Commercial Law and Consumer Protection

See full summary documents for additional detail

Small Business Infrastructure Grant Program – Disaster Recovery Act of 2025 - Part I.

SL 2025-2 (H47), Sec. 2F.1

Section 2F.1 of S.L. 2025-2 (House Bill 47) establishes the Small Business Infrastructure Grant Program, administered by the Department of Commerce, to assist small businesses by providing grants to local governments to expedite infrastructure repairs impacting the operation and patronage of small businesses in the area affected by Hurricane Helene. The total grant amount per county is limited to no more than 10% of the total funds appropriated for the program.

This section became effective March 19, 2025.

Revise Megasites Readiness Program – House Budget Technical Corrections. SL 2025-4 (H74), Sec. 4.2

Section 4.2 of S.L. 2025-4 (House Bill 74) revises the Megasites Readiness Program as follows:

- Removes the requirement that certain infrastructure be publicly owned to qualify for funding.
- Broadens the scope of qualifying electrical work from "electrical utility lines" to "electric infrastructure."
- Adds a North Carolina nonprofit organization that is tax exempt under 501(c)(12) to the definition of "government partnership."
- Expands the eligible allocation of funds to include purposes beyond site selection and acquisition.
- Requires that money for megasite agreements be disbursed in full to the Economic Development Partnership of North Carolina.

This section became effective May 14, 2025.

Selectsite Modifications – House Budget Technical Corrections.

SL 2025-4 (H74), Sec. 4.3

Section 4.3 of S.L. 2025-4 (House Bill 74) does the following:

Reallocates unspent funds previously allocated to the North Carolina Selectsite Fund to
engage a national site selection firm through a competitive bid process to produce a
report identifying and evaluating between three and five selectsites that are located in
counties declared a Presidential disaster area on September 28, 2024, as a result of
Hurricane Helene.

- Expands the eligible uses of previously allocated selectsite funds to include purposes beyond due diligence.
- Increases the number of selectsites that the Selectsite Readiness Program may identify and evaluate from up to 15 selectsites to up to 20 selectsites.
- Requires that money previously appropriated for the Selectsite Readiness Program be transferred in full to the Economic Development Partnership of North Carolina.

This section became effective May 14, 2025.

Provide for Officer Exculpation. – Amend Business Corporations Act.

SL 2025-33 (H388), Part I

Part I of S.L. 2025-33 (House Bill 388) permits a corporation to set forth in its articles of incorporation a provision limiting or eliminating the personal liability of any officer arising out of an action for monetary damages for breach of any duty as an officer, except for:

- Acts or omissions that the officer knew at the time of the breach were clearly in conflict with the best interests of the corporation.
- Any transaction from which the officer derived an improper personal benefit.
- Acts or omissions occurring before the date the provision became effective.
- Any claim by or in the right of the corporation.

As used in this Part, unless the articles of incorporation otherwise provide, the term "officer" is defined to mean:

- An individual duly appointed by the board of directors as president, chief executive
 officer, chief operating officer, chief financial officer, chief legal officer, secretary,
 controller, treasurer, or chief accounting officer of the corporation.
- Any officer of the corporation designated by resolution of the board of directors as an
 officer for purposes of benefiting from the limitation or elimination of personal liability
 authorized by this part.

This Part also authorizes the board of directors to determine from time to time by resolution that an officer designated as an officer for purposes of being protected from personal liability pursuant to this Part is no longer so designated. No such resolution will be effective as to an officer, or any act or omission of an officer, prior to its adoption.

This Part became effective October 1, 2025.

Clarify Provisions for Emergency Bylaws and Emergency Powers – Amend Business Corporations Act.

SL 2025-33 (H388), Part II

Part II of S.L. 2025-33 (House Bill 388) clarifies that emergency bylaws can only become effective during an emergency if adopted in advance of an emergency. During an emergency, unless the emergency bylaws say otherwise, the board of directors is permitted to postpone a meeting of shareholders for which notice had been given or allow for remote participation. The corporation is required to give notice to shareholders of any postponement and means of permissible remote communication.

