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Focusing on Legislative Representation

LEGISLATIVE REPORT August 18, 2025

LEGISLATIVE UPDATE

Since our last update in July, we have had a strange mix of very little legislative time but lots of political and policy activity. Quite a few bills from the last report were vetoed by Governor Stein and during the last week of July the legislature did in fact meet briefly to override some but not all of those bills. Instead of going through the long process that those bills took – we have provided a chart on the various bills vetoed, which vetoes were overridden by the legislature and which ones are pending.

The Raleigh crowd was also surprised to see a “mini-budget” approved by both chambers that included some necessary spending and some policy initiatives favored by the majority party. We have included a brief summary of the mini-budget below. Although both chambers say they want a complete budget, we are hearing that they are not making much progress if any toward a final resolution. Complicating negotiations, federal lawmakers approved the “Big Beautiful Bill” that shifts substantial financial responsibilities onto states. Gov. Stein criticized the measure, which cuts federal funding for Medicaid and SNAP (food assistance), warning that North Carolina will now be forced to cover those critical services. “This bill poses an incredible risk to the health care system of North Carolina,” Stein said, citing threats to coverage and to rural providers. “There’s no question, but that the federal government is just dumping expenses onto the state... we have to make sure that we do not abandon our people the way that the federal government is abandoning our people.”

While the delay may give lawmakers time to fully assess the federal legislation’s fiscal impact, it also raises the stakes for every budget request still in play. With new federal cuts to absorb, state leaders now face even tougher choices as they weigh competing priorities, both new and ongoing, in an increasingly constrained budget environment.

Before the federal financial shift another storm gathered steam when the leadership at the Department of Health and Human Services announced a series of Medicaid “provider cuts” from 3% for all providers up to 10% reductions. The Department is saying that the money provided in the re-base (this is the money needed each year to keep services operating as is) was underfunded by \$319 million and that they must go ahead and



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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plan to reduce spending now and implement the provider cuts and more by October 1st. Legislative leaders pushed back quickly and have received reports from their fiscal staff that the situation is not that dire and that provider cuts are not necessary. The legislature is scheduled to meet again on August 26th–28th and I am sure this issue will be on the table.

REP. MARK BRODY ANNOUNCEMENT

Republican Rep. Mark Brody has announced that he will not seek re-election after serving in the NC House since 2012. “It has been one of the greatest honors of my life to serve the people of Union and Anson Counties in the North Carolina General Assembly,” said Brody. “I am deeply grateful to the voters who placed their trust in me and allowed me to represent them in Raleigh.” Unfortunately, his decision to not seek another term is due to family health issues. “My wife has stood beside me through every campaign, every vote, and every long day of public service,” he said. “Now it is my turn to stand beside her. Family is everything, and I know our community will understand this choice.” Rep. Brody intends to serve out the remainder of his term.

LEGISLATIVE SCHEDULE

The General Assembly also passed an adjournment resolution that formally adjourns the session as of July 31, 2025, and outlines a calendar of abbreviated legislative sessions through the short session in spring 2026. The resolution also specifies the matters that may be taken up during each session.

Key reconvened dates include:

- August 26–28, 2025
- September 22–25, 2025 (Expanded agenda)
- October 21, 2025
- November 18, 2025
- December 16, 2025
- January 13, 2026
- February 10, 2026
- March 10, 2026
- April 7, 2026
- April 21, 2026 (Short Session begins)

During the August and October–April dates, the General Assembly may consider veto overrides, appointments, litigation-related actions, redistricting and election laws, impeachment proceedings, organizational resolutions, conference reports, and bills returned by July 31. The September 22–25 session allows for consideration of all those matters, plus bills that made crossover and remain eligible, or those not subject to crossover.

MINI BUDGET

The House and Senate used House Bill 125 as their “mini-budget” and allocated over \$2.3 billion across the biennium, with more than \$1 billion in the current fiscal year. It includes funding for step-increase salary raises for public school teachers and other state employees on experience-based pay plans, such as law enforcement officers. It also allocates \$600 million in Medicaid rebase funding, an annual adjustment needed to accommodate fluctuating enrollment and costs, which this year is particularly critical amid recent federal changes that may affect North Carolina’s Medicaid population. This rebase is short of the state’s funding needs but is an opportunity to keep moving forward with hopes for more to come. The mini-budget also funds anticipated enrollment growth for K–12 schools and community colleges and provides operational support for completed capital projects at NC State, UNC, and the NC School of Science and Mathematics.

One of the most visible issues tackled by the bill is the DMV, which has faced widespread complaints over long wait times and staffing shortages. HB 125 includes funding for 40 new full-time driver's license examiner positions in year one, 21 more in year two, and plans for new DMV offices in Brunswick, Cabarrus, and Sampson counties, as well as in Fuquay-Varina. The legislation is retroactive to July 1st.

