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Focusing on Legislative Representation

LEGISLATIVE REPORT June 27, 2026

INTRODUCTION

Here we are a few days from the end of the fiscal year for North Carolina and we still do not have a budget in place for the last year as well as the upcoming year. We are the only State in the Nation to not have a budget in place and after hoping to have votes for the budget on the week of June 15th, the delay continues. There are rumors that the budget will be done before the July 4th Holiday, but I would not count on it. Although reports from both chambers continue to say that progress is being made, there are no scheduled votes.

Meanwhile, it was another busy week at the General Assembly as major legislation continues to be amended and moved from one chamber to the other. The House also held votes on several controversial bills regarding DEI restrictions and immigration enforcement that were vetoed by the Governor and those are now law after two “former” Democrats were absent for the votes.

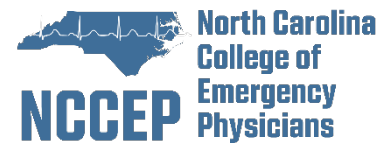
We hope you all have a wonderful 4th of July Holiday as we celebrate the 250th Anniversary of our Nation!

BILLS OF INTEREST

Senate Bill 1087, Post-Election Audits by State Auditor, would require the State Auditor, after the certification of each general election, to select counties in which to conduct post-election audits of election system and controls. No findings in audits under this section could be used as grounds to challenge the final result of an election. The Auditor could examine all of the following areas: (1) the accuracy of voter rolls and compliance with list maintenance requirements in state and federal law; (2) procedures for testing voting equipment before counting ballots, including the ballots used for testing the equipment and the storage and maintenance of the equipment; (3) records of ballots distributed, ballots voted, poll book records, and ballots tabulated; (4) chain of custody and seal documentation; (5) absentee ballots, absentee ballot applications, absentee ballot envelopes, registrar records regarding absentee ballots, and records created and used by the ballot board to ensure appropriate processing and counting of absentee ballots; (6) provisional ballots, provisional ballot envelopes, and records



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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regarding provisional ballots; (7) compliance with all state and federal laws regarding contact with voters and voter assistance; (8) any areas of concern regarding election accuracy, security, or credibility uncovered over the course of the audit. The State Auditor, in collaboration with the State Board of Elections, would develop a manual that details the policies and procedures guiding these audits and the manual could not be altered within the 90 days preceding an election in which the manual is utilized. The Auditor would provide periodic reports of the audits to the Governor, Lieutenant Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate, State Board of Elections, Joint Legislative Elections Oversight Committee, and Fiscal Research Division. **Introduced by Senators Overcash, Daniel, and Hise and referred to the Senate Rules Committee.**

BILL UPDATES

House Bill 34, Strengthen Medicaid Provider Controls. The proposed committee substitute:

- Authorizes the Department of Health and Human Services to adopt rules to implement Medicaid provider controls.
- Allows the Department to deny or retroactively terminate Medicaid providers when notified of adverse licensure actions by a licensing entity that limit or restrict a provider's practice or authority to provide care.
- Establishes the Provider Enrollment Credentialing Committee with authority to adjudicate provider participation, review applications, and issue determinations on enrollment, reenrollment, revalidation, and maintenance. The committee must comply with federal, state, and quality assurance standards and maintain confidentiality of specified provider information.
- Expands the scope of criminal history checks to include owners, operators, and managing employees of provider applicants and enrolled providers.
- Revises and expands the list of criminal convictions that may result in permanent or time-limited exclusion or termination of providers, owners, operators, or managing employees from Medicaid participation, with specific exclusion periods based on the type of conviction.
- Specifies that following any exclusion period, applicants are subject to review by the Provider Enrollment Credentialing Committee.
- Adds new grounds for adverse termination or denial of Medicaid provider enrollment, including billing for impossible services, billing while license is suspended, abusive prescribing, false certification, falsifying records, failure to repay overpayments, conduct posing risk to beneficiaries or program integrity, failure to meet electronic visit verification requirements, and any other reason allowed by law.
- Requires Medicaid provider participation agreements to include requirements for identifying and updating electronic health record system vendors, unique logins for users, and notification to the Division of Health Benefits of new criminal convictions among employees.
- Mandates that prepaid health plans (PHPs) maintain closed provider networks for peer support services and research-based behavioral health treatment services, in addition to existing provisions for closed networks. (This provision addressed the huge increase in ABA treatments for autism)
- Requires the children and family specialty plan to maintain closed networks for additional services, including community support team services, and prohibits exclusion of federally recognized tribal or Indian Health Service providers from any network.

