



Kochanek
law group
Focusing on Legislative Representation

LEGISLATIVE REPORT June 17, 2026

INTRODUCTION

Although both the House and Senate were trying to finish the budget this week, there has been an additional delay and now they are saying that they hope to have it complete by the end of June. There are many reports that progress on the budget is slow but steady, but no one has seen any draft or written form so it is difficult to know what is in the budget except for rumors and small details that are coming out. There is quite a bit of confidence that a budget deal is near, and we expect it to be rolled out and voted on before the July 4th holiday.

There are many signs besides the budget process that session is winding down. An avalanche of committee meetings, bill amendments and the general intensity is definitely up, and it is feeling like session is coming to an end.

Bills regarding election law changes, data centers, ABC laws, Involuntary Commitment changes, and health care issues are all in play this week with lots of discussion, debate and last minute changes to bills. This is always a dangerous time as bills move quickly and changes are made often so we will be watching closely and working to represent your interests!

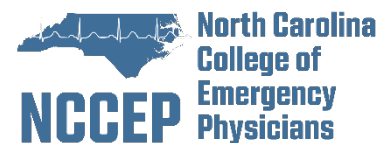
BILLS OF INTEREST

House Bill 1233, State Bd of Elections/Independent Agency, would reestablish the North Carolina State Board of Elections as an independent state agency with appointments made by the Governor. Current terms of office of the members of the State Board of Elections would terminate on April 30, 2027, and members would be appointed to the State Board of Elections in accordance with these provisions, for terms to begin May 1, 2027. **Introduced by Representatives Hawkins, Morey, Greenfield, and Harrison and referred to the House Rules Committee.**

House Bill 1234, Const. Amend./Supreme Court Ethics, would amend the State Constitution to delineate situations in which a Supreme Court Justice is required to recuse himself or herself and to require the disclosure by a Supreme Court Justice of certain sales or purchases and travel. **Introduced by Representatives Butler, Morey, Rubin, and Longest and referred to the House Rules Committee.**



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



THIS LEGISLATIVE REPORT IS A
PUBLICATION OF KOCHANЕК LAW GROUP
AND IS A MEMBER BENEFIT OF NCCEP.
ANY USE OR REPRODUCTION OF THIS
REPORT IS LIMITED TO NCCEP
AND ITS MEMBERS.

FOR MORE INFORMATION:

Colleen Kochanek
Ashley Matlock Perkinson
Rachel E. Beaulieu
P.O. Box 1038
Wake Forest, NC 27588
919.809.5600

colleen@kochaneklawgroup.com
ashley@perkinsonlawfirm.com
rachel@beaulieuedlaw.com
www.kochaneklawgroup.com

House Bill 1235, Restoring Separation of Powers & Leg. Transp., would secure the protections afforded by our constitutional system of separation of powers by requiring the General Assembly to legislate in a transparent and fair manner that promotes public participation in the legislative process. **Introduced by Representatives Rubin, Morey, Butler, and Longest and referred to the House Rules Committee.**

House Bill 1236, Const. Amend./Judicial Standards Commission, would amend the State Constitution to add the Judicial Standards Commission to the Constitution to ensure that complaints against judges and justices are handled in fair, transparent, and nonpartisan proceedings, and require that the Commission's disciplinary hearings and sanctions be made public. **Introduced by Representatives Morey, Longest, Butler, and Rubin and referred to the House Rules Committee.**

Senate Bill 1086, Disclose Funds Original Source/Camp'n Finance, would amend the statutes governing the special reporting of contributions and independent expenditures and the special reporting of electioneering communications to require a filer reporting donations, except for political committees that do not receive more than \$6,800, or the amount set by statute, from any one person in an election, to disclose the identity of the original source of the funds, the amounts of those donations, and any intermediaries who transferred the funds before they were contributed to the filer. The bill would require any person or entity making a donation in an election to a person or entity that is required to report donations under this provision to tell them the identity of the original sources of funds being transferred, the amounts of the original funds being transferred, and the identity of any persons who previously transferred the original funds. **Introduced by Senator Burgin and referred to the Senate Rules Committee.**

BILL UPDATES

House Bill 301, Social Media & AI Safety, was amended in the Senate Judiciary Committee to make a variety of changes, including:

- regulating addictive social media platforms, defined the same way as social media platforms but that have as their primary purpose or function providing a forum for users to upload content or view uploaded content of other users, instead of regulating the use of social media platforms;
- prohibiting the method used for age verification from retaining personal identifying information used for the age verification and from using personal identifying information used to verify age for any other purpose; and
- prohibiting an addictive social media platform from: (1) using a child's user data to inform content recommendations to a child, (2) using a child's user data to inform what commercial advertisements or promotions are shown to the child, or (3) selling the child's user data to a third party.