Capital investments are also a major part of the package. The bill funds continued construction of an auditorium at Winston-Salem State University and the K-12 Education Campus across from the Legislative Building in downtown Raleigh, a large project that will ultimately house several state education agencies. It also includes \$118 million for the JetZero aerospace manufacturing project in Guilford County, which promises to bring more than 14,000 jobs to the region. Agricultural disaster assistance is included as well, with \$142 million allocated for the 2024 crop loss program.

The bill also contains funding to expand staffing at the Office of the State Auditor and the State Board of Elections. One of the more politically notable provisions is the inclusion of the "DAVE Act," which gives State Auditor Dave Boliek new authority to assess agency performance and identify waste. The provision, which previously stalled in House Rules, now requires every state agency to report by October on how it spends public funds and on vacant positions unfilled for six months or more. The auditor's office will report back by year's end with recommendations for potential agency cuts or eliminations. The provision also funds up to 45 new hires within the Auditor's office to conduct the reviews. Boliek, who took office in January, has already made headlines with audits targeting DMV wait times, disaster recovery spending, and tensions with the NC Medical Board over access to disciplinary records.

Tensions over the stalled comprehensive budget remain high. Major sticking points between the House and Senate continue to be in the way, including the scale and pace of future tax cuts, teacher and state employee pay raises, and funding for a joint children's hospital project between UNC and Duke. Rep. Lambeth, a top House budget writer, said those same three issues have kept negotiators apart since spring. If those can be resolved, especially taxes, a full budget deal could move quickly. Legislators are considering passing another mini-budget during the next legislative work period in late August if a full agreement is still out of reach.

Gov. Stein criticized the General Assembly, saying the legislature has been absent for a month and has returned to advance divisive bills while failing to pass a full budget. He urged lawmakers to prioritize one thing: passing a comprehensive state budget. "There's one bill that matters to every North Carolinian and that is the budget bill," Stein said. "They could do nothing but pass the budget and set this state up for continued success."

Speaker Hall responded by framing the mini-budget as a pragmatic move to advance shared priorities without waiting on broader negotiations. "These are the things that are not really in contention in either chamber," Hall said. "It goes to the working folks in this state so we wanted to get those things done while we're here."

While the state is not at risk of a government shutdown due to statutory safeguards, North Carolina remains one of the few states without an enacted budget for this fiscal year. Legislators are expected to reconvene again August 26. In the meantime, this mini-budget serves as a bridge, addressing immediate needs and laying the groundwork for potential future mini-budgets unless or until a final budget deal is reached.

FORMER GOVERNOR ROY COOPER AND RNC CHAIRMAN MICHAEL WHATLEY ENTER US SENATE RACE

Looks like all eyes will be on North Carolina again as the race to replace Senator Thom Tillis will be an interesting one! Former Governor Roy Cooper and Michael Whatley, chairman of the Republican National Committee have officially entered the 2026 race for North Carolina's open U.S. Senate seat. Be prepared for lots of emails, texts and ads coming your way!

FORMER CONGRESSMAN NICKEL CLEARS THE WAY

Former Congressman Wiley Nickel announced he is ending his campaign for North Carolina's open U.S. Senate seat in 2026, throwing his support behind former Governor Roy Cooper, who launched his own bid this week. Nickel praised Cooper's leadership and influence, calling him an inspiration and citing Cooper's strong name recognition and fundraising power as key reasons for stepping aside.

GOVERNOR'S VETOES

Bill No.	Title	Veto Date	Overridden		Last Action
			House	Senate	
H318	The Criminal Illegal Alien Enforcement Act	06/20/25	Yes 07/29/25	Yes 07/29/25	Overridden
S50	Freedom to Carry NC	06/20/25		Yes 07/29/25	Placed on House calendar for 08/26/25
S153	North Carolina Border Protection Act	06/20/25		Yes 07/29/25	Placed on House calendar for 08/26/25
H402	Limit Rules with Substantial Financial Costs	06/27/25	Yes 07/29/25	Yes 07/29/25	Overridden
S254	Charter School Changes	07/02/25	Yes 07/29/25	Yes 07/29/25	Overridden
S266	The Power Bill Reduction Act	07/02/25	Yes 07/29/25	Yes 07/29/25	Overridden
H549	Clarify Powers of State Auditor	07/02/25	Yes 07/29/25	Yes 07/29/25	Overridden
H805	Prevent Sexual Exploitation/Women and Minors	07/03/25	Yes 07/29/25	Yes 07/29/25	Overridden
H171	Equality in State Agencies/Prohibition on DEI	07/03/25			Placed on House calendar for 08/26/25
S227	Eliminating "DEI" in Public Education	07/03/25		Yes 07/29/25	Placed on House calendar for 08/26/25
S558	Eliminating "DEI" in Public Higher Ed	07/03/25		Yes 07/29/25	Placed on House calendar for 08/26/25
S416	Personal Privacy Protection Act	07/09/25	Yes 07/29/25	Yes 07/29/25	Overridden
H96	Expedited Removal of Unauthorized Persons	07/09/25			Placed on House calendar for 08/26/25
H193	Firearm Law Revisions	07/09/25	Yes 07/29/25	Yes 07/29/25	Overridden
H87	Educational Choice for Children Act (ECCA)	08/06/25			Received from the Governor on 08/06/25

