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Focusing on Legislative Representation

LEGISLATIVE REPORT March 19, 2025

STATE OF THE STATE

Gov. Josh Stein delivered his first State of the State address outlining his key priorities for the state, touching on a broad range of issues, from disaster recovery to education and government efficiency. Gov. Stein expressed his readiness to sign the next Helene recovery bill, urging lawmakers to finalize the \$500 million recovery package. While he's pushing for more federal funding, Stein emphasized the ongoing need for repairs to roads and bridges, rebuilding homes, and supporting small businesses in Western North Carolina. "After a major disaster, more than 40% of all affected small businesses never reopen; within two years, 60% have permanently closed their doors," Stein said. "Folks, we cannot let that become our story. Small business is the beating heart of the economy of western North Carolina." He also proposed tax cuts for middle-class families but recommended freezing other planned tax cuts, while launching a new "Impact Center" to ensure taxpayer dollars are used efficiently. On education, Stein advocated for raising the starting salaries of teachers to make North Carolina's pay the highest in the Southeast, along with raises and signing bonuses for state law enforcement officers and correctional officers. Additionally, Stein supported bills regulating cellphone use in schools, calling for classrooms to be cellphone-free zones. His remarks also included a call for more bipartisanship at the state level, contrasting the collaborative approach he hopes to see with the gridlock in Washington, D.C.

In response to the Governor's speech, House Speaker Destin Hall delivered his first formal reply, emphasizing the potential for bipartisan collaboration, particularly on the ongoing Helene recovery efforts. He noted that both he and Governor Stein shared the goal of helping residents return to their homes as quickly as possible, highlighting the importance of setting aside partisanship for the sake of recovery. While acknowledging areas of agreement, Hall made it clear that Republicans would continue pushing their Trump-aligned agenda, including policies on immigration enforcement, school choice, energy production, and lower taxes. He defended Republicans' fiscal policies, which he credited for North Carolina's strong economy and business-friendly environment, and emphasized support for Trump's immigration policies, including efforts to cooperate with ICE. On education, Hall reiterated the Republicans' commitment to



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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supporting private school vouchers while also investing more in public schools, teacher raises, and state universities. He concluded by stressing that North Carolina's greatest asset is its people, and that investing in education will continue to attract businesses to the state due to its skilled and educated workforce.

HURRICANE RECOVERY

The Senate approved its amended version of the House's Helene recovery bill. This is the Senate's version of the bill that the House approved and we anticipate that the bill will go to a House and Senate Conference Committee to work out the details between the two versions. This is the first major relief bill since October. The Senate version allocates over \$530 million for western North Carolina, less than the \$1 billion package requested by Gov. Stein although it aligns with a number of his proposed programs. The funding will cover housing rebuilding, debris cleanup, crop losses, and aid for fire departments. It also includes support for summer classes in districts affected by the storm, which was not part of the House bill. On the Senate floor, Democratic Senator Julie Mayfield expressed disappointment that the legislation does not provide grants for small businesses like the House's version. Speaker Hall is optimistic that the two chambers can finalize their differences in a conference report. "I want us to act as quick as we can to get it out, so that folks can start getting that relief," he said. Although two rounds of recovery funding were approved in October, legislators have noted that more legislation will be necessary for continued recovery efforts in western North Carolina.

WNC HOUSING

Six months after hurricane Helene devastated western North Carolina, the state has not begun rebuilding homes, primarily due to uncertainty about how many homes need to be rebuilt and whether rebuilding is even allowed in some areas. In a hearing to update legislators, two of Gov. Stein's top disaster recovery officials, Stephanie McGarrah and Jonathan Krebs, indicated that rebuilding efforts could take several more months to start and may stretch until 2030, partly due to FEMA's ongoing update of flood plain maps, which will determine eligibility for government aid. This update was met with frustration from lawmakers. "I said this in the last meeting, and it offended some people, but this state has pissed away the taxpayers' money," said Majority Leader Brenden Jones. "We're not going to do that again. We're asking you to help us help you. Make this work fast. Make it work quick. We don't have six years to do this."

State officials acknowledged the added difficulty of rebuilding in the mountainous terrain of western North Carolina, where there is a shortage of skilled workers. Most of the work will be contracted out to private companies. Some lawmakers are also concerned that FEMA's new flood plain maps could restrict rebuilding, especially for families with land in flood-prone areas, and are pushing for changes to those regulations. "I don't want to accept it," said Sen. Tim Moffitt. "I don't want to tell folks back home that your homestead, that's been there for 100 years — that you raised multiple families in — that the government's telling you, no." In addition to home repairs, officials are considering the construction of new affordable housing to accommodate displaced residents. However, some legislators worry this could divert resources away from rebuilding homes. With all of the pressing needs in western North Carolina, legislators are eager for faster progress and clearer answers. "I wish you much success," Moffitt told McGarrah and Krebs. "We need it. But I leave again with an empty feeling that, when I go home, I have no answers for my people."