This Part became effective October 1, 2025.

Clarify Provisions for Selection of Exclusive Forum. – Amend Business Corporations Act.

SL 2025-33 (H388), Part III

Part III of S.L. 2025-33 (House Bill 388) allows articles of incorporation to require internal corporate claims to be brought exclusively in any specified court or courts of this State and any additional courts in this State or in any other jurisdiction with which the corporation has a reasonable relationship, provided that personal and subject matter jurisdiction exist. This Part also invalidates any provision in the articles of incorporation or bylaws that prohibit bringing an internal corporate claim in the courts of the State or requires the claims to be determined by arbitration.

As used in this Part, "internal corporate claim" is defined to include:

- A claim based on a violation of a duty under State law by a current or former director, officer, or shareholder in such capacity.
- A derivative proceeding brought on behalf of the corporation.
- An action asserting a claim arising pursuant to any provision of the North Carolina Business Corporation Act, the articles of incorporation, or the bylaws.
- An action asserting a claim governed by the internal affairs doctrine that is not otherwise included in the definition of "internal corporate claim."

This Part became effective October 1, 2025.

Prohibition Against the Issuance of Scrip in Bearer Form — Amend Business Corporations Act.

SL 2025-33 (H388), Part IV

Part IV of S.L. 2025-33 (House Bill 388) prohibits corporations from issuing scrip certificates or share certificates in bearer form and only allows for the issuance of scrip in certificated or

uncertificated form. Scrip represents fractional shares and will be exchanged for a full share upon surrendering enough scrip to equal a full share. This Part also requires the corporation to deliver to the scrip holder a written statement of the information required for share certificates and the terms of the scrip within a reasonable time after the issuance or transfer of scrip without certificates.

This Part became effective October 1, 2025.

Clarify and Revise Derivative Proceedings Procedures. – Amend Business Corporations Act.

SL 2025-33 (H388), Part V

Part V of S.L. 2025-33 (House Bill 388) updates and clarifies the law governing derivative proceedings to provide that:

- Before a shareholder commences a derivative proceeding, the shareholder must deliver a written demand to the corporation describing the reasons for the demand and the action being requested.
- If the shareholder is a beneficial shareholder or an unrestricted voting trust beneficial owner, the written demand must be accompanied by evidence of the beneficial ownership.
- A determination that a derivative proceeding is not in the best interests of the corporation can be made before or after the commencement of the derivative proceeding.
- In order to contest this determination, the plaintiff has to allege facts establishing that the statutory requirements for dismissal of the action based on the determination have not been met.
- The plaintiff has the burden of proof on the issue of whether the statutory requirements for dismissal based on the determination have not been met, unless the plaintiff alleges with particularity facts establishing that a majority of the board of directors at the time the determination was made did not consist of independent directors, in which case the corporation has the burden of proving that the statutory requirements have been met.
- The court can order the plaintiff to pay the corporation's reasonable expenses, including attorneys' fees, incurred in responding to the demand or in defending the derivative proceeding if it finds that the demand was made or the proceeding was commenced or maintained without reasonable cause or for an improper purpose.

This Part became effective October 1, 2025.

Make Clarifying and Technical Changes Regarding the Authority of Board Committees — Amend Business Corporations Act.

SL 2025-33 (H388), Part VI

Part VI of S.L. 2025-33 (House Bill 388) allows a board of directors to delegate to a board committee the authority to amend articles of incorporation if the amendment does not require shareholder approval.

This Part became effective June 30, 2025.

Clarify Provisions for Mergers Between Parent Entities and Subsidiary Corporations. – Amend Business Corporations Act.