The bill as amended was approved by the Senate Judiciary and Rules Committees. After further amendment on the Senate floor, the bill was approved by the full Senate and has been sent back to the House to consider the changes made to the bill in the Senate.

House Bill 437, Drug-Free Zones/Unauthorized Public Camping. This bill was amended as follows:

- Establishes drug-free homeless service zones, where committing certain drug offenses is classified as a Class E felony if the offender knows or should know they are in such a zone.

Operators of facility-based services who intentionally allow drug offenses in these zones are subject to a Class H felony.

- Defines drug-free homeless service zones as areas in and around facilities providing shelter or services to homeless persons, with specific signage requirements to establish presumptive knowledge of the zone.
- Specifies that facility-based services include shelters, transitional housing, permanent supportive housing, and other entities primarily serving homeless persons and receiving government funding.
- Prohibits local governments from authorizing or allowing regular public camping or sleeping on public property, including buildings and rights-of-way, except under a limited designation process.
- Allows local governments to designate property for public camping or sleeping for up to one year, subject to minimum standards for safety, sanitation, behavioral health access, and substance/alcohol use prohibitions, and only if there are insufficient shelter beds and the property is not adjacent to residential zones.
- Requires Department of Labor certification of designated properties before use, with a process for review, publication of standards, and ongoing inspection authority.
- Permits residents, business owners, or the Attorney General to seek injunctions against local governments violating the camping prohibition, with potential recovery of legal costs if successful.
- Exempts the camping prohibition during declared states of emergency.
- Directs the Department of Labor to adopt necessary rules by June 30, 2027.

The bill as amended was approved by the Senate Health Committee and will next be considered by the Senate Rules Committee.

House Bill 936, Robocall Solicitation Modifications, was amended in the Senate Judiciary Committee to:

- amend the definition of *robocaller* to include any person doing business in the state that knows or consciously avoids knowing that they provide substantial assistance or support for making robocalls;
- amend the definition of *telephone solicitor* to include a person doing business in this state that knows or consciously avoids knowing that they provide substantial assistance or support for making telephone solicitations; and
- provide that no telephone solicitor or robocaller can cause misleading information to be transmitted to caller id users or otherwise block or misrepresent the origin of a call with the intent to defraud, confuse, cause harm, or wrongfully obtain anything of value, including personal information (previously, no intent was specified).

The bill as amended was approved by the Senate Judiciary Committee and will next be considered by the Senate Rules Committee.

House Bill 1104, Improve IVC Process and Improve Public Safety. This bill is a result of the study committee looking at the IVC process and changes to the original Iryna's law. The bill as filed included various studies of law enforcement and IVC issues and now the bill has been amended to address the various recommendations of the study committee. Below are some of the important changes to the bill:

1. The bill includes a study on judicial and clinical practices. The study adds any necessary data sharing between the Department of Health and Human Services (DHHS) and the eCourts system on IVC exams and court proceedings. The study also now adds the

feasibility and potential benefits of giving law enforcement access to IVC court records to better inform law enforcement procedures and operations.