IMPLEMENT ZERO-BASED BUDGETING

The House Judiciary 3 Committee approved a measure that would change how the state creates its annual budget. Rep. John Blust, primary sponsor of the bill, proposed replacing the current system, which uses the previous year's spending as a baseline, with zero-based budgeting. This method would require budget writers to justify each expenditure from scratch every year rather than carrying over automatic spending from the previous session. Blust, who first suggested zero-based budgeting in 2015 with support from then-Budget Director Art Pope, explained that the new approach would gradually phase in over four years, starting with the executive branch. Each agency would need to justify every budget request, including a statement explaining the reasoning behind each expenditure. The bill, as written, would take effect in 2027, with Blust hoping for input from the Governor's budget team as the proposal moves forward. Although he acknowledged the potential for increased time and costs in creating the \$34 billion budget, he expressed confidence that the staff in the executive branch could handle the new process. The committee approved the bill, and it will now proceed to the House Appropriations Committee.

ATTORNEY GENERAL/RESTRICT CHALLENGE TO PRESIDENTIAL EOs

The Senate gave approval to Senate Bill 58, which aims to limit the powers of North Carolina's Democratic Attorney General Jeff Jackson. The vote was along party lines and would prevent Jackson from participating in lawsuits challenging executive orders from President Trump. Attorney General Jackson has been involved in legal actions to block some of Trump's policies. Senate Democrats were caught by surprise, as the bill was added to the floor agenda without prior notice, and they expressed frustration over the lack of time for debate and amendments. During the debate, Democrats criticized the bill, arguing that it was designed to protect Trump and limit the state's ability to challenge unconstitutional executive orders. Republicans, who have a veto-proof majority in the Senate, did not speak in defense of the bill. Sen. Moffitt, who sponsored the bill, stated that it would allow the legislature to direct the Attorney General's actions.

MOBILE LICENSES

Several states, including Arizona, Colorado, Maryland, and Georgia, have begun offering mobile driver's licenses that can be stored in digital wallets on smartphones. This week, the House and Senate Transportation Appropriation Committees received an update on the possibility of implementing mobile licenses here. The NC Division of Motor Vehicles (NCDMV) commissioned a study on the concept and presented their findings to the committee. The study explored whether drivers should be charged for the service. Some states, like Arizona, offer mobile licenses at no extra cost, while others, such as Louisiana, charge a fee. The NCDMV study recommends offering mobile licenses as a free add-on to physical licenses to encourage broader adoption and simplify implementation. The General Assembly would also need to decide whether mobile licenses can serve the same functions as physical licenses, such as being used for voting identification or notarization. Additionally, there would be a need for staffing and IT support for issues like customer inquiries or technical assistance. To move forward, the General Assembly would need to allocate funding, and the NCDMV would have to issue a contract for a third-party vendor to develop the mobile licenses.

C.O.O.P.E.R. ACCOUNTABILITY ACT

The House Judiciary 1 Committee approved House Bill 222, the Close Out Operations and Provide Emergency Relief (C.O.O.P.E.R.) Act, which would transfer \$217 million from the State Emergency Response and Disaster Relief Fund to the Office of Recovery and Resiliency, established by former Gov. Cooper. Rep. Jones stated that Gov. Stein has assured that this allocation will be the final request for the troubled Hurricane Florence recovery agency. "This is no surprise. We've been dealing with this for many years," Jones said. "We have put a lot of

accountability in here because the previous administration, well, honestly, we couldn't trust them. Money is missing and we're not going through that again." Jones emphasized that the bill includes safeguards to ensure Eastern North Carolina recovers from seven years of homebuilding delays. He also noted the creation of the Governor's Recovery Office for Western North Carolina, dedicated to Hurricane Helene recovery. "We're ready to move forward helping the governor wrap this up," Jones added. "We feel good about him and his staff he's put in place. We're looking forward to working with him to finally bring an end to this."

ENERGY SECURITY AND AFFORDABILITY ACT

Senate Bill 261, which aims to remove the 2030 target for reducing greenhouse gas emissions, was quickly passed by the Senate this week and is now headed to the House. The bill, sponsored by Senate leader Phil Berger, Sen. Paul Newton, and Sen. Lisa Barnes, was navigated through committees and brought to the floor by Sen. Newton. He argued that the 2030 goal, set by 2021's House Bill 951, has led to confusion and could result in higher energy costs. Newton claims that eliminating this interim target could save North Carolinians billions of dollars, citing evidence from the Public Staff and energy cooperatives. However, opponents say the bill could actually cause more devastating impacts to our energy costs. Senate Democrats also expressed concerns about the bill's rushed process and lack of transparency. Opponents argue that the changes could lead to more expensive energy sources and questioned the lack of detailed data on long-term costs. Despite opposition, the bill passed on nearly party-lines, 31-12. It is now over to the House where its fate is unclear.