SL 2025-33 (H388), Part VII

Part VII of S.L. 2025-33 (House Bill 388) clarifies the law governing mergers between a parent unincorporated entity and a subsidiary corporation to:

- Provide that in certain mergers between a parent unincorporated entity and a subsidiary corporation, the parent entity must approve a written plan of merger.
- Remove the requirement that the articles of merger set forth the following:
 - The terms and conditions of the merger.
 - The manner and basis of converting interests in each merging business entity into interests, obligations, or securities of the surviving entity, into cash or other property, or of cancelling the interests.
- Add a requirement that the articles of merger include a statement that the plan of merger has been approved by each merging business entity in the manner required by law.

Part VII of S.L. 2025-33 became effective October 1, 2025.

Electronic Storage of Attested Written Wills by An Attorney – Amend Business Corporations Act.

SL 2025-33 (H388), Part VIII

Part VIII of S.L. 2025-33 (House Bill 388) does the following:

- Defines the terms "electronic" and "record."
- Authorizes an attorney licensed in this State to create an electronic record of an attested written will at the direction of the testator and during the testator's life. The electronic record must include (i) the attorney's certification that the electronic record is a complete, true, and accurate copy of the attested written will, that (ii) the attorney was authorized by the testator to store it as an electronic record, and that (iii) the testator was advised that the creation of the electronic record eliminates the testator's ability to revoke the attested written will by physical act.

- Authorizes an attorney licensed in this State to create a certified paper copy of an attested
 written will stored as an electronic record by certifying by affidavit that the paper copy is
 a complete, true, and accurate copy of that electronic record. These provisions also
 authorize the probating of the certified paper copy of the attested written will.
- Amends the statute governing the manner of probate for an attested will to also establish the manner of probate for a certified paper copy or an attested written will stored as an electronic record.

Part VIII becomes effective January 1, 2026, and applies to attested written wills stored as electronic records on or after that date, regardless of the date of execution of the attested written will.

Modification of Emergency Video Sunsets. – Amend Business Corporations Act.

SL 2025-33 (H388), Part IX

Part IX of S.L. 2025-33 (House Bill 388) extends the sunset on the statutory authorization for emergency video notarization and emergency video witnessing to make this authorization expire upon the earlier of 12:01 a.m. July 21, 2026, or the date the Secretary of State issues the first license to an electronic notarization platform.

This Part became effective June 30, 2025.

Updates to Elective Share Statutes – Amend Business Corporations Act. SL 2025-33 (H388), Part X

Part X of S.L. 2025-33 amends the law governing a surviving spouse's claim for an elective share to:

- Provide additional guidance drafting trusts that will count 100% towards the spouse's elective share.
- Clarify that the requirement of a nonadverse trustee must be in place for the duration of the trust, including successor trustees, and that this requirement is met if the surviving spouse serves as his or her own trustee.
- Clarify and simplify the process by which a surviving spouse files a claim for elective share.

This Part becomes effective January 1, 2026, and applies to elective share claims filed on or after that date.

Trust Administration / Contest Updates. – Amend Business Corporations Act. SL 2025-33 (H388), Part XI

Part XI of S.L. 2025-33 (House Bill 388) provides that:

- A trustee of a trust that was revocable at the settlor's death cannot distribute trust property to any beneficiary if:
 - The trustee knows of a pending judicial proceeding contesting the identity of the beneficiaries eligible to receive distributions therefrom; or
 - A potential contestant has notified the trustee in writing of a possible proceeding to contest the validity of the identity of the beneficiaries eligible to receive distribution.
- Any distribution made in violation of these provisions will constitute a breach of trust by the trustee.
- Upon motion of a party and after notice to interested parties, a court can make an exception to these provisions on good cause shown, subject to any conditions the court can, in its discretion, impose, including the posting of a bond by the beneficiary.
- A beneficiary whose interest is determined to be invalid is liable to return any distribution received.
- A beneficiary who refuses to return the distribution after being ordered to do so by a court will be liable for all costs incurred for recovery of the distribution, including attorneys' fees.

This Part becomes effective January 1, 2026, and applies to settlors dying on or after that date.

