendant will be released pursuant to the terms and conditions of the pretrial release order. If the facility receives an ICE detainer and administrative warrant for the defendant within the two-hour period, the defendant will be taken before a judicial official for processing based on the ICE detainer and administrative warrant.
- Requires a person subject to a court order based on receipt of an ICE detainer and administrative warrant to be held for 48 hours after the time the person would otherwise be released from the facility unless ICE takes custody of the person or ICE rescinds the detainer.
- Requires the facility holding a person subject to a court order based on receipt of an ICE detainer and administrative warrant to notify ICE, not more than 2 hours after the person

would otherwise be released, of the date and time the 48 hours will expire using the manner indicated on the detainer and administrative warrant.

This bill was vetoed by the Governor on June 20, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective October 1, 2025. The section of the act pertaining to the legal status of prisoners applies to any person confined in or released from a facility on or after that date, and the section of the act pertaining to pretrial release proceedings applies to persons appearing before a judicial official for a determination of pretrial release conditions on or after that date.

### **Prohibit Inspection Departments from Charging Fees for Certain Inspection Cancellations – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 3

Section 3 of S.L. 2025-94 (House Bill 926) prohibits local inspection departments from charging permit holders a fee or failing inspections of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels the inspection with more than one business day's notice.

This section became effective October 6, 2025.

### **Limit Design Methodology and Construction Standards for Certain Municipal Streets – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 4

Section 4 of S.L. 2025-94 (House Bill 926) prohibits local governments from establishing or requiring pavement design standards for public or private roads that are more stringent than the minimum pavement design standards adopted by the Department of Transportation.

This section becomes effective January 1, 2026, and applies to projects initiated on or after that date.

### **Exempt Model Homes from Fire Protection Water Supply Requirement During Construction – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 6

Section 6 of S.L. 2025-94 (House Bill 926) authorizes a fire code official to reduce fire-flow requirements for an isolated model home at a subdivision project site where full fire flow requirements is impractical or pending. This section also requires the Building Code Council and Residential Code Council to make conforming changes to the Code, as applicable.

This section became effective October 6, 2025.

## **Prohibit Waiting Periods for Refiling of Development Applications – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 11

Section 11 of S.L. 2025-94 (House Bill 926) bars a development regulation or unified development ordinance from including waiting periods prohibiting a landowner, developer, or applicant from refiling a denied or withdrawn application for a zoning map amendment, text amendment, development application, or request for development approval.

This section became effective October 6, 2025.

## **Limit Local Government Authority to Regulate the Display of American Flags on Private Property – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 12

Section 12 of S.L. 2025-94 (House Bill 926) amends existing law that limits the authority of local governments to prohibit an official governmental flag from being flown or displayed if the official governmental flag is flown or displayed. The section enhances protections for the American flag and the State's flag to prohibit a local government from adopting or enforcing an ordinance that prohibits or restricts a property owner from displaying such flags on the property owner's property. A local government is, however, authorized to adopt an ordinance to reasonably regulate the manner and placement of the display of an American flag or a North Carolina flag only when necessary to protect public health and safety. To enforce such an ordinance against a particular property, a local government is required to produce written findings of fact documenting the public health and safety concerns. If a local government asserts a traffic based justification concerning a flag on a particular property, a site study conducted by the Department of Transportation must be performed to evaluate whether traffic concerns will actually arise with manner or placement of the display of the flag at the particular location, and a flag must only be prohibited if the Department of Transportation determines traffic concerns would in fact arise.

This section became effective October 6, 2025, and abates any citation, fine, penalty, action, proceeding, or litigation pending on that date which has resulted from application of an ordinance contrary to the provisions of this section.

## **Expand Definition of Local Agency to Include Public Works Authority for the Purposes of the Setoff Debt Collection Act – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 28

Section 28 of S.L. 2025-94 (House Bill 926) expands the definition of "local agency" to include a "public works authority or public utilities commission created pursuant to a local act of the General Assembly" for the purposes of qualifying for the Setoff Debt Collection Act.