2. **Requires DHHS and the North Carolina Sheriff's Association to develop a plan for using telehealth to complete the first examinations of individuals in county jails. The bill requires that the plan include at least the five listed components, including: (1) a recommended model for jail-based telehealth services; (2) funding amount necessary to support providing telehealth services in all county jails; and (3) a timeline for the statewide implementation of the telehealth service plan. Requires a report on the plan by October 1, 2026. This provision was requested and is supported by the North Carolina College of Emergency Physicians.**
3. Requires the Local Management Entities/Managed Care Organizations (LME/MCOs) and DHHS to develop a plan for using mobile crisis units to enhance the efficiency of the IVC process. Requires that the plan include various components, including: (1) developing a statewide coverage model using in-person clinicians or on-call licensed clinicians in mobile crisis units to complete the first exam for IVC; and (2) an analysis of funding needed to implement the plan. The bill requires a report on the plan by October 1, 2026.
4. Requires DHHS to evaluate the standard training program for IVC examiners for necessary improvements and to incorporate additional training into the standardized training program for providers conducting first exams of individuals in county jails. The bill requires a report by December 1, 2026.
5. Requires DHHS to develop a plan to address: (1) the ongoing shortage of staffed and available behavioral health beds in State-Operated Facilities for individuals in crisis, (2) the staffing deficiencies that limit the use of existing behavioral health bed capacity, (3) potential use of non-state-operated entities or facilities to provide staffing for or leasing to state-operated facilities, and (4) contracting for behavioral health beds or staffing as supplementary or alternative to state-operated or staffed beds. The bill requires that the plan include the five listed components, including: (1) evaluation of current staffing models, hiring and recruitment practices, employee retention strategies, and the use of incentive pools; (2) any grant opportunities and other funding mechanisms to support behavioral health bed capacity; and (3) an assessment of opportunities to utilize non-governmental facilities or entities. The bill requires a report by December 1, 2026.
6. Requires the North Carolina Collaboratory (Collaboratory) to study how outpatient commitment may be more effectively used and implemented. Requires the study to include: (1) an examination of barriers that limit the use or effectiveness of outpatient commitment, including the availability of outpatient commitment services statewide; and (2) an assessment of mechanisms currently available to track adherence and monitor compliance, along with proposed methods to strengthen and enhance tracking and monitoring processes. The bill requires a report by December 1, 2026.
7. Requires DHHS to consult with the Sheriffs' Association in providing law enforcement access to BH SCAN.
8. Requires DHHS to: (1) develop and implement real-time data availability within BH SCAN; (2) ensure that BH SCAN provides timely, accurate, and continuously updated information on available behavioral health beds to authorized users; and (3) develop and implement functionality within BH SCAN that allows authorized users to reserve an available behavioral health bed in real time.
9. Requires the Collaboratory to study the differing legal standards governing IVC and incapacity to proceed to identify statutory revisions that would enhance each system's effectiveness and advance public safety. The bill requires the study to include recommendations for statutory changes to address inconsistent terminology and clarify

procedures for the transition of individuals between systems. The bill requires a report by December 1, 2026.

10. Requires DHHS to create a working group of representatives from the Administrative Office of the Courts (AOC), and other stakeholders, to examine the systemic factors contributing to the "revolving door" pattern where individuals cycle repeatedly through arrest, detention, or IVC, to then be released back into the community without sustained stabilization or support. The bill sets out the purpose of the group as identifying gaps, evaluating current practices, and recommending strategies to interrupt repeated crises and reduce avoidable recidivism. The bill requires quarterly reports, beginning January 1, 2027, on the working group's findings and recommendations.
11. Requires the Department of Adult Correction and the North Carolina Sheriffs' Association to study providing medical and behavioral health care in county jails and make recommendations to improve the healthcare provided to individuals in custody. The bill requires the study to include the six listed components, including: (1) a review of intake screening procedures used in county jails for identifying medical and behavioral health conditions; (2) an examination of current health care provider arrangements, including in-house services, contracted services, hybrid models, or other recommended approaches for delivering care in county jails; and (3) an evaluation of existing staffing models for medical and behavioral health services in county jails. The bill requires a report on the study by December 1, 2026.
12. Requires the UNC Health Care System to explore the feasibility of improving services at Broughton Hospital, Central Regional Hospital, and Cherry Hospital. The bill requires studying and making recommendations on the six listed topics, including: (1) feasibility of transferring full or just certain operation of the Hospitals from DHHS to UNC Health; (2) any services UNC Health could provide to DHHS to assist in providing services at the Hospitals; and (3) any financial impact, impact on patient outcomes, and any improvement in staffing, that would result from implementing the recommendations provided according to this section. Requires a report on the plan by December 1, 2026.
13. Requires the Collaboratory to explore improving services to those same hospitals. The bill requires studying and making recommendations on the six specified topics, including: (1) the feasibility of transferring full or certain operation of the hospitals from DHHS to another entity; (2) any services that another entity could provide to DHHS to assist in providing services at the Hospitals; and (3) any financial impact, impact on patient outcomes, and any improvement in staffing to result from implementing the recommendations provided according to this section. The bill requires a report on the study by December 1, 2026.
14. Amends GS 122C-261 (concerning affidavit and petition before clerk or magistrate when immediate hospitalization of a person with a mental illness is not necessary) by replacing references to outpatient treatment physician or center with outpatient treatment provider.
15. Amends the determinations that must be made by a commitment examiner in order to recommend outpatient commitment. The bill now requires finding that the respondent be reasonably determined to be capable of surviving safely in the community, without posing a danger to others, when engaged in treatment for the respondent's mental illness (was, respondent is capable of surviving safely in the community with available supervision from family, friends, or others). The bill adds upon the findings that must be made that the respondent has a history of declining or nonadherence to prescribed treatment by a licensed treatment provider, which may be evidenced by one or more of the following, occurring within the relevant past: (1) a prior conviction for a violent offense, (2) a violation of a civil protective order, (3) an incarceration for any offense, or (4) an involuntary inpatient psychiatric hospitalization. The bill also adds upon the findings that must be made that the