Revisions To Year's Allowance Statutes – Amend Business Corporations Act. SL 2025-33 (H388), Part XII

Part XII of S.L. 2025-33 (House Bill 388) does the following:

- Clarifies that a proceeding for a spouse's allowance or for a child's allowance is an estate proceeding.
- Clarifies that a child's year's allowance has priority over a spouse's year's allowance when both of the following are true:
 - The surviving spouse fails to petition for the spousal allowance within six months after the decedent's date of death.
 - An eligible person files a petition for a child's allowance before the spouse files a
 petition for an allowance.
- Clarifies that a child who is at least 18 years old or an emancipated minor at the time of the filing of a petition can file his or her own petition for the child's allowance.
- Removes the provision that allowed a clerk, on the clerk's own motion, to determine that a hearing is necessary to determine whether a year's allowance should be awarded.
- Provides that if no administrator has been appointed, the clerk can disburse estate funds upon motion of the clerk or application of an interested party when both of the following are true:
 - o It has been more than six months since the decedent's death.
 - There has been no petition filed and assignment of a spouse's or child's year's allowance.

The provision authorizing the clerk's disbursement of funds when it has been more than six months since the decedent's death and there has been no petition and assignment of a year's allowance became effective June 30, 2025. The remainder of this Part becomes effective January 1, 2026, and applies to petitions filed on or after that date.

Clarify Motor Vehicle Dealer Laws.

SL 2025-41 (S295)

S.L. 2025-41 (Senate Bill 295) makes the following changes to motor vehicle dealer and manufacturer licensing laws:

Manufacturer approval of transfer; dealer franchise termination. The act prohibits a manufacturer from requiring certain information in determining whether to approve a dealer's proposed transfer, change in executive management, or appointment of a designated successor. It also provides that good cause does not exist for a manufacturer to terminate, cancel, or not renew a franchise if, in evaluating the performance of a dealer to determine cause, the manufacturer did not provide a dealer with a sufficient number and mix of vehicles to make progress toward compliance with the manufacturer's performance criteria. This act also makes provisions related to voluntary termination assistance applicable to recreational vehicle dealers in the same manner as other franchised motor vehicle dealers.

<u>Dealer compensation for over-the-air products and services.</u> The act requires a manufacturer that, through over-the-air or remote means, provides for a fee any accessory, option, add on, service, feature, improvement, or upgrade for any motor vehicle owned or leased by a retail customer in this State, to provide its franchised dealers with an itemized schedule of compensation the dealer will receive for those sales and, upon request, a statement itemizing the type, volume, and gross receipts generated from the sale of over-the-air products and services to the dealer's customers and the fees and commissions to which the dealer is entitled.

<u>Manufacturer objection to dealer transfer.</u> The act provides that a manufacturer objecting to a proposed change in executive management or principal operator based on alleged poor past performance has the burden of proving below average performance across all dealerships operated by the candidate over the preceding three-year period.

<u>Definition of "motor vehicle dealer".</u> The act amends the definition of "motor vehicle dealer" for purposes of motor vehicle dealer and manufacturer licensing laws by deleting an exemption for providers of vehicle subscriptions or monthly rental programs, and by including persons who perform warranty service or recall work.

<u>Definition of "sell".</u> The act provides a new definition for "sell" applicable to the laws regulating motor vehicle dealers and manufacturers, comprising a non-exclusive list of activities related to motor vehicle retail sales, leases, exchanges, or subscriptions.

<u>Dealership succession rights.</u> The act amends the law governing dealer succession rights adding retirement to death and incapacity as events upon the occurrence of which a dealership owner is authorized to appoint a designated successor.

Manufacturer prohibitions re: unfinished vehicles, cost of training and equipment. The act prohibits manufacturers from requiring dealers to accept vehicles that cannot be immediately sold because of a recall, inoperable parts, or that have not been delivered to the dealer. It also prohibits manufacturers from varying the price of training, software, equipment, or tools based on dealer compliance with a facility image program.