- Expands Medicaid eligibility to include qualifying lawfully present individuals as allowed under federal law, and clarifies that non-citizen coverage is limited to federally required coverage except for this new category.

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

House Bill 349, Modify Health Care Power of Attorney and Adv. Directive, would revise and clarify the rules surrounding health care powers of attorney and advance health care directives in North Carolina. It refines the definition of a "qualified witness" for these documents, specifying that witnesses must not be closely related to the principal or declarant, must not stand to inherit or have claims against their estate, and must not be the attending physician or employees of relevant health care facilities unless specially trained and designated for this role. The statutory forms for health care powers of attorney and for living wills are updated to reflect these changes, and instructions now refer generally to filing with the Secretary of State rather than providing a specific web address.

For advance health care directives, including living wills, the law clarifies the specific medical conditions under which life-prolonging measures can be withheld or withdrawn, and instructs health care providers to ensure patient comfort even if it may hasten death. Witness requirements are aligned with those for health care powers of attorney, and notary rules are updated to allow employees of relevant facilities to serve as notaries. Additionally, the legislation authorizes the filing of health care powers of attorney, advance directives, and HIPAA waivers with the Secretary of State in either electronic or hard copy form. It removes the notarization requirement for most documents (except anatomical gift declarations), and streamlines the registry's handling of documents, including procedures for removing a deceased registrant's documents. **The bill was approved by the Senate Judiciary Committee, the Senate Rules Committee and the full Senate and will next be considered by the House Rules Committee.**

House Bill 437, Drug-Free Zones/Unauthorized Public Camping. This bill has been amended on the floor of the Senate as follows:

- Establishes drug-free homeless service zones, defined as areas in and around facility-based services (such as emergency shelters or transitional housing for homeless persons receiving government funds), with specific signage requirements.
- Imposes a Class E felony for committing certain drug offenses in a drug-free homeless service zone if the offender knows or reasonably should know of the zone, and a Class H felony for facility operators who intentionally allow such offenses.
- Specifies that transferring less than five grams of marijuana for no remuneration does not constitute a delivery offense in these zones.
- Defines facility-based service and operator for the purposes of these provisions.
- Prohibits local governments from authorizing or allowing regular public camping or sleeping on public property, including buildings, grounds, and rights-of-way, except under a limited, certified designation process.
- Allows local governments to designate property for public camping or sleeping for up to one year, subject to minimum safety, sanitation, and behavioral health standards, and only if there are insufficient shelter beds and the property is not adjacent to residential zones or negatively affecting property values or safety.
- Requires Department of Labor certification of designated properties and mandates public posting of standards and procedures.

- Provides for Department of Labor inspections and closure recommendations for noncompliance, with required public notice.
- Authorizes residents, business owners, or the Attorney General to seek injunctions against local governments violating the prohibition, with potential recovery of legal costs, after notice and opportunity to cure.
- Exempts these provisions during declared states of emergency.
- Directs the Department of Labor to adopt implementing rules by June 30, 2027.

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

House Bill 565, Limit Use of AI Medicaid/Commercial Insurance. As originally filed this bill purported to limit the use of AI in health care; however, it was heavily weighted toward protecting insurance companies and punishing providers. The bill has been amended in several committees to more balance it but there continue to be problems with the legislation.