respondent is scheduled to be discharged from an inpatient hospital setting or released from a county jail or state prison (allows an individual residing in a non-institutional setting that meets all of the other listed criteria to be subject to outpatient commitment within the court's discretion).

16. Amends the statute by replacing references to outpatient treatment physician or center with outpatient treatment provider.
17. Adds the requirement that the outpatient treatment provider examine the respondent and develop an initial outpatient treatment plan that must include at least the specific services to be provided (including medications), recommended frequency of participation in services, name of the provider who has agreed to provide service, arrangement made for initial contact with each service provider, and any other relevant information.
18. Requires that the initial treatment plan be admitted into evidence at the outpatient commitment hearing, and that it be incorporated into the order. The bill requires that the order include the outpatient treatment provider who is responsible for the care and treatment of the respondent as well as the LME/MCO, or an alternative determined by DHHS, that is responsible for the management and supervision of the respondent's outpatient commitment (was, show the center or physician responsible for the management and supervision of the respondent's outpatient commitment).
19. Amends the dispositions the court may make when a commitment examiner has recommended outpatient commitment and the respondent has been released pending the court hearing, as follows. The bill increases the allowable length of outpatient commitment the court may order when it finds by clear, cogent, and convincing evidence that the respondent meets the criteria so that it may not exceed 180 (was, 90) days; also amends this provision by adding what must be included in the order to include incorporating the initial treatment plan, stating that the respondent must comply with the treatment plan (including subsequent updates to the plan), and instructions to the responsible outpatient treatment provider and the LME/MCO, or alternative, regarding their monitoring and supervision duties.
20. Amends the findings of facts that must be made before ordering outpatient commitment to include findings of fact on the availability and consent to accept the respondent as a client by all providers of the services listed in the initial treatment plan. The bill makes those same changes to the dispositions the court may make when the respondent has been held in a 24-hour facility pending the court hearing.
21. Allows an outpatient treatment provider to prescribe or administer (was, the outpatient treatment physician may prescribe or administer and the center may administer) reasonable and appropriate medication and treatment. The bill now requires that when a respondent does not comply or clearly refuses to comply with the treatment plan, that the treatment provider report their efforts to get the respondent to comply, to the LME/MCO that is responsible for monitoring and supervising the respondent's outpatient commitment, and the LME/MCO must then report to the court with a request for a supplemental hearing (previously the LME/MCO was not involved). The bill adds the requirement that the LME/MCO keep a list of all individuals on outpatient commitment and ensure the individual's care manager is aware of the treatment plan; requires that DHHS have access to the list and that it treat this information as privileged and confidential. The bill allows the LME/MCO, responsible for the respondent's monitoring and supervisions, as an alternative to the outpatient treatment provider, to require the court to order the respondent be taken into custody for an exam when they fail to comply but do not clearly refuse to comply with the treatment, after reasonably effort to solicit the respondent's compliance.
22. Amends the actions that the court may take when it determines that the respondent has failed or refused to comply, to include issuing an order for inpatient commitment upon

finding by clear, cogent, and convincing evidence that there is a nexus between the respondent's past conduct and the reasonable probability of the respondent's future danger to self or others. The bill specifies that a finding of noncompliance with an outpatient commitment order under this statute creates a rebuttable presumption that there is a nexus between the respondent's past conduct and the reasonable probability of the respondent's future danger to self or others. The bill requires that an order directing continuation of outpatient treatment under new supervision be provided to the LME/MCO. The bill expands the cap of the allowable term of outpatient commitment from 90 to 180 days when the court finds the respondent meets the criteria for outpatient commitment.