<u>Warranty reimbursement clarifications.</u> The act clarifies that warranty reimbursement requirements apply to pre-sale maintenance and manufacturer-required component installation and assembly and requires that compensation for warranty and recall service cannot be less than the dealer's current retail rate for parts and labor.

<u>Loaner vehicle cost reimbursement.</u> The act requires a manufacturer to reimburse a dealer for providing a loaner vehicle to a customer if provision of the loaner vehicle is approved by that manufacturer. The act also requires such reimbursement if provision of the loaner vehicle is regardless of whether the manufacturer has its own loaner program in which the dealer has elected not to participate, and it requires the manufacturer to allow the dealer to submit claims for reimbursement in 30-day increments when the repair period is open due to a delay in parts or repair information from the manufacturer.

<u>Severability clause</u>. The act has a severability clause providing that if any provision of the act or its application is found to be invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application.

The act became effective July 1, 2025, and applies to all current and future franchises and other agreements in existence as of that date between new motor vehicle dealers in this State and manufacturers or distributors.

Modernize NC S.A.F.E. Act/Second Mortgage Fee Act.

SL 2025-43 (H762)

S.L. 2025-43 (House Bill 762) does the following:

Modernization of the North Carolina Secure and Fair Enforcement Mortgage Licensing Act (S.A.F.E. Act) – The act reorganizes the Article, makes technical corrections, adds new language to create efficiencies, and harmonizes servicing provisions with federal program requirements. Specifically, the changes include:

 Creating a Part 1 titled "Application, Licensing, Examination, and Enforcement" comprising the existing sections in Article 19B and creating a Part 2 titled "Prudential Standards for Mortgage Servicers," which strengthens the nonbank mortgage servicing

- supervision framework for which compliance is required to service Fannie Mae and Freddie Mac loans.
- Removing provisions for the transitional licensing of mortgage loan originators and adding provisions to recognize temporary authority, which are changes to conform to federal law.
- Requiring at least three years of residential mortgage lending or servicing experience to be a "qualifying individual" who operates the business under the supervision and control of a mortgage broker, mortgage lender, or mortgage servicer.
- Requiring registration for a mortgage origination support specialist.
- Removing State and federally chartered credit unions that have filed a notice of exemption from the list of exemptions from this Act.
- Providing a list of additional exemptions from the S.A.F.E. Act, which include:
 - A person who receives three of fewer residential mortgage loans as security for purchase money obligations in one calendar year.
 - An estate or trust that receives no more than one residential mortgage loan as security for a purchase money obligation in one calendar year.
 - Any agency of the federal government or any state, local, or municipal government, or their subsidiaries, making or servicing residential mortgage loans.
 - Any bona fide nonprofit that makes or services residential mortgage loans to promote home ownership for improvements for disadvantaged homeowners, upon filing a notice of exemption with the Commissioner of Banks (Commissioner), so long as soliciting, brokering, making, or servicing residential mortgage loans is not their primary business.
 - A trust acting in a fiduciary capacity, upon filing a notice of exemption with the Commissioner.
 - A trustee of a trust, created under the laws of this State or the United States, that makes a residential mortgage loan to a qualified beneficiary of the trust or immediate family member, upon filing a notice of exemption with the Commissioner.
- Requiring branch offices of mortgage lenders and brokers to be in the United States and requiring applicants for licensure to have a principal office located in the United States.
- Substituting branch office registration for licensing and eliminating the branch license and associated fees.
- Modernizing mortgage loan origination testing and education provisions to align with national standards.
- Requiring mortgage lenders, brokers, servicers, or registrants to notify the Commissioner where required records will be stored.
- Removing the requirement for each mortgage broker and lender to display its certificate of licensure in public view at the principal and branch offices.
- Making the Commissioner's participation in NMLS discretionary and allowing the Commissioner to determine whether all persons must be licensed or registered through NMLS.
- Creating emergency powers for the Commissioner to waive regulatory requirements on a temporary basis in the event of a natural disaster or other national, regional, State, or local emergency.

