

Information Technology

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Direct Agriculture and Forestry Awareness Study on Low-Hanging Communication Lines. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 14

Section 14 of S.L. 2026-11 (Senate Bill 401) directs the Agriculture and Forestry Awareness Study Commission (Commission) to study communication lines that fall below minimum height requirements and create a public safety hazard. The Commission must seek input from numerous stakeholders, including the Office of Broadband Infrastructure, electric and telecommunications companies, agricultural organizations, and any other stakeholders the Commission deems necessary. The Commission must report its findings, including recommendations or proposed legislation, prior to the start of the 2027 Regular Session of the General Assembly.

This section became effective June 22, 2026.

Behavioral Health Statewide Central Availability Navigator Updates (BH SCAN) – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 6.5

Section 6.5 of S.L. 2026-38 (House Bill 1104) directs the Department of Health and Human Services (DHHS), in consultation with the Sheriffs' Association and the North Carolina Healthcare Association, to study the practicality of granting law enforcement access to the Behavioral Health Statewide Central Availability Navigator (BH SCAN) and the practicality of implementing real-time data availability within BH SCAN. DHHS must submit a report on this study to the Joint Oversight Committee on Health and Human Services no later than March 1, 2027.

This section became effective July 6, 2026.

Department of Information Technology – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 12

Section 12 of S.L. 2026-38 (House Bill 1104) allows substance use data to be disclosed through the North Carolina Health Information Exchange (HIE) Network when the North Carolina HIE Authority has provided written notice to participating entities that the data can be disclosed. This section also adds the Deputy Secretary for the State's Medicaid program as an ex officio, voting member of the North Carolina HIE Advisory Board.

This section became effective July 6, 2026.

AI Environmental Permit Review Pilot Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.23

Section 12.23 of S.L. 2026-41 (Senate Bill 257) directs the Department of Environmental Quality (DEQ) to establish a pilot program to use AI-assisted software platforms to assist with environmental permitting programs. DEQ must contract with a third-party vendor for software that can provide AI-assisted review of permit and license applications across multiple environmental permitting programs, with an emphasis on data security and ability to facilitate improved accuracy and permit processing times. This contract is exempt from the statutes governing Purchases and Contracts and Public Contracts, but the section lists numerous minimum qualifications for the third-party vendor. Beginning March 1, 2027, DEQ must report quarterly to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on the status of the pilot program until the pilot program has been fully implemented.

This section became effective July 1, 2026.

Exempt the State Bureau of Investigation from Department of Information Technology Article – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 20.6

Section 20.6 of S.L. 2026-41 (Senate Bill 257) amends G.S. 143B-1320(b) to exempt the State Bureau of Investigation from Article 15 of Chapter 143, which covers the Department of Information Technology.

This section became effective July 1, 2026.

State Auditor/Assessment of IT Security Standards and Recommendations – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 24.1

Section 24.1 of S.L. 2026-41 (Senate Bill 257) provides that the State Auditor, after assessing the security practices of information technology systems maintained by covered agencies, may include in its report to the covered agency recommendations concerning the practices assessed.

If the State Auditor includes security practice recommendations, the covered agency must provide a response to the State Auditor including any actions taken or plans made to implement the recommendations or the covered agency's reasons for not implementing or planning to implement the recommendations.

The section further requires that responses must be prepared and maintained in a manner that protects information that is confidential under State or federal law and is not to be construed to authorize or require disclosure.

This section became effective July 1, 2026.

Internal Service Fund Rate Limitation – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 40.2

Section 40.2 of S.L. 2026-41 (Senate Bill 257) requires the Department of Information Technology to obtain approval before making any change in rates for the Internal Service Fund from the General Assembly through enactment of a general law. The Internal Service Fund provides information technology services to agencies on a cost-recovery basis, and the rates must be consistent, fully transparent, easily understandable, and must reflect industry standards.

This section became effective July 1, 2026.

Identity Standardization and Statewide Access Management – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 40.5

Section 40.5 of S.L. 2026-41 (Senate Bill 257) creates a new section in Article 15 of Chapter 143B – Department of Information Technology (DIT), requiring DIT to establish and maintain statewide Enterprise ICAM standards applicable to participating agencies. These standards set a framework for identity verification, authentication, authorization, federation, identity assurance, fraud prevention, and access management across participating agencies. DIT must review and evaluate the State's existing contracts within 12 months and issue one or more competitive solicitations for those contracts that do not substantially satisfy the requirements of this section.