NO TAX ON TIPS, OVERTIME, BONUS PAY

A bill to eliminate state taxes on tips, overtime pay, and some bonuses passed the House Commerce Committee, despite concerns about its potential cost and how it could be misused. The bill, sponsored by Rep. Warren, has bipartisan support, with Democratic Rep. Cunningham voicing her support, particularly for its benefits to workers with intellectual or developmental disabilities. The bill proposes removing state income taxes on tips, overtime pay, and the first \$2,500 of bonuses. However, when asked about the potential costs or ways the bill could be abused, such as reclassifying salaries as tips to avoid taxes, Warren acknowledged that no analysis had been done. Despite these concerns, the Committee passed the bill, which now moves to the House Finance Committee for further discussion. Warren pointed out that at least 20 other states are considering similar legislation, and mentioned that there are federal bills in Congress aiming to eliminate taxes on tips and overtime, citing support from both Republicans and Democrats.

GENERAL INTEREST BILLS

House Bill 261, Sentence Enhancement/Immigration-Related Crimes, would create a sentence enhancement for a person convicted of a felony other than a Class A felony while being unlawfully in the United States and create a sentence enhancement for a person convicted of a misdemeanor or felony committed while conspiring with one or more persons for the purpose of benefitting, promoting, or furthering criminal activity.

House Bill 266, Adopt Women Veterans Day, would adopt the twelfth day of June of each year as Women Veterans Day in North Carolina.

House Bill 269, Workforce Freedom and Protection Act, would remove barriers to job mobility, empower workers to negotiate better wages, and foster a fairer labor market by banning exploitative employment practice. The bill would also authorize the Legislative Research

Commission to study streamlining occupational licensing in North Carolina. In addition, the bill would make it the public policy of this State that any contract that restrains anyone from exercising a lawful profession, trade, or business of any kind is to that extent void and unenforceable, except as provided below. The bill would prohibit an employer in NC from: (1) entering into a non-compete agreement with an employee; (2) requiring an employee to enter into a non-compete agreement as a condition of employment; (3) enforcing or attempting to enforce a non-compete agreement; (4) threatening to enforce a non-compete agreement; and (5) in the case of a franchise operator, entering into an agreement that restricts an employee from moving between locations. An employee would be defined as an employee providing labor or services to another for pay of less than \$75,000 per year. A person injured by a violation could bring a civil action to recover actual damages, reasonable attorneys' fees and costs, and any other relief the court deems appropriate. The Attorney General could investigate violations and bring an action to enforce these provisions. A non-compete agreement would be defined as an agreement between an employer and an employee that restricts the employee, after termination of the employment, from doing one or more of the following: (1) working for another employer for a specified period of time; (2) working in a specified geographical area; or (3) engaging in work activities similar to those performed for the employer. Introduced by Representatives Cohn, Crawford, K. Brown, and Logan and referred to the House Commerce and Economic Development Committee.

House Bill 270, Revise Law on the Death Penalty, would revise the methods of execution available for a person convicted of a criminal offense and sentenced to death. By mandating electrocution or at the election of the convicted person, lethal injection or firing squad.

House Bill 278, Protect Military Votes, would codify the rule of the State Board of Elections stating covered voters voting a North Carolina military-overseas ballot are not required to include photo identification when casting a ballot.

House Bill 282, STI Funding/Bicycle/Pedestrian Improv., would authorize the use of Strategic Transportation Investments Act (STI) funds for independent bicycle and pedestrian improvements.

House Bill 303/Senate Bill 233, Make Corporations Pay What They Owe, would repeal the corporate income tax phaseout.

House Bill 310, Eminent Domain, would amend the North Carolina Constitution to prohibit condemnation of private property except for a public use, provide for the payment of just compensation with right of trial by jury in all condemnation cases, and make similar statutory changes.

House Bill 315, Gift Card Theft & Unlawful Business Entry, would establish an offense for wrongfully entering a part of a building not open to the public, establish the offense of larceny of gift cards, and revise the organized retail theft offense to include offenses involving gift cards.

House Bill 318, The Criminal Illegal Alien Enforcement Act, would modify eligibility for release and require notification of release to immigration and customs enforcement when a prisoner is subject to an immigration detainer and administrative warrant.