Mortgage Fee Alignment – The act provides that the 2% limitation on lender fees and discounts provided by a lender do not apply to a loan secured by a second or junior lien on real property if the total points and fees charged to a borrower by all lenders related to that loan do not exceed the lesser of:

- Amounts specified under federal law.
- 3% of the total loan amount.

The provisions of the act pertaining to mortgage fee alignment became effective July 1, 2025, and applies to loans made on or after that date. The provisions of the act pertaining to the S.A.F.E. Act became effective October 1, 2025.

Clarify Permitted Trade Practices with Respect to Insurance Rebates. – Department of Insurance Omnibus Bill.

SL 2025-45 (H737), Part VI

Part VI of S.L. 2025-45 (House Bill 737) does the following:

- Repeals the law allowing insurers, insurance producers, or limited representatives to offer or provide products or services not specified in an insurance policy.
- Provides that the following acts do not constitute unfair or deceptive acts or practices: (i) engaging in an arrangement that would not violate certain provisions of the Bank Holding Company Act Amendments of 1972 or Home Owners' Loan Act; (ii) offering or providing value-added products or services that are not specified in the insurance policy at no or reduced cost, if the product or service meets certain criteria; (iii) offering or gifting noncash gifts, items, or services, if certain conditions are met; and (iv) conducting drawings or raffles, to the extent they are otherwise permitted by law, if certain conditions are met.
- Provides that the trade practices listed above are not prohibited rebates.
- Prohibits an insurer, producer, or representative of either from offering or providing insurance as an inducement to the purchase of another policy or from using the words "free," "no cost," or similar words in an advertisement, except for specified products or services.

The provisions excluding certain acts from being unfair or deceptive acts or practices become effective January 1, 2027, and apply to trade practices related to insurance contracts issued, renewed, or amended on or after that date. The remainder of this Part became effective July 1, 2025.

Information Rights of Estate/Death of LLC Member.

SL 2025-55 (S307)

S.L. 2025-55 (Senate Bill 307) creates a new type of ownership interest in a limited liability company (LLC) when a person's LLC membership ceases because of the person's death or because of an adjudication by a court that the person is incompetent.

In the event of a person's death or judicial finding of incompetency, that person's estate or designated agent or guardian will automatically become a special economic interest owner. A "special economic interest owner" is defined as a person who owns an economic interest, possesses information rights, and has the right to seek dissolution, but is not a member.

This act became effective October 1, 2025, and applies to requests for information and actions for dissolution commenced on or after that date.

Revisions to Job Maintenance and Capital Development Fund Requirements. – JMAC/ABC/Other Revisions.

SL 2025-65 (S664), Part I

Part I of S.L. 2025-65 (Senate Bill 664) amends the law governing the Job Maintenance and Capital Development Fund (JMAC) to provide that a JMAC grant to a business that has qualified as a major employer will not be reduced for failing to maintain its required employment level unless the employment level falls short by more than 100 employees, at which point the grant will be reduced by 1% for every 1 employee more than 100 by which it falls short of the required employment level.

This Part became effective July 7, 2025, and applies to awards in effect on or after that date.

Perpetual Care of Certain Cemeteries.

SL 2025-68 (H210)

S.L. 2025-68 (House Bill 210) defines "care and maintenance" in the North Carolina Cemetery Act and directs the North Carolina Cemetery Commission (Commission) to adopt rules establishing minimum standards for care and maintenance of cemeteries. The rules must provide that if a licensee is in violation of the minimum standards for care and maintenance, the Commission can revoke or suspend the license or impose a civil penalty of \$50 per day, provided the Commission has given the licensee at least 10 days' written notice. This act also requires cemetery companies to produce annual reports with the details of the care and maintenance work performed.

This act became effective July 7, 2025.

Personal Privacy Protection Act.