This section became effective October 6, 2025.



## **Clarify Existing Use Rights on Property – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 29

Section 29 of S.L. 2025-94 (House Bill 926) provides that, in the context of land development:

- A vested right obtained by permit or other local government approval does not preclude the use or extinguish the existence of any other vested right or use by right attached to the property.
- If a special use permit expires and does not vest, the current zoning classification or regulation for the property applies.
- When two or more local governments with land use jurisdiction over a parcel of land fail to mutually agree, with the consent of the landowner, as to which jurisdiction's land use ordinances apply to the entire parcel, the landowner can elect to apply land use ordinances of the jurisdiction with a majority of the acreage of the parcel of land.

This section became effective October 6, 2025.

## **Local Government Capital Grant Program Modification – Continuing Budget Operations Part IV.**

SL 2025-97 (S449), Sec. 1.2

Section 1.2 of S.L. 2025-97 (Senate Bill 449) modifies the Local Government Capital Grant Program to require that grant funds under the program be used for capital projects that are not eligible for FEMA Public Assistance reimbursement.

The modification is effective retroactively to June 27, 2025, and applies to grants applied for, disbursed, or obligated on or after that date under the Hurricane Helene Local Government Capital Grant Program.

## **Cashflow Loan Program for Local Governments Modification – Continuing Budget Operations Part IV.**

SL 2025-97 (S449), Sec. 1.3

Section 1.3 of S.L. 2025-97 (Senate Bill 449) delays the repayment deadlines for communities receiving loans under the cashflow loan program to provide that no portion of those loans must be repaid until June 30, 2030, the final declination of Federal Emergency Management Agency (FEMA) coverage or reimbursement, or the receipt of FEMA reimbursement funds, whichever is latest. Previously these loans were required to repaid within five years of initiation or by June 30, 2030, whichever is earlier.

Additionally, this section requires the Department of the State Treasurer to renegotiate any loans issued under the cashflow loan program prior to the enactment of this section at the request of

any borrowing eligible community to comply with the repayment deadlines. The Office of State Budget and Management is also required to report, on a quarterly basis, to the chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division of the General Assembly regarding funds appropriated pursuant to the cashflow loan program.

This section became effective October 22, 2025.

### **Extension of Tree Ordinance Restriction in Disaster Declared Counties. – Continuing Budget Operations Part IV.**

SL 2025-97 (S449), Sec. 1.4

Section 1D.8 of S.L. 2024-57 (Senate Bill 382) prevented local governments in areas affected by Hurricane Helene from enforcing ordinances regulating the removal, replacement, and preservation of trees on private property, including tree removal, trimming, or maintenance activities, or require a permit for those activities, on the portion of any private property that is more than 10 feet from the property boundary.

Notwithstanding that limitation, Section 1.4 of S.L. 2025-97 (Senate Bill 449) extends the expiration date of Section 1D.8 of S.L. 2024-57 from March 1, 2025 to October 1, 2026. Section 1.4 also amends that section to allow local governments in areas affected by Hurricane Helene to enforce an existing ordinance that regulates the removal, replacement, and preservation of trees on private property for the purpose of protecting life or property from natural hazard damage, but not for the purposes of aesthetic or general environmental purposes.

This section became effective October 22, 2025, and applies only to local governments located in the affected area that qualify, in whole or in part, for the Federal Emergency Management Agency (FEMA) Public Assistance Categories C through G.

### **Modify Extensions of Certain Government Approvals Affecting the Development of Real Property in the Area Affected by Helene – Continuing Budget Operations Part IV.**

SL 2025-97 (S449), Sec. 1.5

Section 1D.3 of S.L. 2024-57 (Senate Bill 382) extended certain development approvals in areas affected by Hurricane Helene.