23. requires that patient records protected by 42 CFR §2 be disclosed through the HIE Network when the North Carolina Health Information Exchange Authority has provided written notice to participating entities that the protected data can be disclosed consistent with HIE's statutory authority.

The bill as amended was approved by the full House and will next be considered by the Senate Health Care Committee.

House Bill 1214, Make E-Verify Great Again. A variety of changes were made to this bill in the House Rules Committee, including provisions to:

- amend the definition of *employer*, as it applies to Verification of Work Authorization, as any person, business entity or organization that transacts business in this state and that employs 25 (was, five in the previous edition) or more employees in the state;
- require random compliance checks to be based on a randomized sample of all employers registered with the Secretary of State, weighted by size and industry;
- require written notice to an employer when it is selected for a random compliance check that includes any requested employment records, and require employers to provide the requested employment records within 30 calendar days of receiving the notice;
- prohibit conducting a random compliance check of the same employer more than once per calendar year; and
- limit a compliance check to the review of records, documents, reports, certifications, or other paperwork required by law to be maintained or submitted by the regulated person or entity.

After further amendment in the House Agriculture and Environment Committee, the bill was sent back to the House Rules Committee for further consideration.

Senate Bill 59, Age 21 Hemp-Derived Consumables/Kratom. The provisions of this bill were removed in the House Agriculture and Environment Committee and replaced with new provisions that would make it a Class 2 misdemeanor, punishable by a fine of \$500 for a first offense, \$1,000 for a second offense, and \$1,500 for subsequent offenses, for any person: (1) to knowingly sell or deliver a hemp-derived consumable product or kratom product to a person under age 21 (requires the seller to demand proof of age if they have reasonable grounds to believe that the purchaser is under 21), or (2) who is under age 21 to possess a hemp-derived consumable product or kratom product. **The bill as amended was approved by the House Agriculture and Environment Committee and will next be considered by the House Rules Committee.**

Senate Bill 310, Criminal Law Changes, was amended in the House Judiciary 2 Committee to require a wireless telecommunications carrier to provide, upon request by certain law enforcement personnel, and subject to any limitations under applicable federal law, available phone location information of a telecommunications device without delay if the law enforcement personnel asserts either of the following:

- the device that is the subject of the request was used to place a 911 call requesting emergency assistance; or
- there is reasonable suspicion that the device that is the subject of the request is in the possession of an individual who is involved in an emergency situation that involves risk of death or serious physical harm.

The bill would allow the wireless carrier to establish protocols pertaining to voluntary disclosures and would provide immunity for wireless carriers and their personnel providing phone location information while acting in good faith and in accordance with the statute. **The bill as amended was approved by the House Judiciary 2 Committee and will next be considered by the House Rules Committee.**

Senate Bill 445, Regulatory Reform Act of 2026, was amended in the House Commerce and Economic Development Committee to amend provisions regarding telephone solicitations as follows:

- provide that a telephone number is the property of a telephone subscriber, subject to the terms and conditions of the subscriber's contract with a telephone carrier;
- define *telephone solicitation* to include legal agents of the individual business or other legal entity that meets the definition;
- prohibit telephone solicitors from using any other alteration to the origin of the telephone solicitation that displays in a way to give the perception that the call originated from any other origin except the actual origin of the telephone solicitation;
- prohibit a telephone carrier from knowingly and intentionally acting to transmit, sell, or otherwise provide the numbers of telephone subscribers to any entity the telephone carrier knows: (1) will use the number to violate provisions of this Article, (2) has previously used telephone subscriber information to violate provisions of this Article, or (3) has previously provided the information to another entity that has violated provisions of this Article;
- clarify that telephone carriers are not to be held liable for a telemarketer's violation; and
- allow a telephone subscriber who has received a phone call in knowing violation of the statute to bring an action to recover \$10,000 for each call placed.