SL 2025-79 (S416)

S.L. 2025-79 (Senate Bill 416) enacts the "Personal Privacy Protection Act" as new Article 18 in the North Carolina Nonprofit Corporation Act.

Prohibited Agency Actions – Public agencies are prohibited from doing any of the following, except as otherwise required by law:

- Requiring any person or nonprofit organization to provide the agency with personal information or otherwise compelling its release.
- Releasing, publicizing, or otherwise publicly disclosing personal information in the agency's possession.
- Requesting or requiring a current or prospective agency contractor or grantee to list nonprofit organizations to which it has provided financial or nonfinancial support.

The term "personal information" is defined as "any list, record, register, registry, roll, roster, or other compilation of data of any kind that directly or indirectly identifies a person as a member, supporter, volunteer, or donor of financial or nonfinancial support to any nonprofit organization."

Penalties for Violations – A person alleging a violation of these provisions is entitled to bring a civil action in which the court can award injunctive relief; compensatory damages of not less than \$2,500 per violation or three times that amount if the violation was intentional, and court costs, including reasonable attorney's fees and witness fees. In addition, a person who knowingly violates this Article will be guilty of a Class 2 misdemeanor.

If any provision or application of Article 18 is held invalid, then the invalidity does not affect other provisions or applications of Article 18 that can be given effect without the invalid provision or application.

This bill was vetoed by the Governor on July 9, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act becomes effective December 1, 2025, and applies to offenses committed on or after that date.

Allow Buyer's Agent Compensation to be Included in the Offer to Purchase – Regulatory Reform Act of 2025.

SL 2025-94 (H926), Sec. 10

Section 10 of S.L. 2025-94 (House Bill 926) directs the Real Estate Commission to implement its rule concerning offer and sales contracts to allow preprinted contracts to include provisions regarding the payment of a commission or compensation and to amend its rule consistent with that implementation.

This section became effective October 6, 2025.

Locked Hearing Aid Disclosures for Hearing Aid Fitters, Dealers, and Audiologists — Regulatory Reform Act of 2025.

SL 2025-94 (H926), Secs. 9 & 9.1

Section 9 of S.L. 2025-94 (House Bill 926) establishes certain requirements applicable to licensed hearing aid specialists who sell locked hearing aids. This section requires licensed hearing aid specialists who sell locked hearing aids to provide purchasers with the following written notice in 12-point font type or larger, prior to the sale:

"The locked hearing aid being purchased uses locked, nonproprietary or proprietary locked programming software and can only be serviced or programmed at specific facilities or locations."

The purchaser must sign the written notice prior to completing any sale.

Upon selling a locked hearing aid, the seller must deliver to the purchaser a written receipt that provides, in addition to the information required by G.S. 93D-7, the following information: the date of sale; the make, model, and serial number of the hearing aid; whether the hearing aid is new, used, or reconditioned; the name and license number of each person who sold or provided any recommendation or consultation regarding the purchase; the address and office hours for the licensee's business; and the terms of any guarantee or written warranty made to the purchaser.

Section 9.1 of S.L. 2025-94 establishes requirements for licensed audiologists that are identical to those requirements in Section 9 which are applicable to hearing aid specialists.

These sections became effective October 1, 2025.

Swimming Pool Amendments – Regulatory Reform Act of 2025.

SL 2025-94 (H926), Secs. 16 & 17

Section 16 of S.L. 2025-94 (House Bill 926) prohibits a local board of health from adopting a rule concerning a private pool serving a single-family dwelling otherwise exempt from regulation by the Department of Health and Human Services pursuant to G.S. 130A-280.

Section 17 of S.L. 2025-94 rewrites the S.L. 2024-49 exemption for private swimming pools serving a single-family dwelling used only by residents and their guests to apply regardless of whether the guests gain use of the private pool through a sharing economy platform or pay a fee. In cases where a fee is exchanged for pool access, the private pool must be "maintained in good and safe working order."

This section also makes various technical and organizational changes to G.S. 130A-280.

This section became effective October 6, 2025.