House Bill 322, Make General Assembly Records Public, would increase access to legislative records, repeal changes regarding the archiving of records of the General Assembly, and amend campaign finance laws regarding federal political committees and political organizations.

House Bill 325, Legislative Building Field Trip Pilot Program, would establish a pilot program for public school students to attend field trips to the legislative building.

House Bill 326, DPI to Study Increased Teacher Planning, would require the Department of Public Instruction to study methods of increasing teacher planning time.

House Bill 330, Controlled Substances Act – Updates, would update the Controlled Substances Act regarding fentanyl and synthetic cannabinoids.

House Bill 339, Economic Security Act, would seek to advance economic security for all in North Carolina, including provisions to increase the state minimum wage to \$22 per hour, adjusted for inflation annually; mandate equal pay for equal work; require paid sick leave, paid family medical leave, and workplace safety, emergency, and evacuation protections; restore unemployment insurance benefits adjusted for inflation and studying unemployment insurance benefits for app-based "gig economy" workers; increase the tipped minimum wage; end wage theft; require the fair assessment of persons with criminal histories by "banning the box"; repeal public employee collective bargaining restrictions; reenact the earned income tax credit and tax credits for child and dependent care expenses; create a rebuttable presumption that first responders, health care workers, and essential service workers infected by the coronavirus contracted the disease in the course of employment.

House Bill 344, Litter Reduction Act of 2025, would reduce roadside and other littering and encourage recycling by requiring a deposit on beverage containers and requiring redemption centers to accept returned beverage containers and refund the deposits.

House Bill 350, Report Lost/Stolen Firearm Within 24 Hours, would require the owner of a firearm to report the loss or theft of the firearm within 24 hours after the discovery of the loss or theft to either (i) the local law enforcement agency having jurisdiction over the location where the loss or theft of the firearm occurred or (ii) the State Bureau of Investigation.

House Bill 353, Fair Minimum Wage Act, would raise the State minimum wage and indexing for automatic increases and require payment of attorneys' fees and costs in actions for unpaid wages.

House Bill 354, Civil Procedure/Gatekeeper Orders/Database, would amend Rule 17 of the North Carolina rules of Civil Procedure to provide for the issuance of gatekeeper orders. A person who has been adjudicated incompetent may file a pleading with the court only through the person's guardian or counsel. If a person has been identified by the Administrative Office of the Courts as having been adjudicated incompetent, then the court shall strike any pleading not filed by the person's guardian or counsel and issue a gatekeeper order to prevent the person from executing filings in violation of this subsection.

House Bill 361, Funds to Fight Deed and Title Fraud, would appropriate funds for training and technology upgrades to prevent and deter deed and title fraud.

House Bill 362, Clean Skies Geoengineering Ban, would prohibit the intentional release of polluting emissions, including stratospheric aerosol injection, cloud seeding, and electromagnetic radio frequency, into the atmosphere to alter the temperature, weather, or the intensity of sunlight.

House Bill 366, Reenact & Expand Pistol Purchase Permit, would reenact the pistol purchase permit law and require a permit for the purchase of a long gun.

House Bill 367, Provide Rape Kit Status Updates to Victims, would give rights of information and notification to victims regarding sexual assault examination kits.

House Bill 368, Clarify Law Regarding Car Seats, would clarify law regarding child restraint systems.

House Bill 372, Home-Based Business Fairness Act, would provide that cities shall not prohibit certain home-based businesses within their jurisdictional limits.

House Bill 386, Increase Vehicle Registration Fee/SHP Pay, would increase vehicle registration fees for private passenger vehicles to fund State Highway Patrol salaries and appropriate funds to provide compensation increases to members of the State Highway Patrol.

House Bill 389, Child Care Workforce Pilot Program/Funds, would establish the Child Care Workforce Academy Pilot Program and appropriate funds for that purpose.

House Joint Resolution 379, Application for a Convention of the States, would apply to Congress for an Article V Convention of the States with the purpose of proposing amendments to the United States Constitution.

House Bill 394, Distracted Driving/Children and Animals, would make it unlawful to interact with children or animals in an unsafe manner while operating a motor vehicle on a public street, highway, or public vehicular area.

House Bill 398, Enact KinCare & Safe Days, would amend the Wage and Hour Act to allow employees to use sick leave for the care of family members.

House Bill 402/Senate Bill 290, NC REINS Act, would enact the Regulations from the Executive in Need of Scrutiny Act. The bill would require that any permanent rule that would have an aggregate economic impact on all persons affected of at least \$1 million as calculated under law in a 12-month period can only become effective if the NCGA ratifies a bill approving the rule. Would allow any member of either chamber to introduce a bill during any regular or special session to approve a rule upon the earlier of either the day following a recommendation on the rule by the Joint Administrative Procedure Oversight Committee or sixty days after the NCGA committee receives the rule for review but has not made a recommendation on the rule. The bill would exempt an Economic Rule from the objection period, and provide for notice to the chairs of the NCGA committee by the Commission when it approves an Economic Rule. The bill also would expand what an agency must consider in determining the substantial economic impact of a rule to include an estimate of the combined cost of the baseline conditions and the proposed rule, including direct costs as well as opportunity costs.