After further amendment on the House floor, the bill was approved by the full House and has been sent back to the Senate Rules Committee to consider the changes made to the bill in the House.

Senate Bill 528, Health and Human Services Revisions, includes a variety of health care provisions which were recently amended, including the following:

- Requires the University of North Carolina School of Medicine's Area Health Education Centers (NC AHEC), in consultation with several state boards and associations, to gather evidence-based information on sudden unexpected death in epilepsy (SUDEP) from publications and nonprofit organizations.
- Mandates the creation of standard information for health care practitioners statewide, including risk factors, conditions, and contact information for nonprofit epilepsy support organizations.
- Requires this information to be made available on the NC AHEC website and easily accessible to health care practitioners in North Carolina.
- Sets a deadline of September 1, 2026, for NC AHEC to submit a report, including a summary or booklet of the information provided to practitioners, to the Joint Legislative Oversight Committee on Health and Human Services.

- Removes the stability of a patient's home environment and social relationships as an eligibility criterion for take-home medication in outpatient opioid treatment programs (OTPs).
- Requires the State Opioid Treatment Authority to review OTP patient discharge policies related to continued substance use, missed doses, and nonparticipation in ancillary services such as counseling.
- Removes structured counseling schedules in OTPs to better align with federal regulations that promote individualized, patient-centered, and flexible care.
- Reduces the number of required drug tests in OTPs to match the frequency required by federal regulations.
- Explicitly allows OTPs to administer methadone to individuals not enrolled as their own patients, provided the individual can be verified as a patient at another OTP through contact with the patient's home OTP, the central registry, or other methods established by the Commission.
- Requires the Commission to engage with current and former OTP clients and providers for additional input on rule changes to improve patient-centered care and federal alignment, but prohibits adopting changes inconsistent with state or federal law.
- Requires all public local boards of education to adopt a policy ensuring that schools provide students with the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline.
- Mandates annual verification that these phone numbers are current and accurate, and if changed, the updated numbers must be used.
- Specifies the required placement of the phrases "To reach the Suicide and Crisis Lifeline, call 988 or text HOME to 741741" and "To reach the NC Peer Warmline, call 855-733-7762" unless updated numbers exist.
- Requires coverage for all prosthetic and orthotic devices mandated by federal law under Medicare Part B, including necessary materials, instruction, and repair or replacement. Adds a new section requiring most health benefit plans (excluding those regulated under certain small employer and multiple employer group laws) to provide coverage for prosthetic and orthotic devices and care
- Mandates coverage for prosthetic and orthotic devices, including custom devices, deemed most appropriate by the insured's healthcare provider for daily living or essential job-related activities.
- Prohibits limiting coverage to only one prosthetic or orthotic device; requires coverage for additional devices necessary for physical activities (such as running, biking, swimming, strength training) or to maximize whole-body health and limb function.
- Specifies that coverage for these devices is considered a habilitative or rehabilitative benefit, including for federal essential health benefits requirements.
- Prohibits insurers from denying claims for prosthetic or orthotic devices to individuals with limb loss or absence if the same activity would be covered for individuals without a disability seeking medical or surgical intervention.
- Requires coverage for replacement of prosthetic or orthotic devices (or parts), regardless of continuous use or useful lifetime, when a healthcare provider determines replacement is necessary due to change in physiological condition, irreparable change in the device, or repair cost exceeding 60% of replacement cost.
- Allows insurers to request healthcare provider confirmation before replacement if the device or part is less than three years old.
- Requires coverage for replacement of custom devices.

- Expands the definition of "smoke evacuation/filtering system" for both hospitals and ambulatory surgical facilities to specify that it must be stand-alone, portable equipment using either an electrocautery device with a smoke removal collar or an assistant-held smoke evacuation device.
- Clarifies that smoke evacuation/filtering systems do not need to be interconnected to hospital or ambulatory surgical facility surgical ventilation or medical gas systems.
- Requires hospitals and ambulatory surgical facilities to adopt and implement policies mandating the use of a smoke evacuation/filtering system during any surgical procedure likely to generate surgical smoke.

The bill as amended was approved by the House Health Committee and will next be considered by the House Rules Committee.