The bill was amended in the Senate Judiciary Committee to prohibit AI-based algorithms from being the sole reason to deny utilization review or prior authorization decisions. (this is the only provision to protect physicians and other providers) Insurance contracts impacted by these requirements must comply with the new rules for contracts issued, amended, or renewed on or after October 1, 2026. The definition of "artificial intelligence" is clarified by referencing federal law, and statutory definitions are updated accordingly. The bill also broadens regulatory oversight to include both medical records and billing, and establishes new definitions for artificial intelligence, developer, upcode, and healthcare provider. It becomes unlawful for developers to design, train, or materially modify AI systems for healthcare coding, billing, or documentation in ways that promote, incentivize, or systematically result in upcoding. Similarly, healthcare providers are prohibited from using such AI systems for the same purpose. Repeated violations are classified as an unfair and deceptive trade practice enforceable only by the Attorney General. Under the bill, starting July 1, 2027, all healthcare providers or their agents must submit an annual attestation of compliance with these AI-related billing restrictions to the Department of Health and Human Services and provide a copy to the Attorney General. Submission of this attestation, in a prescribed format with required information, is mandatory for participation in the Medicaid program, with noncompliance grounds for denial or termination of enrollment. The Department is authorized to adopt rules to enforce the attestation process. **The bill as amended was approved by the Senate Judiciary Committee and will next be considered by the Senate Rules Committee. The North Carolina College of Emergency Physicians opposes this legislation as written.**

House Bill 958, Election Law Changes, was amended in the House Election Law Committee, including provisions that would:

- extend the time a voter has to: (1) correct a voter registration form; (2) provide identification when ID numbers don't match; and (3) provide identification when they voted by provisional ballot since they did not have the requisite ID at the polls from 12 PM on the third business day after an election to 12 PM on the fifth business day after that election;
- require a voter to be notified of a curable deficiency by close of business on the next business day following the county boards' review of the ballot;
- allow a visually impaired voter to submit their absentee ballots through the accessible absentee portal;

- require the State Auditor to select counties of the State in which to conduct post-election audits of election system and controls, as specified, after the certification of each general election, and allow the Auditor to examine during the audit accuracy of voter rolls, ballot recording, absentee and provisional ballots, and any areas of concern regarding election accuracy, security, or credibility uncovered over the course of the audit;
- extend the time a person must have been registered with a political party to file as a candidate in the party's primary from 90 days to 365 days, provide for waiver of that time limit by State party executive committee, and exempt candidates selected by party convention or caucus and political parties in existence for two years or less from the 365-day requirement;
- amend the statute regarding provisional voting requirements so that if a provisional official ballot cast fails to contain the voter's signature on the affidavit to certify the voter's identity and eligibility to vote, the County Board must notify the voter by mail and by telephone or email of the lack of signature on the provisional official ballot no later than the close of business on the next business day following review of the ballot and provide the voter an opportunity to cure the lack of signature on the affidavit;
- expand the acts that persons serving on the SBE are prohibited from doing to include: (1) supporting any political party over another, or influencing voter turnout for a particular political party, and (2) making public statements encouraging or prompting voter turnout in any election;
- prohibit any person serving on a County Board from making any of the following written or oral statements intended for general distribution or dissemination to the public at large: (1) supporting or opposing the nomination or election of one or more clearly identified candidates for public office, supporting any political party over another, or influencing voter turnout for a particular political party; (2) supporting or opposing the passage of one or more clearly identified referendum or ballot issue proposals; or (3) encouraging or promoting voter turnout in any election;
- require overseas voters to submit the military-overseas ballot with either an affidavit if the overseas voter does not have a copy of photographic identification, or a copy of one of the listed forms of photographic identification, and expand the types of documentation that an overseas voter is permitted to submit.
- require the SBE to: (1) study and report on the feasibility, costs, and technical considerations of using signature verification technology with input from stakeholders, including County Boards; (2) evaluate three matters pertaining to signature verification, including: (i) use of signature verification software in other states for the purposes of voter registration, absentee ballot signatures, and other uses in elections administration, (ii) cost and logistics of implementing a signature verification component, and (iii) any foreseen challenges related to voter signature retention under the current elections management infrastructure and possible technology solutions to minimize error rates under a statewide signature verification program; and (3) report its findings by May 1, 2027.