House Bill 403, Workers' Rights Act, would protect workers' rights in North Carolina and appropriate funds for that purpose, including: abolishing the doctrine of at-will employment; providing for mandatory paid work breaks and paid meal periods; eliminating the subminimum wage for tipped employees; prohibiting discrimination or retaliation for disclosing wage information; repealing the ban on public employee collective bargaining; and allowing cities and counties to set a local minimum wage.

House Bill 404, Fair & Affordable Housing Act, would direct the Legislative Research Commission to study affordable housing in the state, make housing discrimination on the basis of

"source of income" a violation of the State Fair Housing Act, expand workforce housing by providing current and ongoing funding for the housing trust fund, prohibit credit reporting agencies from reporting lawsuits for ejectment that do not result in a judgment for the landlord, and establish optional credit reporting for tenants of subsidized housing program.

Senate Bill 58, AG/Restrict Challenge to Presidential EOs, was amended on the Senate floor to also require that the Attorney General report by June 1, 2025, on: (1) how many convictions for violations of GS 14-277 (impersonation of a law-enforcement or other public officer) have been obtained from January 1, 2021, through March 1, 2025, and (2) how many of those convictions were based on the defendant's impersonation of an agent of the Immigration and Customs Enforcement of the US Department of Homeland Security. **The bill has been approved by the Senate and will next be considered by the House Rules Committee.**

Senate Bill 153, North Carolina Border Protection Act, was amended on the Senate floor to provide that, for any program under the oversight of the Board of Trustees of the Teachers' and State Employees' Retirement System or the Board of Trustees of the Local Governmental Employees' Retirement System, the employer's certification of the accuracy of the information submitted must establish that State public benefits are not being provided to unauthorized aliens. The bill also would require the Office of State Budget and Management to examine participating employers to determine whether they are employing only legally authorized employees. **The bill as amended was approved by the full Senate and will next be considered by the House Rules Committee.**

Senate Bill 227, Eliminating "DEI" in Public Education, would demonstrate the General Assembly's intent that students, teachers, administrators, and other school employees recognize the equality and rights of all persons and prohibit public school units from promoting certain concepts that are contrary to that intent.

Senate Bill 242, H.A.L.L. Accountability Act, would make redistricting documents public records by enacting the Hold All Legislators Liable (H.A.L.L.) Accountability Act.

Senate Bill 244, January 6 Riot/Attempt Overthrow of Gov't, would make it a Class F felony to engage in a riot or incite a riot in which an attempt occurs to overthrow the government of the United States, the State of North Carolina, or any political subdivision thereof.

Senate Bill 247, Redirect Crisis Pregnancy Center Funds, would: (1) redirect funds appropriated to the Department of Health and Human Services, Division of Public Health, for crisis pregnancy centers to instead be used to support the expansion of evidence-based maternal and infant health programs; (2) require the State Auditor to conduct an audit of Carolina Pregnancy Care Fellowship; and (3) establish additional reporting requirements for crisis pregnancy centers that receive state funds.

Senate Bill 250, Celebrate America's 250th-Let Freedom Ring!, would permit the sale, possession, and use of certain consumer fireworks and levy an excise tax on the sales of consumer fireworks.

Senate Bill 262, Rescind Old Calls/Constitutional Convention, would rescind all prior applications by the General Assembly to the Congress of the United States ratified prior to December 1, 2024, to call for a convention to propose amendments to the Constitution of the United States, pursuant to the terms of Article V of the Constitution of the United States thereof, regardless of whether the applications were for a limited convention to propose one or more amendments regarding one or

more specific subjects and purposes or for a general convention to propose an unlimited number of amendments upon an unlimited number of subjects.

Senate Bill 264, [Flags at Every School](#), is identical to Senate Bill 123, summarized in the March 6, 2025, Legislative Report.

Senate Bill 266, [Historic Flood Event Bldg. Code Exemption](#), would establish exemptions from certain floodplain requirements for the replacement or reconstruction of structures damaged by historic flood events.

Senate Bill 279, [Baby Bond Trust Fund](#), would establish the Baby Bond Trust Fund and to appropriate money for purposes consistent with that fund. The Fund would (i) establish and fund individual accounts in the amount of \$2,000 for the financial benefit of eligible individuals and (ii) enable contributors to save funds and increase the likelihood of the account holder's future financial success.