Senate Bill 978, Healthcare Competition Reforms. This bill was amended to strengthen protections for healthcare professionals by prohibiting retaliation—including loss of hospital privileges, termination, demotion, compensation reduction, or hostile work environments—when they report violations of medical staff bylaws or make comments about patient care. The bill clarifies that the exception to unfair and deceptive trade practices for "learned professions" only applies to the direct provision of healthcare subject to malpractice litigation (this provision clarifies that the exception does not apply to hospitals). The bill expands retaliation protections, gives the North Carolina Board of Medicine rulemaking authority, and defines key terms related to whistleblower protections. The bill mandates that nondisclosure agreements with healthcare professionals cannot restrict reporting of safety, ethical, or legal violations.

The bill also prohibits non-compete clauses in hospital employment contracts. Any agreement violating these new rules is void, and prevailing health professionals are entitled to damages and attorney fees. These contract-related provisions apply to agreements entered into, modified, or renewed on or after July 1, 2026. The bill limits annual compensation for chief executive officers of not-for-profit hospitals receiving state funds to no more than 400 times the minimum compensation paid to a full-time hospital employee. It establishes annual reporting requirements for both minimum and CEO compensation, with penalties equal to the CEO's total annual compensation for violations. The bill allocates funds to the North Carolina Medical Care Commission for administration and enforcement. **The bill was approved by the Senate Health Committee and will next be considered by the Senate Judiciary Committee.**

Senate Bill 1006, K-12 Innovation and Transformation Act, was amended in the Senate Education/Higher Education Committee to:

- require the governing body of a public school unit to adopt a policy that would excuse a student's absence to attend released time religious instruction (meaning religious instruction offered by a private entity during the school day) and require the policy to include specified parameters about parental consent forms, documentation of instruction, make up work, a prohibition on using State and local funds to facilitate the instruction, prohibiting on using school property, and setting minimum and maximum amount of time that can be missed in a week;
- amend provisions regarding attendance enforcement to no longer specify that the State Board must prescribe: (1) what constitutes unlawful absence; (2) what causes may constitute legitimate excuses for temporary nonattendance due to a student's physical or mental inability to attend or a student's participation in a valid educational opportunity such as service as a legislative page or a Governor's page; and (3) under what circumstances teachers, principals, or superintendents may excuse pupils for nonattendance due to

immediate demands of the farm or the home in certain seasons of the year in the several sections of the State. Instead, the bill would require the State Board to require school officials to excuse absences for those reasons as well as for religious observance and military leave already included in the statute, and include in released time religious instruction; and

- require the North Carolina Collaboratory to study how local school administrative units can allow students to attend any school within the local school administrative unit in which the student is domiciled, other than the base school, and report its findings, including any recommended legislation, to the Joint Legislative Education Oversight Committee by April 15, 2027.

The bill as amended was approved by the Senate Education/Higher Education Committee and will next be considered by the Senate Appropriations Committee.

Senate Bill 1047, Regulatory Reform Act of 2026, was amended in the Senate Regulatory Reform Committee to allow persons under age 16 to operate all-terrain vehicles if they: (1) are at least eight years old, (2) participate in or have completed the specified safety course, (3) it has been determined by a course instructor that they can safely operate an all-terrain vehicle that complies with the Age Restriction Warning label and that the vehicle to be operated is appropriate for the person, (4) that the person meets requirements related to brake reach, leg length, grip reach, and handlebar control, (5) operates the all-terrain vehicle while supervised by the safety course instructor while participating in the course, or after the course, under supervision of a person age 18 or older, and (6) comply with all other requirements. **The bill as amended was approved by the Senate Regulatory Reform Committee and will next be considered by the Senate Judiciary Committee.**

- Colleen Kochanek
NCCEP Legislative Counsel
Kochanek Law Group
919.809.5601
colleen@kochaneklawgroup.com
www.kochaneklawgroup.comⁱ

Ashley Matlock Perkinson
Perkinson Law Firm
919.210.8209
ashley@perkinsonlawfirm.com

Rachel E. Beaulieu
Rachel E. Beaulieu Law Office, PLLC
919.896.6296
Rachel@BeaulieuEdLaw.com

ⁱ THIS LEGISLATIVE REPORT IS A PUBLICATION OF KOCHANЕК LAW GROUP AND IS A MEMBER BENEFIT OF NCCEP. ANY USE OR REPRODUCTION OF THIS REPORT IS LIMITED TO NCCEP AND ITS MEMBERS.