A variety of changes to the bill were also made in the House Rules Committee, including:

- providing that, if an affidavit lacking a signature accompanying a provisional ballot is cured by noon on the fifth business day after the election, then the county board of elections must count any portion of the provisional ballot that the voter is eligible to vote;
- narrowing the class of persons other than the voter who may hand deliver an absentee ballot to the election official to the voter's near relative or legal guardian (currently, no restriction on who may deliver an absentee ballot to the elected official), allowing for it to also be turned in at the county board office, and requiring a person other than a voter delivering an

absentee ballot to complete an affidavit demonstrating how that individual is eligible to return the absentee ballot as the person's near relative or legal guardian;

- authorizing a state driver's license office or other authorized State agency to only accept a voter registration if the applicant affirmatively states that they are a citizen of the United States.

The bill as amended was approved by the House Election Law and Rules Committees and will next be considered by the full House.

House Bill 1094, Ferry Div. Audit/DOT Omnibus, was amended in the Senate Finance Committee to:

- remove the driving eligibility certificate requirement, including removing it from learner's permits and provisional driver's licenses, repeal provisions relating to driving eligibility certificates, certificate requirements, school notifications, and certificate suspensions and revocations, and require the DMV to restore a permit or license of a person who had it revoked due to ineligibility for a driving eligibility certificate but who meets all other requirements for the permit or license; and
- make the following provisions regarding electric assisted bicycles:
 - amend the definition of *electric assisted bicycle* to require it to meet the requirements of one of the following three listed classes: (1) a class 1 electric bicycle (a bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to assist once the bicycle reaches a speed of 20 miles per hour), (2) a class 2 electric bicycle (a bicycle equipped with a motor that may propel the bicycle without pedaling but ceases to assist once the bicycle reaches a speed of 20 miles per hour), and (3) a class 3 electric assisted bicycle (a bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to assist once the bicycle reaches a speed of 28 miles per hour);
 - authorize cities to regulate electric assisted bicycles on any multiuse path or sidewalk within municipal limits to include (1) restricting the use of a class or classes of electric assisted bicycles and (2) establishing speed limits;
 - allow the operation of an electric assisted bicycle on all roadways, bicycle lanes, and multiuse paths, except as otherwise regulated in the specified statutes and by the Department of Natural and Cultural Resources in state parks, historical sites, or other properties in the Department's jurisdiction;
 - **require persons under the age of 18 operating or riding class 3 bicycles to wear a helmet;**
 - **allow a city to require helmet use by a person under the age of 18 operating or riding as a passenger on a class 1 or 2 electric assisted bicycle;**
 - allow counties to regulate electric assisted bicycles in the same manner as cities can except that the statutory authority cannot be deemed to restrict or repeal the authority of a city to regulate the use of an electric assisted bicycles; and
 - require the Department of Transportation to develop educational materials on the proper use and safety considerations of electric assisted bicycles.

After further amendment on the Senate floor, the bill was approved by the full Senate and will next be sent back to the House to consider the changes made to the bill by the Senate.

House Bill 1104, Improve IVC Process and Enhance Public Safety. The **North Carolina College of Emergency Physicians** has been very active on this legislation, working with Rep. Reeder and the other members of the IVC Study Committee to improve the IVC process, study next steps and solutions and most importantly delay the implementation date of the original Iryna's Law. The original Iryna's law included a provision that would require law enforcement to take certain violent offenders and others to the Emergency Department for a first IVC evaluation – regardless of whether the offender was stable. The current effective date is December 1, 2026, and it has been our first priority to move this date back to allow a process to be developed to allow jails to provide the first evaluation using telehealth.