Senate Bill 280, [Private School Security Act](#), would provide that certain employees and volunteers at private schools may carry certain weapons on educational property when authorized by the school board of trustees or school administrative director and provide that a person may carry a concealed handgun on educational property that is the location of both a school and a place of religious worship when attending worship services and other functions at the place of religious worship.

Senate Bill 291, [Regulation of Short-Term Rentals](#), would limit the regulation of short-term rentals by cities to protect private property rights and establish guidelines for regulating short-term rentals.

Senate Bill 294, [Budgeting Accountability and Transparency](#), is identical to House Bill 178, summarized in the March 6, 2025, Legislative Report.

BILLS OF INTEREST

House Bill 47, [Disaster Recovery Act of 2025](#), would, among other provisions, provide a waiver of the Collaborative Practice Agreement Rules by stating that neither the NC Medical Board nor the NC Board of Nursing shall enforce any provision of the annual review rules or the quality improvement plan rules for collaborative practice agreements. **The bill as amended was approved by the Senate; however, the House did not agree to the changes made to the bill by the Senate and a Conference Committee has been appointed to settle the differences between the House and Senate versions of the bill.**

House Bill 74, [House Budget Technical Corrections](#), would, among other provisions, transfer the Center for Missing Persons to the State Highway Patrol. **Introduced by Reps. Lambeth, Arp, Strickland, and K. Hall and referred to the House Rules Committee. The bill as amended by the House Rules Committee was approved by the full House and will next be considered by the Senate Rules Committee.**

House Bill 152, [Access to Transcranial Magnetic Stimulation](#), would provide for insurance coverage for transcranial magnetic stimulation, a noninvasive healthcare treatment that uses pulsed magnetic fields to induce an electric current in a localized region of a patient's brain. The bill provides that insurers offering a health benefit plan in the State that provides coverage for

transcranial magnetic stimulation must provide coverage for all transcranial magnetic stimulation procedures performance by a healthcare facility or property licensed healthcare provider. **Introduced by Reps. Huneycutt, Lambeth, Potts, and Reeder and referred to the House Health Committee.**

House Bill 297, Breast Cancer Prevention Imaging Parity, would provide health coverage parity for supplement and diagnostic breast imaging. **Introduced by Reps. Belk, Carney, White, and Lambeth and referred to the House Health Committee.**

House Bill 307, Various Criminal Law Revisions, would:

- add xylazine to the list of Schedule II controlled substances, and add kratom to the list of Schedule IV controlled substances; and
- establish the following new felonies for exposing a child to a controlled substance:
 - Class H felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance;
 - Class E felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance, and as a result the child ingests the controlled substance;
 - Class D felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, resulting in *serious physical injury*;
 - Class C felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, resulting in serious bodily injury; and
 - Class B1 felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, and the ingestion is the proximate cause of the death. Exempts persons who intentionally give a child a controlled substance that has been prescribed for the child by a licensed medical professional when given to the child in the prescribed amount and manner.

Introduced by Representative Stevens and referred to the House Judiciary 2 Committee.

House Bill 343, Advocacy for Long-Term Care Residents Act, would appropriate \$380,000 in recurring funds for 2025-2026 and \$397,000 in recurring funds for 2026-2027 to create four full-time ombudsman positions within the Office of the State Long-Term Care Ombudsman in the Division of Aging and Adult Services, in order to move North Carolina toward national standards for long-term care ombudsman programs. **Introduced by Rep. Cunningham and Cotham and referred to the House Appropriations Committee.**

House Bill 349, Update Reqs./Advance Health Care Directives, would allow the Secretary of State to receive electronic filings of advance health care directives and health care powers of attorney. The bill also changes the language for health care power of attorney and health care directives from requiring “two qualified witnesses acknowledged before a notary public AND a notary, to requiring “two qualified witnesses OR acknowledged before a notary public.” **Introduced by Reps. Huneycutt, Potts, Cunningham, and Campbell and referred to the House Health Committee.**

House Bill 357, Continuing Care Retirement Communities Act, would encourage the development of continuing care retirement communities and require providers offering or providing continuing care in North Carolina to obtain a license and be monitored and regulated by the North Carolina

Department of Insurance. **Introduced by Reps. Humphrey, Almond, Arp, and Setzer and referred to the House Insurance Committee.**

House Bill 375, AI/Ban Deceptive Ads, would regulate the use of deepfakes and deceptive advertisements in elections and protect minors and the general public from misuse of artificial intelligence and synthetic media, including provisions to:

Political Campaigns

- require audio or visual communications that: (1) are paid for by a candidate campaign committee, political action committee, political issues committee, political party, or a person using a contribution; (2) are intended to influence voting for or against a candidate or ballot proposition in an election or primary in this state; and (3) contain synthetic media to place a clear and conspicuous disclosure message meeting the three described criteria by persons who act as a creator of a synthetic media message that the person knows is a deceptive and fraudulent deepfake of that candidate or of a political party that is on that ballot within 90 days before an election at which a candidate for elected office appears on the ballot. Additionally, requires that the advertisement carries tamper-evident digital content provenance that discloses the content's author and creator along with any other entity that subsequently edited or altered the content and any use of generative artificial intelligence in generating or modifying the substantive content; and
- require disclosures by a person that distributes or publishes any political communication that was produced by or includes materially deceptive media and the person knows or should know that it is materially deceptive;
- exclude visual media that is satire, parody, bond fide news reporting; an initial dissemination by a platform or service, including, but not limited to, a website, regularly published newspaper, or magazine, where the content disseminated is materially deceptive media provided by another information content provider when a good-faith effort has been made to establish that the depiction is not materially deceptive media; and an interactive computer service;

Pornography and Fabricated Images

- enact new provisions regarding generated child pornography (any image that has been created, altered, adapted, or modified by electronic, mechanical, or other computer-generated means to portray a fictitious person, who a reasonable person would regard as being a minor, engaged in sexual conduct), as follows:
- make it a Class A felony to: (1) intentionally creating generated child pornography and (2) knowingly possess, control, or intentionally view a photograph, a motion picture, a representation, an image, a data file, a computer depiction, or any other presentation which, in whole or in part, the person knows includes generated child pornography. The possession, control, or intentional viewing of each such photograph, motion picture, representation, image, data file, computer depiction, or other presentation constitutes a separate offense;
- create the crime of disclosing fabricated images as a Class 1 misdemeanor on the first offense or a Class A felony if the defendant has one or more prior convictions for a violation of this section or the section governing disclosure of intimate images. *Disclosing fabricated images* is defined as when a person knowingly discloses a fabricated intimate image of another person and the person disclosing the image: (1) knows or should have known that the depicted person has not consented to the disclosure and (2) knows or reasonably should know that disclosure would cause harm to the depicted person. Exempts persons under 18 from the crime unless the person (1) intentionally and maliciously disclosed a fabricated intimate image of another person and (2) knows or should have known that the depicted person has not consented to the disclosure. Further exempts

disclosures made in the public interest, including reports of unlawful conduct, legal proceedings, law enforcement practices, or medical treatment and images that constitute commentary, criticism, or disclosure protected by the NC Constitution or the US Constitution;

- clarify that the statute does not impose liability upon interactive computer services, mobile telecommunications service providers or telecommunications network or broadband providers solely as a result of content provided by another person;
- provide that it is not a defense to prosecution that (1) the perpetrator lacked knowledge of whether the disclosed image had been created or altered by digitization or (2) the depicted person consented to the creation or alteration of the image, and that a minor who possesses any image of any other minor which constitutes a fabricated intimate image forfeits any right to continued possession of the image and any court exercising jurisdiction over such image must order forfeiture of the image;
- provide for civil remedies for disclosure of fabricated intimate images including a cause of action by a depicted individual who is identifiable and who suffers harm from a person's intentional disclosure or threatened disclosure of a fabricated intimate image without the depicted individual's consent against the disclosing party if they knew or acted with reckless disregard for whether: (1) the depicted individual did not consent to the disclosure and (2) the depicted individual was identifiable;
- exempt disclosures or threats to disclose such images were made in good faith from liability, as follows: (1) in connection with law enforcement activities, legal proceedings, or medical education or treatment; (2) in the reporting or investigation of unlawful conduct; and (3) in connection with a matter of public interest or concern, and provide that the exemption does not apply if the plaintiff proves the disclosure was prohibited by other law or made for the purpose of sexual arousal, sexual gratification, humiliation, degradation, or monetary or commercial gain. Disclosure of, or a threat to disclose, a fabricated intimate image is not a matter of public concern or public interest solely because the depicted individual is a public figure;
- enact new provisions regarding AI-generated images in court proceedings to:
 - direct that such material that includes explicit depictions of minors must remain in the care of either a law enforcement agency or the court in any criminal proceeding;
 - prohibit copying such materials by the parties so long as they are made reasonably available to one another;
 - prevent the defendant from viewing such materials unsupervised;
 - provide for rules relating to disclosure to an expert;
 - require a prosecutor to seek an order sealing exhibits of a depiction of a minor engaged in sexually explicit conduct; and
 - provide for the destruction of such materials if the criminal proceeding ends in a conviction; if it ends in acquittal, directs that the materials be returned to the investigating law enforcement agency for either safekeeping or destruction.