This section became effective July 1, 2026.

Modify Technical Requirements for Electronic Monitoring/Satellite-Based Monitoring – Support the Department of Adult Correction.

SL 2026-44 (S355), Sec. 1.2

Section 1.2 of S.L. 2026-44 (Senate Bill 355) modifies technical requirements for electronic monitoring and satellite-based monitoring by amending the definition of electronic monitoring to no longer require that the device has a battery life of at least 48 hours.

This section became effective July 7, 2026, and applies to an electronic monitoring device used on or after that date.

Exclude DAC Investigations from Certain Information Technology Restrictions – Support the Dept. of Adult Correction.

SL 2026-44 (S355), Sec. 5.2

Section 5.2 of S.L. 2026-44 (Senate Bill 355) adds an exemption from the prohibition against viewing pornography on a network or device of a public agency for public officials and employees investigating matters involving (i) offenders incarcerated with the Department of Adult Correction (DAC) or (ii) the misuse of devices owned by DAC.

This section became effective July 7, 2026, and applies to investigations occurring before, on, or after that date.

Virtual Currency Kiosk Consumer Protection Act.

SL 2026-45 (H920)

S.L. 2026-45 (House Bill 920) creates the Virtual Currency Kiosk Consumer Protection Act, which requires any virtual currency kiosk operator in North Carolina to be licensed under the Money Transmitters Act and be subject to the supervision of the Office of the Commissioner of Banks.

This act creates a regulatory framework for the virtual currency kiosk industry and does the following:

- Creates definitions, including the following:
 - Existing virtual currency customer – A person whose first transaction with a licensee to transmit virtual currency occurred more than 30 days ago.
 - New virtual currency customer – A person that has no previous transactions with a licensee to transmit virtual currency or a person whose first transaction with a licensee to transmit virtual currency occurs within the past 30 days.
 - Virtual currency – Any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology.
 - Virtual currency kiosk – Any fully automated electronic machine owned, operated, or used by a virtual currency kiosk operator that enables the owner or operator to facilitate the transfer of fiat currency to a public key that is recorded on the blockchain, as directed by the customer.
- Makes all information or records obtained by the Commissioner of Banks (Commissioner) during an examination, investigation, or report of a virtual currency kiosk operator confidential and subject to confidential treatment under certain conditions.
- Requires a virtual currency kiosk operator to provide the Commissioner with all records reasonably required to ensure compliance with this act.
- Requires virtual currency kiosk operators to make a risk disclosure, prior to entering into an initial transaction for a customer, of all material risks associated with its products, services and activities and with virtual currency generally.

- Requires virtual currency kiosk operators to make a terms and conditions disclosure of all relevant terms and conditions associated with its products, services and activities and virtual currency generally when opening an account and prior to an initial transaction,
- Requires virtual currency kiosk operators to make a warning disclosure, prior to entering into a transaction with a customer, about scams and fraud.
- Requires virtual currency kiosks to display an interactive fraud-screen requirement that restates the warning disclosure and asks the customer whether the warning applies to their situation. If the customer selects that the warning does apply, the kiosk must immediately terminate the transaction. This fraud screening cannot be bypassed by the customer.
- Requires virtual currency kiosk operators to make certain disclosures before each transaction in a clear and conspicuous manner that include all fees and expenses associated with the transaction, the exchange rates, the spread, and any customer liability.
- Prohibits kiosk operators from implementing any QR-code, barcode, or other scan-based login mechanism.
- Provides permitted authentication customer authentication methods at virtual currency kiosks.
- Requires receipts from transactions at a virtual currency kiosk to include specific details, such as the name and contact information for the owner of the virtual currency kiosk or kiosk operator, the customer's name, the unique identifier of the virtual currency kiosk operator, and any tax collected. The receipt must be in physical written form, unless the customer requests to receive it electronically.
- Requires virtual currency kiosk operators to provide, at a minimum, live customer service at all times that the operator's virtual currency kiosks are available for public use via a toll-free number, which must be displayed on the kiosk or its screen.
- Mandates each virtual currency kiosk operator establishes and maintains written anti-fraud policies and compliance policies and procedures.
- Makes the virtual currency kiosk operator designate and employ a qualified, full-time compliance officer and a qualified, full-time consumer protection officer, neither of whom can own more than 20% of the virtual currency kiosk operator business.
- Mandates that virtual currency kiosk operations submit detailed quarterly reports to the Commissioner detailing the location of each virtual currency kiosk located within the State.
- Requires any virtual currency kiosk operator who owns, operates, solicits, markets, advertises, or facilitates virtual currency kiosks in the State to have a money transmitter license under the Money Transmitters Act.
- Sets daily transaction limits:
 - \$2,000 for a new virtual currency customer.
 - \$5,000 for an existing virtual currency customer.
- Allows full refunds for a customer if the following conditions are met:
 - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
 - The Commissioner determined that the transaction was fraudulent.
 - The person was a new virtual currency customer at the time of the transaction.