There have been many twists and turns in working on this bill as two of the most powerful groups in North Carolina, the NC HealthCare Association and the NC Sheriff's Association also have been actively advocating for changes and amendments to the legislation. The version that was approved by the House did NOT have the delay included while negotiations continued to reach a compromise. That compromise was reached in the version approved by the Senate Judiciary Committee which is summarized below. The first set of changes occurred in the Senate Health Care Committee, which are also summarized below. The bill was also approved by the Senate Rules Committee and should be on the full Senate calendar next week for approval. We will continue to work on this bill to make sure it continues to include the delay and the other important studies and work that will be done to improve the IVC process.

Amendments approved in Senate Health Care Committee

- Directs the Department of Health and Human Services (DHHS), Department of Information Technology (DIT), and Administrative Office of the Courts (AOC) to study and recommend improvements to the involuntary commitment (IVC) process, including data collection, judicial training, electronic forms, data sharing, and law enforcement access to IVC records.
- Requires DHHS and the North Carolina Sheriffs' Association to develop a plan for using telehealth to conduct first examinations for IVC in county jails, including funding, technical needs, and an implementation timeline.
- Directs Local Management Entities/Managed Care Organizations (LME/MCOs) and DHHS to plan for the use of mobile crisis units to conduct IVC first examinations, including coverage models, funding, and recommendations for improvement.
- Requires DHHS to evaluate and improve standardized training for IVC examiners, especially for those conducting first exams in jails.
- Directs DHHS to develop a plan to address behavioral health bed and staffing shortages in State-operated facilities, including use of non-State entities and alternative staffing models.
- Requires the North Carolina Collaboratory to study barriers and statutory changes needed to improve the use and effectiveness of outpatient commitment, including tracking and monitoring compliance.
- Directs DHHS to provide law enforcement access to the Behavioral Health Statewide Central Availability Navigator (BH SCAN), implement real-time data on bed availability, and add functionality for real-time bed reservations.
- Requires the North Carolina Collaboratory to study and recommend statutory revisions to clarify and align legal standards for involuntary commitment and incapacity to proceed.
- Directs DHHS to convene a working group with the AOC and stakeholders to address the "revolving door" between mental health and criminal justice systems and recommend strategies to reduce recidivism.

- Requires the Department of Adult Correction and the Sheriffs' Association to study and recommend improvements to medical and behavioral health care in county jails, including intake, provider arrangements, crisis response, staffing, and the Safekeeper Program.
- Directs the North Carolina Collaboratory to study the feasibility and impact of transferring operation or administration of State psychiatric hospitals from DHHS to other entities, including financial and staffing impacts.
- Makes extensive changes to statutes governing outpatient commitment, including:
 - Replacing references to "physician or center" with "provider" throughout.
 - Expanding criteria for outpatient commitment to include a history of nonadherence to treatment, prior violent offenses, protective order violations, incarceration, or prior involuntary hospitalization, and those being discharged from inpatient or correctional settings.
 - Requiring initial outpatient treatment plans, specifying plan content, and mandating incorporation of the plan into court orders.
 - Extending the maximum duration of outpatient commitment orders from 90 to 180 days.
 - Requiring court orders to specify provider and LME/MCO responsibilities for monitoring and supervision.
 - Mandating LME/MCOs to maintain lists of individuals under outpatient commitment and share with DHHS, with confidentiality requirements.
 - Adding procedures for noncompliance, supplemental hearings, and transfer of venue for outpatient commitment.
 - Granting DHHS access to confidential court records for its duties under Article 5, with confidentiality protections.
- Amends Health Information Exchange (HIE) statutes to:
 - Specify that providers with records protected by 42 C.F.R. § 2 are exempt from HIE participation until written notice is provided that such data can be disclosed.
 - Require pharmacies to submit claims data only once daily.
 - Add the Deputy Secretary for Medicaid as a voting member to the HIE Advisory Board, increasing its membership from 12 to 13.

