

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1165

Short Title: Hygiene Products Protections/Sales Tax. (Public)

Sponsors: Representative Budd.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

May 4, 2026

A BILL TO BE ENTITLED

AN ACT TO EXEMPT QUALIFYING MENSTRUATION PRODUCTS FROM THE STATE SALES TAX, TO DIRECT THE DEPARTMENT OF COMMERCE TO CERTIFY MENSTRUATION PRODUCTS THAT ARE FREE OF INTENTIONALLY ADDED PFAS, AND TO APPROPRIATE MONEY TO THE DEPARTMENT OF REVENUE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-164.3 reads as rewritten:

"§ 105-164.3. **Definitions.**

The following definitions apply in this Article:

...

(204) Qualifying menstruation products. – Tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for menstrual hygiene in connection with the menstrual cycle that contain no intentionally added PFAS as certified by the Department of Commerce in accordance with G.S. 143B-438.20.

...."

SECTION 1.(b) G.S. 105-164.13 reads as rewritten:

"§ 105-164.13. **Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following items are specifically exempted from the tax imposed by this Article:

...

(76) Qualifying menstruation products."

SECTION 1.(c) The Secretary of Revenue shall take the requisite action required by the Streamlined Agreement to request an amendment to the Streamlined Agreement that would allow a member state to limit the definition of Menstrual Discharge Collection Devices consistent with this section or otherwise modify the agreement to allow a member state to provide an exemption consistent with this section without violating the Streamlined Agreement. Upon amendment of the Streamlined Agreement to allow a member state to provide an exemption consistent with this section, this section shall become effective on the first day of a calendar quarter that begins at least 90 days after amendment of the Streamlined Agreement.

SECTION 2. Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 3D. PFAS Certification.

"§ 143B-438.20. Certification of menstruation products free of intentionally added PFAS.

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



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- 1 (1) Intentionally added PFAS. – PFAS added during the manufacturing of a
2 product or product component to provide a specific characteristic, appearance,
3 or quality or to perform a specific function.
- 4 (2) Manufacturer. – A person who manufactures a product or whose brand name
5 is affixed to the product. In the case of a product that is imported into the
6 United States, the term "manufacturer" includes the importer or first domestic
7 distributor of the product if the person that manufactured or assembled the
8 product or whose brand name is affixed to the product does not have a
9 presence in the United States.
- 10 (3) Menstruation products. – Tampons, panty liners, menstrual cups, sanitary
11 napkins, and other similar tangible personal property designed for menstrual
12 hygiene in connection with the menstrual cycle.
- 13 (4) PFAS. – Perfluoroalkyl and polyfluoroalkyl substances, a class of fluorinated
14 organic chemicals containing at least two fully fluorinated carbon atoms.
- 15 (b) Certification Program; PFAS Content Standards. – The Department shall administer
16 a program to certify those menstruation products that do not contain any intentionally added
17 PFAS. To implement this certification program, the Department shall adopt rules establishing
18 product and testing standards for PFAS content in menstruation products. The Department may,
19 if appropriate, incorporate standards or methods developed by nationally recognized,
20 independent testing laboratories or standard-setting organizations.
- 21 (c) Application for Certification. – Each manufacturer seeking certification from the
22 Department that a menstruation product does not contain any intentionally added PFAS shall file
23 an application with the Department on a form and in a manner prescribed by the Department,
24 setting forth evidence satisfactory to the Department that the menstruation product meets the
25 PFAS content standards adopted pursuant to subsection (b) of this section.
- 26 (d) Issuance of Certification. – The Department shall certify a menstruation product as
27 containing no intentionally added PFAS upon finding that the product meets the PFAS content
28 standards adopted pursuant to subsection (b) of this section. In making this finding, the
29 Department may consider, when appropriate, any relevant, product-specific findings from other
30 entities, including independent testing laboratories or government agencies from other states.
31 Certification is valid for a period of five years and may be renewed for subsequent, five-year
32 terms based on a showing to the satisfaction of the Department that the menstruation product
33 meets the PFAS content standards. The Department may request, and the manufacturer shall
34 provide upon request, technical documentation and analytical test results to demonstrate that a
35 menstruation product remains in compliance with the PFAS content standards.
- 36 (e) Notification of Material Changes. – Any manufacturer of a menstruation product
37 certified by the Department shall notify the Department as soon as practicable of any material
38 change to the information submitted in its application, including changes related to the design,
39 composition, or production of the menstruation product, if it results in the menstruation product
40 no longer satisfying the PFAS content standards adopted under subsection (b) of this section.
- 41 (f) Decertification. – The Department may decertify a menstruation product if any of the
42 following circumstances apply:
- 43 (1) The manufacturer fails to provide technical documentation requested by the
44 Department as required under subsection (d) of this section.
- 45 (2) The manufacturer fails to notify the Department of any material changes to
46 the information submitted in its application for certification, as required under
47 subsection (e) of this section.
- 48 (3) A material misstatement, misrepresentation, or fraud was committed in
49 obtaining certification under this section.
- 50 (4) The Department finds that the menstruation product fails to meet the PFAS
51 content standards adopted under subsection (b) of this section.

1 (g) Criminal Penalty. – Any person who knowingly provides false information or makes
2 a material misrepresentation to the Department in applying for certification under this section is
3 guilty of a Class 2 misdemeanor."

4 **SECTION 3.(a)** Interim Administration of Certification Program. – Notwithstanding
5 G.S. 143B-438.20, as enacted by Section 2 of this act, the Department of Commerce shall
6 administer the Program to certify those menstruation products that do not contain any
7 intentionally added PFAS as provided in subsection (b) of this section.

8 **SECTION 3.(b)** Implementation. – Any menstrual product that has been certified by
9 a nationally recognized, independent testing laboratory, including Intertek or NSF, Inc., as not
10 containing any intentionally added PFAS is deemed to satisfy the PFAS content standards under
11 G.S. 143B-438.20, as enacted by Section 2 of this act. Upon receiving documentation from a
12 manufacturer showing that its menstrual product has been certified by a nationally recognized,
13 independent testing laboratory as not containing any intentionally added PFAS, the Department
14 of Commerce shall certify the menstrual product for purposes of G.S. 143B-438.20, as enacted
15 by Section 2 of this act.

16 **SECTION 3.(c)** Sunset. – This section expires upon the effective date of permanent
17 rules establishing PFAS content and testing standards for menstruation products, adopted by the
18 Department of Commerce as required under G.S. 143B-438.20, as enacted by Section 2 of this
19 act.

20 **SECTION 4.(a)** There is appropriated from the General Fund to the Department of
21 Revenue the nonrecurring sum of one hundred thousand dollars (\$100,000) for the 2026-2027
22 fiscal year to assist with the implementation of the modification of the Streamlined Agreement
23 as required under Section 1 of this act.

24 **SECTION 4.(b)** This section becomes effective July 1, 2026.

25 **SECTION 5.** Unless otherwise provided, this act is effective when it becomes law.