- Allows refunds of fees imposed by the operator if the following conditions are met:
 - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
 - The Commissioner determined that the transaction was fraudulent.
 - The person was an existing virtual currency customer at the time of the transaction.
- Allows the cancellation of a transaction, with a full and immediate refund, if cancelled before the transaction is complete. A receipt of the cancelled transaction must be provided.
- Prohibits the aggregate fees and charges to a customer from exceeding 12% of the dollar equivalent of the virtual currency involved in the transaction or series of transactions.
- Requires a virtual kiosk operator to impose a 48-hour hold on all transactions initiated by a customer whose first transaction occurred within the past 7 days. During the hold period, the virtual kiosk operator must do the following:
 - Accept the transaction request and record all required information.
 - Not allow any virtual currency to be transmitted, transferred, or made available to the customer.
 - Display a notice informing the customer that the transaction will not be completed until the expiration of the 48-hour hold.
- Makes any violation of this act an unfair trade practice.
- Allows the Commissioner to impose a civil penalty on a virtual currency kiosk operator that violates that violates the provisions of this act.
- Makes it a Class 1 misdemeanor to facilitate or induce a fraudulent virtual currency kiosk transaction.
- Allows local governments the ability to regulate virtual currency kiosks in their jurisdictions through zoning, land-use controls, development regulations, or other ordinances as long as they do not conflict with the provisions of this act.
- Allows the administrative authority and enforcement provisions of the Money Transmitters Act to apply to virtual currency kiosks.

This act contains a severability clause that provides that if any provision of the act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can given effect without the invalid provision or application.

Finally, this act directs the Commissioner must adopt procedures for determining when a virtual currency transaction is fraudulent and rules to implement the provisions of this act by January 1, 2027.

The portion of the act that directs the Commissioner to adopt procedures for fraud determination and rules to implement the provisions of this act became effective July 7, 2026. The remainder of this act becomes effective January 1, 2027 and applies to offenses committed on or after that date.

Repeal Reporting Requirement on Information Technology Modernization Projects Funded in 2014-2015 – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 12

Section 12 of S.L. 2026-46 (House Bill 1094) repeals the quarterly reporting requirement for Division of Motor Vehicles (DMV) information technology modernization projects authorized in 2014. The DMV will continue to submit a comprehensive quarterly report on its modernization efforts required by later legislation.

This section became effective July 7, 2026.

Allow Office of Indigent Defense Services Attorneys Electronic Access to Files – 2026 Court Changes.

Ratified (H377), Sec. 9

Section 9 of House Bill 377 would have modified G.S. 7A-452 which provides that when an indigent person has entered notice of appeal and appellate counsel has been appointed by the Office of Indigent Defense Services (IDS), the clerk of superior court is required to make a copy of the complete trial division file for the IDS counsel. This law would have been modified to clarify that clerks may electronically provide this file access to IDS counsel.

House Bill 377 was ratified by the General Assembly on August 6, 2026, but was vetoed by the Governor on August 17, 2026, and is not current law. If the General Assembly overrides the veto, Section 9 of House Bill 377 would become effective October 1, 2026.