Amendments approved in Senate Judiciary Committee

This version of the bill includes the delayed implementation sought by NCCEP to July 1, 2028.

- Directs multiple studies and planning efforts to improve the involuntary commitment (IVC) process, including data collection, judicial training, electronic forms, data sharing, and law enforcement access to IVC records.
- **Requires the North Carolina Sheriffs' Association to propose a pilot program for using telehealth in jails for IVC first examinations and includes reports to various legislative committees.**
- Directs LME/MCOs and DHHS to develop a plan for using mobile crisis units to conduct IVC first examinations, including funding analysis and recommendations, with a report due to legislative committees.
- Requires DHHS to evaluate and improve standardized training for IVC examiners, especially for those conducting first exams in jails, and report findings.
- Directs DHHS to develop a plan to address staffing and behavioral health bed shortages in State-operated facilities, including use of non-State entities and contracting, with a report due to legislative committees.

- Requires a study on improving the use and effectiveness of outpatient commitment, including statutory revisions, barriers, and tracking mechanisms.
- Directs DHHS to study law enforcement access to the Behavioral Health Statewide Central Availability Navigator (BH SCAN), real-time data availability, and bed reservation functionality, with a report due to various legislative committees.
- Requires a study of legal standards for involuntary commitment and incapacity to proceed, including recommendations for statutory changes and terminology consistency.
- Establishes a working group to address the 'revolving door' between mental health and criminal justice systems, with quarterly reporting.
- Directs a study on medical and behavioral health care in county jails, including intake, provider arrangements, crisis response, staffing, and Safekeeper Program expansion.
- Requires a feasibility study on changing operation or administration of State psychiatric hospitals, including possible transfer of operations and financial impacts, with UNC Health assistance.
- Substantially revises outpatient commitment statutes: replaces references to 'physician or center' with 'provider,' expands criteria for outpatient commitment (including history of nonadherence, violent convictions, repeated incarcerations/hospitalizations, and discharge from institutions), requires initial treatment plans, extends maximum outpatient commitment period from 90 to 180 days, and enhances court order and provider responsibilities for monitoring, supervision, and reporting.
- Expands LME/MCO and DHHS roles in outpatient commitment, including maintaining lists of individuals, ensuring care manager awareness, and granting DHHS access to confidential data for oversight.
- Revises procedures for supplemental hearings, re-hearings, and transfer of outpatient commitment cases, including new requirements for findings, documentation, and inter-county coordination.
- Grants DHHS access to confidential court data for its duties along with confidentiality protections.
- Overhauls criminal incapacity to proceed statutes: establishes State policy favoring capacity restoration, defines and authorizes community-based, detention center, and inpatient-based capacity restoration programs, sets procedures for court-ordered enrollment, reporting, and review, and provides for immunity from liability for those involved in restoration services.
- Requires detailed forensic evaluation reports, including opinions on causes, likelihood of restoration, and recommended settings.
- Specifies court procedures for ordering, monitoring, and extending capacity restoration, including maximum timeframes and periodic supplemental hearings.
- Prohibits compelled medication for capacity restoration except under limited conditions for serious felony defendants, with strict court findings and medical oversight.
- Revises procedures for dismissal of charges for defendants lacking capacity, including mandatory civil commitment referral and new reporting requirements.
- **Provisions in the original Iryna's Law to require law enforcement to take certain offenders to the ED for an initial evaluation are delayed until July 1, 2028 so that these issues can continue to be studied and the process for having the evaluation in the jails can be piloted.**

The bill received a favorable report in Senate Rules Committee and will next be considered by the Full Senate. We appreciate all the emergency physicians who have contacted legislators about this important issue and the work of the NCCEP IVC Committee members who have reviewed drafts and provided feedback for our work.