BILL UPDATES

House Bill 67, Healthcare Workforce Reforms. This bill was signed into law by Governor Stein and is now Session Law 2025-37. As provided in the last bill summary, the final version includes the following main sections: 1. interstate medical licensure compact; 2. interstate physician licensure; 3. master's level psychologist reforms; 4. physician assistant interstate licensure compact; 5. pharmacist test and treat; and 6. physician assistant, nurse practitioner, and nurse midwife reforms; 7. pharmacists collaborative practice; 8. provisions to alleviate the dangers of surgical smoke; and 9. community college behavioral health workforce enhancements.

House Bill 928, Allow PTs in School Concussion Protocol. This bill was signed into law by Governor Stein and is now Session Law 2025-49. The bill allows physical therapists to evaluate student athlete head injuries during athletic activities.

House Bill 958, Election Law Changes. A variety of changes were made to this bill in the House Judiciary 1 Committee, including:

- requiring a county board of elections to adopt a resolution setting a meeting to count provisional ballots at least two weeks before such meeting occurs if it wants to review provisional ballots for approval;
- making it a Class 2 misdemeanor to compensate a person based on the number of signatures collected for a petition;
- requiring a person registering to vote to provide their full social security number when they do not have a driver's license); and
- expressly prohibiting a foreign national from making any contribution or donation to a political party or affiliated party committee.

The bill as amended was approved by the House Judiciary 1 Committee and will next be considered by the House Rules Committee.

House Bill 959, Various Education Changes, as amended in Conference Committee, would: (1) no longer require public schools to prohibit the use of the TikTok application; (2) no longer prohibits employees of local boards of education from using TikTok for any job-related duties; (3) require governing bodies of public school units to adopt the policies regarding the regulation of wireless communication devices by January 1, 2026; and (4) expand the class of persons who may request that a residency teacher's license be issued to include schools approved to provide special education and related services pursuant to a student's IEP. **The House and Senate adopted by Conference Committee report and the bill was signed into law by the Governor on July 1st. Effective: July 1, 2025.**

House Bill 975, EMS Personnel Provisions. This bill was signed into law by Governor Stein and is now Session Law 2025-42. The bill allows emergency medical personnel to carry pepper spray openly or concealed while on duty. It also allows emergency personnel to render emergency medical services to an injured K-9 police animal or an injured search and rescue dog at the scene of an emergency.

House Bill 1015, General Assembly Appointments, appoint persons to various public offices upon the recommendations of the Speaker of the House of Representatives and the President Pro Tempore of the Senate and make corrections to previous appointments, including:

- Effective immediately, William Ellis Boyle of Wake County is appointed to the State Property Tax Commission for a term expiring June 30, 2027, to fill the unexpired term of William Peaslee.

Effective: July 30, 2025, except as otherwise provided.

Senate Bill 245, Expand Remote Drivers License Service, was amended in the House Rules Committee and on the House floor to:

- expand the actions that can be done for a driver's licenses remotely to include issuing full provisional licenses;
- expand the types of licenses that a license holder can possess to be eligible for remote licensed renewal, issuance, or conversion under the statute to include a valid limited provisional license so long as the holder is at least 16 years old but less than 18 years old at the time of the remote issuance to now require that the license holder have previously renewed their license in person and included a new color photograph for the person to be able to renew their license remotely (was, just in-person renewal);
- allow a license holder to remotely renew a license a second consecutive time if: (1) the license being renewed is not REAL ID compliant or (2) the license being renewed is REAL ID compliant but is being converted to a non-REAL ID compliant license for purposes of the renewal;
- remove the requirement that holders of a provisional license who are at least 16 but less than 18 years old complete a driving log in order to obtain a full provisional license;
- appropriate \$5 million for 2025-26 to the Administrative Office of the Courts, for time-limited technology and business process positions related to the implementation of eCourts;
- appropriate \$15 million for 2025-26 to the Department of Information Technology for cybersecurity; and
- provide \$1.4 million in recurring funds beginning in 2025-26 to the State Bureau of Investigation for up to 10 nonsworn administrative positions to support the SBI, and \$3 million in recurring funds beginning in 2025-26 to the State Highway Patrol to hire 26 full-time nonsworn administrative positions.