Introduced by Representatives Warren, Davis, Schietzelt, and Blust and referred to the House Commerce and Economic Development Committee.

House Bill 380, Conscientious Objections to Vaccine Mandates, provides for a conscientious objection exemption to North Carolina's student vaccination requirements, in addition to the religious beliefs objection. **Introduced by Reps. Almond, Setzer, Balkcom, and N. Jackson and referred to the House Health Committee.**

House Bill 385, Competition Parity Act, would repeal changes to the Youth Access to Tobacco Products legislation adopted during the 2024 session including the change to cover "alternative

nicotine products” instead of “tobacco derived products.” **Introduced by Rep. Bell and referred to the House Rules Committee.**

House Bill 390, Alleviate the Dangers of Surgical Smoke, would establish standards for surgical smoke evacuation in hospitals and ambulatory surgical facilities. The bill would require that each ambulatory surgical facility must adopt and implement policies that require the use of a smoke evacuation/filtering system during any surgical procedure that is likely to generate surgical smoke. **Introduced by Rep. Cunningham, White, Blackwell, and Reeder and referred to the House Health Committee.**

House Bill 391, More APS Staff to Address Elder Abuse, would appropriate funds to DHHS, Division of Social Services, to fund additional adult protective services workers at county departments of social services to investigate an increasing volume of elder abuse reports. **Introduced by Reps. Price and Buansi and referred to the House Appropriations Committee.**

House Bill 396, Nursing Fellows and Curriculum Support Funds/WSSU, would establish a nursing fellows program at Winston-Salem State University. The bill would appropriate \$1.4 million in recurring funds to establish the program. **Introduced by Reps. Lambeth, Potts, and White and referred to the House Appropriations Committee.**

Senate Bill 265, Protecting Our Community Act, would regulate the sale and distribution of hemp-derived consumable products and ban those products from school grounds. The bill prohibits selling a hemp-derived consumable product to a person who is under 21 years of age. **Introduced by Sens. Johnson, Britt, and Lazzara and referred to the Senate Rules Committee.**

Senate Bill 267/House Bill 388, Amend Business Corporations Act, would make various changes to the North Carolina Business Corporations Act, as recommended by the North Carolina Bar Association, including:

- allowing corporations to limit or eliminate the personal liability of its officers arising out of an action for monetary damages for breach of duty;
- allowing the bylaws to include provisions that become effective only during an emergency if they are adopted in advance of the emergency;
- authorizing the board of directors to postpone a shareholder meeting or allow for remote participation upon the described notice during an emergency (i.e., because of some catastrophic event, it is impracticable to convene a meeting of shareholders in accordance with GS Chapter 55 or the bylaws or as specified in a notice previously given for the meeting).

Introduced by Senators Galey and Sawrey and referred to the Senate Judiciary Committee.

Senate Bill 277, NC AHEC Recruitment and Retention Funds, would appropriate funds to the NC Area Health Education Centers Program to improve recruitment, training, and retention of medical students and medical professionals in rural areas of North Carolina. The bill would appropriate \$750,000 in recurring funds to support this work. **Introduced by Sen. Grafstein and referred to the Senate Appropriations Committee.**

Senate Bill 278, The Smart Heart Act, would require public schools to develop cardiac emergency response plans and to require the placement of one automatic external defibrillator in each public school. The bill would appropriate \$2 million in nonrecurring funds to help implement the program. **Introduced by Sen. Corbin and Hanig and referred to the Senate Appropriations Committee.**

Senate Bill 282, Clubhouse Expansion, would promote greater access to the clubhouse model for psychosocial rehabilitation day programs for individuals with severe and persistent mental illness in North Carolina. The bill would appropriate \$2.5 million to fund member clubhouses and expansion of services. **Introduced by Sens. Murdock and Grafstein and referred to the Senate Appropriations Committee.**

Senate Bill 283, Expand Sickle Cell Disease Programs, would appropriate funds to DHHS, Division of Public Health to expand programs and services for North Carolinians with Sickle Cell Disease. **Introduced by Sens. Robinson and Lowe and referred to the Senate Appropriations Committee.**

Senate Bill 287, Safeguard Health Insurance Utilization Reviews, would ensure that Health Benefit Plan determinations of the medical necessity or appropriateness of healthcare services continued to be made by licensed and qualified providers. The bill states that an insurer shall not use an artificial intelligence-based algorithm as the sole basis for a utilization review determination to, in whole or in part, deny, delay, or modify any healthcare services for an insured. The bill also states that insurers must verify that all contracts with a third party, including with a pharmacy benefits manager, for conducting any utilization review are not in violation of this act. Introduced by Sen. Adcock and referred to the Senate Rules Committee.

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