Senate Bill 280, Dominique Moody Act, would provide a comprehensive overhaul to North Carolina's child welfare system by focusing on improving oversight, transparency, accountability, and outcomes for at-risk children. Central to this effort is the formation of a Child Welfare Case Escalation Team within the Division of Social Services, tasked with reviewing high-risk cases involving repeated or severe abuse or neglect, collaborating closely with county departments and law enforcement, and ensuring immediate intervention where children's safety is at stake. The team would receive increased access to records, mandate swift county responses, and carry responsibility for correcting systemic deficiencies, with recurring and startup funds allocated for staffing and implementation.

Procedural enhancements would require social services directors to document abuse or neglect investigations with photos or videos to strengthen case records. The standard for withholding criminal investigative information in these instances is raised, ensuring more transparency unless clear, convincing evidence justifies nondisclosure. Additional resources would be dedicated to statewide training for child protective services employees, with virtual options and prioritization for specialists. The legislation introduces reforms to legal proceedings for individuals listed as responsible for abuse or neglect, clarifies and expedites procedures related to case transfers, permanency planning, and termination of parental rights, and enhances protections around the handling and sharing of post-adoption contact agreements. Placement options for undisciplined and delinquent juveniles are broadened but must adhere to licensing and court approval requirements. A Predictive Risk Modeling Pilot Program is also created to identify risk in child welfare cases using state-validated data and rigorous fairness measures, supplementing—not replacing—professional judgment, with careful controls to prevent algorithmic bias or overreach. Transparency and public accountability would be strengthened with the development of a county-level child safety dashboard, regular legislative reporting on escalation team activities, predictive risk modeling, and mandatory public disclosures of child fatalities and near fatalities involving suspected abuse or neglect, all with strict confidentiality safeguards. The Department of Justice is tasked with recommending how liability for noncompliance may be shifted from the state to counties. None of the changes diminish existing confidentiality protections or previously enacted child welfare reforms. A phased implementation schedule is set, with certain provisions becoming effective between July 2026 and January 2027, and the remainder upon enactment. **The bill was approved by the full House and will next be considered by the Senate Rules Committee.**

LEGISLATION ENACTED

House Bill 258, Worker Safety Act of 2026. This legislation amends the Retaliatory Employment Discrimination Act to:

- require a complaint submitted to the Commissioner of Labor to contain all of the following:
 - the name, phone number, address, and email address, if known, of the complainant;
 - the name and address of the respondent;
 - the name, phone number, and email address, if known, of the human resources manager or other point of contact for the respondent;
 - the name, phone number, and email address, if known, of the supervisor of the complainant at the time of the alleged retaliatory action;
 - identification of the protected activity engaged in by the complainant prior to the alleged retaliatory action;
 - Form 18 from any relevant workers' compensation claim, if one exists;
 - a statement of the facts outlining the protected activity engaged in by the complainant prior to the alleged retaliatory action;
 - a description of the alleged retaliatory action and any relevant facts known to plaintiff that would explain a legitimate, nondiscriminatory reason for the adverse employment action;
 - the date of the most recent alleged retaliatory action; and
 - the signature of the complainant;
- require the filer, if the complaint is filed by anyone other than the complainant, except an attorney, to submit a written authorization dated and signed by the complainant allowing the person to file the complaint on the complainant's behalf;
- require the complaint to be filed through a form on the Department's website, by mail, or by email within 180 days of the alleged violation, and provide that, if a complainant files a partial complaint within 180 days, the Department must notify the complainant of any deficiencies and the complainant will have 30 days to submit a full complaint;
- provide that any extraneous materials submitted along with the complaint may not be considered in the investigation and must be destroyed, and are not deemed public records; and
- allow the respondent, within seven days of receipt of the complaint, to submit a position statement outlining affirmative defenses; and
- provide that nothing may be construed to prevent the Commissioner from initiating an investigation prior to receiving a response from the respondent.

Effective: June 17, 2026.