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

Senate Joint Resolution 772, Adjournment Resolution, was amended in the House Rules Committee to:

- change the adjournment date to Thursday, July 31, 2025, (was, July 1, 2025);
- remove references to bills returned for concurrence and conference reports that directly and primarily affect the State budget and primarily affect any State or local pension or retirement system from listed specifically as the types of bills for concurrence and conference reports that can be considered when the General Assembly reconvenes;
- expand the matters that can be considered during the dates the General Assembly reconvenes in August and September after adjourning on July 31, 2025, to include bills and resolutions introduced in 2025 that (1) passed third reading in 2025 in the house in which introduced, were received in the other house and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading and which do not violate the rules of the receiving house or (2) are not subject to the deadline set forth in the described Senate and House rules;
- provide for the following new dates that the General Assembly is set to reconvene: (1) October 21, 2025; (2) November 18, 2025; (3) December 16, 2025; (4) January 13, 2026; (5) February 10, 2026; (6) March 10, 2026; (7) April 7, 2026; and (8) April 21, 2026 (short session). Retains the dates of August 26-28, 2025, and September 23-25, 2025.

- expand what can be considered during the short session that begins on April 21, 2026, to the following:
 - Bills directly and primarily affecting the State budget including, the budget of an occupational licensing board for 2026-27 and bills authorizing a fee for a unit of State government or political subdivision so long as a draft is provided to bill drafting by no later than 4:00 PM on April 13, 2026, and introduced in the House of Representatives or filed for introduction in the Senate by no later than 4:00 PM on April 30, 2026.
 - Bills proposing amendments to the NC Constitution, as described, or making statutory or transitional changes to implement these bills.
 - Bills and resolutions introduced in 2025 that (1) passed third reading in 2025 in the house in which introduced, were received in the other house and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading and which do not violate the rules of the receiving house or (2) not subject to the deadline set forth in the described Senate and House rules.
 - Bills and resolutions implementing the recommendations of the five listed types of commissions and committees, including the General Statutes Commission, study commissions, and the Joint Legislative Ethics Committee or its Advisory Subcommittee. Requires such bills to be submitted to bill drafting By April 13, 2026, and introduced in the House of Representatives or filed for introduction in the Senate by no later than 4:00 PM on April 29, 2026.
 - Any local bill that has been submitted to bill drafting By April 13, 2026, and introduced in the House of Representatives or filed for introduction in the Senate by no later than 4:00 PM on May 5, 2026.
 - Bills for selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for appointees elected by the NCGA upon recommendation of the Speaker of the House, President of the Senate, President Pro Tempore of the Senate, or minority leader.
 - Bills for action on gubernatorial nominations or appointments.
 - Any matter authorized by joint resolution passed by a two-thirds majority of the members of each chamber present and voting. A bill or resolution filed in either house under these provisions must have a copy of the ratified enabling resolution attached to the jacket before filing for introduction in either chamber.
 - A joint resolution authorizing the introduction of the above-described bill.
 - Bills affecting State or local pension or retirement systems so long as a draft is provided to bill drafting by no later than 4:00 PM on April 13, 2026, and introduced in the House of Representatives or filed for introduction in the Senate by no later than 4:00 PM on April 30, 2026.
 - Bills vetoed by the Governor solely for the purpose of considering overriding of the veto upon reconsideration of the bill.
 - Joint and simple resolutions authorized under the specified chamber rules.
 - Bills responding to actions related to litigation challenging the legality of legislative enactments.
 - Bills relating to election laws, including bills concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials.
 - Bills to disapprove rules under GS 150B-21.3.
 - Bills providing for impeachment.

- A joint resolution further adjourning the 2025 Regular Session, amending a joint resolution adjourning the 2025 Regular Session, or adjourning the 2025 Regular Session, sine die.

The resolution was further amended on the House floor to removed bills and resolutions introduced in 2025 that (1) passed third reading in 2025 in the house in which introduced, were received in the other house and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading and which do not violate the rules of the receiving house or (2) are not subject to the deadline set forth in the described Senate and House rules from what the General Assembly can consider when it reconvenes in August. The bill was also amended to change the start date of the September regular session from Tuesday, September 23, 2025, to Monday, September 22, 2025. The bill as amended was approved by the full House and the Senate agreed to the changes made in the House. **Effective: July 30, 2025.**

“MINI” BUDGET

House Bill 125, Continuing Budget Operations. The mini budget was signed into law by Governor Stein. The key provisions are as follows:

The bill reduces the funds appropriated for each year of the 2025-2027 fiscal biennium to DMH/DD/SUS for inpatient psychiatric treatment at local community hospitals by \$15 million in recurring funds.

The bill exempts qualified ambulatory surgical facilities in counties with a population greater than 125,000 that were licensed prior to November 21, 2025, from certain charity care requirements.

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