Section 1.5 of S.L. 2025-97 (Senate Bill 449) makes the following changes to that section:

- Amends the definition of "development approval" to include special use and conditional use permits.
- Provides an automatic 12-month extension for any development approval that was current and valid on September 25, 2024. Local governments may, however, revoke or modify a development approval automatically extended by this section if, due to changed site conditions resulting from Hurricane Helene or subsequent related natural disasters, the local government determines that the site no longer meets State or federal safety, environmental, or engineering standards, or that the extension of the approval would present a material risk to life, health, or property.
- Clarifies that Section 1D.3 of S.L. 2024-57 does not (a) revive a development approval that expired prior to September 25, 2024 nor (b) affect any vested rights established under G.S. 160D-108 or other applicable law.

This section became effective retroactive to December 11, 2024, and applies only to development approvals issued by local governments located in the affected area that qualify, in whole or in part, for the Federal Emergency Management Agency (FEMA) Public Assistance Categories C through G.

## **North Carolina Border Protection Act.**

Ratified (S153)

Senate Bill 153 would have made various changes related to enforcement of federal immigration laws within the State.

### Require Certain Agencies to Cooperate with ICE

Senate Bill 153 would have directed the Secretary of the Department of Public Safety (DPS), the Secretary of the Department of Adult Correction (DAC), the Commander of the State Highway Patrol (SHP), and the Director of the State Bureau of Investigation (SBI) to do all the following:

- Enter into Memorandums of Agreement (MOAs) with the Director of U.S. Immigration and Customs Enforcement (ICE) pursuant to Section 287(g) of the Immigration and Nationality Act (8 U.S.C. § 1357(g)) to perform immigration law enforcement functions under the supervision of ICE.
- Develop policies requiring employees of each agency to do all the following:
  - Have employees attempt to determine if any person in the custody of or under the supervision of the agency is a legal resident or citizen of the United States by asking the person questions or examining relevant documents.
  - If an employee cannot determine a person's status by conducting the above inquiry, then the employee would be required to make an ICE query.
  - If an employee determines that the person is not a legal resident or citizen of the United States, then the employee would be required to provide information requested by ICE.
- Cooperate to the fullest extent allowed by law with ICE.

- Report the MOAs and policies required by this bill to the Joint Legislative Oversight Committee on Justice and Public Safety no later than August 1, 2025.

The State Auditor would have been required to perform an audit to determine that agencies are complying with the above requirements.

#### Require Certain Agencies to Cease Providing Benefits to Certain Noncitizens

Senate Bill 153 would have required the Department of Health and Human Services (DHHS), the Department of Commerce, the Housing Finance Agency, and all local housing authorities to do the following:

- Cease providing State-funded benefits and publicly funded housing benefits to noncitizens residing in the United States without legal permission, to the extent permitted by federal law.
- Develop a plan, to the extent permitted by federal law, to update and review eligibility criteria for all State-funded benefits and publicly funded housing benefits to ensure noncitizens residing in the United States without legal permission are ineligible to receive those benefits.
- Report by January 15, 2026, on the steps taken to cease providing benefits and the details of the developed and implemented plan including all federal statutes or regulations prohibiting denial of benefits.

"State-funded benefits" would include various programs administered by DHHS or through a contract with DHHS, excluding benefits or services available under the listed programs that help eligible beneficiaries access food or meals.

"Publicly funded housing benefits" would include various programs or assistance administered by or through a contract with the Department of Commerce, the North Carolina Housing Agency, and any local housing authority.

#### Require Verification of Legal Residency for Unemployment Benefits

Senate Bill 153 would have required the Department of Commerce, Division of Employment Security, to the extent permitted by federal law, to adopt and implement a policy to verify that all applicants for unemployment benefits are legally authorized to reside in the United States prior to receiving the first unemployment benefit payment by January 15, 2026.

#### Waive Governmental Immunity for Sanctuary

Senate Bill 153 would have waived governmental immunity from tort liability for cities and counties that adopt sanctuary ordinances when the tort claim is based on the commission of a crime by an unauthorized alien against a person or property within the corporate limits of the city or county, whether or not insurance has been purchased.

Senate Bill 153 was ratified by the General Assembly on June 10, 2025, and vetoed by the Governor on June 20, 2025.