House Bill 315, Prohibit Litigation Invest/Amend WC Benefits. Litigation investments—where third parties provide funding to litigants or their attorneys in exchange for a share of any proceeds—are expressly prohibited in North Carolina. Contracts involving such investments are deemed void, and violations can result in civil penalties of up to \$50,000 per occurrence. The Attorney General is empowered to seek injunctions against violators, and affected individuals may pursue damages, including the possibility of triple damages, court costs, and attorney fees. The law is designed to be broadly interpreted to prevent circumvention, and those engaging in litigation investment activities are subject to North Carolina's jurisdiction even if they conduct no other business in the state.

The bill also amends the Workers' Compensation Act to enhance certain benefits. The minimum weekly compensation for total disability rises from \$30 to \$50. Compensation caps for serious

facial or head disfigurement increase from \$20,000 to \$40,000, and for serious bodily disfigurement from \$10,000 to \$20,000, but only if the disfigurement may rationally affect employability or earning capacity. Compensation for loss or permanent injury to important external or internal organs, when not otherwise addressed, increases from \$20,000 to \$40,000. These changes take effect for claims arising on or after July 1, 2027. **The bill was approved by the General Assembly and has been signed into law by the Governor.**

House Bill 1237, Appointments & Corrections. This legislation appoints persons to various public offices upon the recommendations of the president Pro Tempore of the Senate and the Speaker of the House of Representatives and makes corrections to previous appointments as follows:

- Jennifer F. Jordan of Wayne County is reappointed to the North Carolina Institute of Medicine Board of Directors for a term expiring December 31, 2030.
- Dr. Emily J. Catalano of Pitt County is appointed to the North Carolina Brain Injury Council for a term expiring September 30, 2027, to fill the unexpired term of Dr. Edward Jauch. Mary "Kitty" E. Barringer of Guilford County is appointed to the North Carolina Brain Injury Council for a term expiring September 30, 2027, to fill the unexpired term of John L. Dickerhoff.
- The Honorable Nelson Dollar of Wake County is reappointed to the North Carolina Medical Board for a term beginning October 1, 2026, and expiring September 30, 2029.
- Ketan D. Patel of Wake County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring June 30, 2029.

Effective: June 22, 2026, except as otherwise provided.

Senate Bill 889, Property Tax Reappraisal Moratorium. This legislation requires every county (i) with a population of 15,000 or greater according to the latest federal decennial census and (ii) in which a reappraisal of real property became effective as of January 1, 2026, to not use the schedule of values adopted by the board of county commissioners in accordance with that reappraisal but to instead use the schedule of values adopted in accordance with the county's most recent previous reappraisal effective prior to January 1, 2026. The county will also be required to use the 2026 schedule of values for 2027-2028 and future fiscal years until the county's next general reappraisal.

Effective: June 19, 2026.

VETO OVERRIDES

Senate Bill 153, North Carolina Border Protection Act. The bill to protect the borders of the state by (i) requiring cooperation with federal immigration officials, (ii) ensuring state funds are being used for the benefit of persons in the state legally, (iii) creating additional incentives for local governments to comply with state laws related to immigration, and (iv) prohibiting UNC constituent institutions from becoming sanctuary universities became law on June 24, 2026, after the Senate and House voted to override the Governor's veto.

Senate Bill 227, Eliminating "DEI" in Public Education, states that it is the intent of the General Assembly that students, teachers, administrators, and other school employees respect the dignity of others, acknowledge the right of others to express differing opinions, and foster and defend intellectual honesty, freedom of inquiry and instruction, and freedom of speech and association and that the public schools of this State employ teaching methods and procedures to further that intent and prohibits public school units from promoting certain concepts that are contrary to that

intent. **Effective: June 24, 2026, after the Senate and House voted to override the Governor's veto on this bill.**

Senate Bill 558, Eliminating "DEI" in Public Education, demonstrates the General Assembly's intent that students, professors, administrators, and other employees of public institutions of higher education recognize the equality and rights of all persons and prohibits public institutions of higher education from promoting certain concepts that are contrary to that intent. **Effective: June 24, 2026, after the Senate and House voted to override the Governor's veto on this bill.**

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