## **Vetoed Legislation**

#### See full summary documents for additional detail

#### **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.

## **Charter School Changes.**

SL 2025-80 (S254)

S.L. 2025-80 (Senate Bill 254) does the following:

- Requires that rules or polices adopted by the State Board of Education (SBE) regarding charter schools must first be approved by the Charter Schools Review Board (CSRB). The CSRB is authorized to propose, recommend, and approve rules and policies on all aspects of charter school operation.
- Directs the SBE to assign the CSRB to conduct any hearings required under federal law on federal funds for charter schools. The CSRB has the duty to make findings and recommendations about these hearings.
- Authorizes the CSRB to employ legal counsel, including private counsel, to advise, represent, and provide litigation services to the CSRB without having to get permission from the Attorney General or the Governor.
- Provides that the Executive Director of the Office of Charter Schools reports and serves
  at the pleasure of the CSRB, rather than the Superintendent of Public Instruction
  (Superintendent), at a salary established by the CSRB within the funds appropriated for
  that purpose.
- Allows for charter schools to relocate without prior approval by the CSRB as long as the new location is within a 10-mile radius of the location specified and approved in the charter and located within the same local school administrative unit (LEA).
- Requires that all terms of the written charter that a charter school will operate under be approved by the CSRB.
- Provides that charter schools are not required to list class rank on a student's official transcript or record.
- Allows charter schools to develop and use any evaluation for conducting the evaluation
  of teachers, if the evaluation instrument includes standards and criteria similar to those
  used in the North Carolina Professional Teaching Standards and North Carolina Teacher
  Evaluation Process or such other evaluation standard and process required to be used by
  LEAs.
- Directs the CSRB to require charter schools that are identified as low-performing or continually low-performing to prepare and report plans to improve the performance of the school. Charter schools are not required to create school improvement plans as required for LEAs.
- Requires the SBE to withhold or reduce distribution of funds to a charter school if the CSRB notifies the SBE that a charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds. This notification was previously the responsibility of the Superintendent.
- Requires the CSRB, instead of the Superintendent, to create standardized (i) enrollment verification and transfer request documents and (ii) transfer procedures for the per pupil share of the local current expense fund in consultation with charter schools and LEAs.
- Requires the Department of Public Instruction (DPI) to provide each charter school with access to any required financial data reporting platforms for the school's first year of operation at no cost.
- Allows charter schools operating under a charter that allows for a remote academy that
  enrolls or intends to enroll 250 or more students in the remote academy to request that
  the CSRB grant the remote academy a separate charter. The CSRB must review these
  requests through an expedited process and cannot require a planning year for the remote
  academy.

- Requires that a charter school with both in-person instruction and a remote academy receive a separate school performance grade for the remote academy. The remote academy must be treated as a separate school for the purpose of assessing performance.
- For the 2025-2027 biennium, requires DPI to use \$82,100 per fiscal year of lapsed salary funds to provide operating funds to the CSRB. Legal counsel retained by the CSRB and funded with these monies can provide litigation services to the CSRB.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective July 29, 2025, and applies beginning with the 2025-2026 school year.

#### **Limit Rules With Substantial Financial Costs.**

SL 2025-82 (H402)

S.L. 2025-82 (House Bill 402) provides that a proposed permanent rule with an aggregate financial cost of \$20 million in a five-year period cannot become effective unless the General Assembly ratifies a bill approving the rule. If the General Assembly does not ratify a bill approving the rule, the Rules Review Commission must return the rule to the agency within 15 days of the General Assembly adjourning for a period of 30 days or more. This act does not apply to rules required by federal law.

"Aggregate financial cost" is defined as the amount of costs to all persons affected, as identified in a substantial economic impact analysis, not including benefits. "Substantial economic impact" means an aggregate financial impact on all persons affected by a proposed rule of \$1 million in a five-year period.

Further, the act imposes limitations on permanent rules adopted by a board, commission, council, or similar unit of government, including rules adopted as part of the periodic review and readoption process, as follows:

- For proposed permanent rules with an aggregate financial cost of at least \$1,000,000 over a five-year period, the rule must be adopted by a vote of at least 2/3 of all members present and voting, except if the rule or set of rules is required by federal law.
- For proposed permanent rules with an aggregate financial cost of \$10,000,000 over a fiveyear period, the rule must be adopted by a unanimous vote of all members present and voting, except if the rule or set of rules is required by federal law.

This bill was vetoed by the Governor on June 27, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective July 29, 2025, and applies to rules adopted on or after that date.

#### **Clarify Powers of State Auditor – Clarify Powers of State Auditor.**

SL 2025-83 (H549), Part I

Part I of S.L. 2025-83 (House Bill 549) does the following:

- Exempts the Office of the State Auditor from getting written approval from the Governor before contracting to obtain the services of a consultant. (Effective July 1, 2025).
- Generally exempts the Office of the State Auditor from the statutes governing information technology. The Auditor's Office may elect to participate in the information technology programs, services, and contracts offered by the Department of Information Technology, including procurement. The Office of State Auditor must make this election in writing. (Effective July 1, 2025).
- Exempts the Office of the State Auditor from statutes requiring the Department of Information Technology to approve information technology procurement. The Auditor may procure information technology services under the Auditor's authority to contract with professional persons and experts. (Effective July 1, 2025).
- Defines a "publicly-funded entity" as "[a]ny individual, private corporation, institution, association, board, or other organization that receives, disburses, or otherwise handles State or federal funds."
- Provides that the State Auditor is required to investigate reports of improper governmental activities of publicly-funded entities in addition to State agencies and employees of those agencies.
- Provides that upon demand of the Auditor, access to persons and records of a State agency includes the viewing of databases, datasets, and digital records necessary for any purpose within the authority of the Auditor.
- Permits the Auditor to have access to databases, datasets, digital records, and other
  documentation of publicly-funded entities which pertain to either: (i) amounts received
  from a grant or contract from the federal government, the State, or its political
  subdivisions or (ii) amounts received, disbursed, or otherwise handled for the federal
  government, the State, or its political subdivisions.
- Allows the Auditor to commence an action in superior court for a show cause hearing if a person failed to provide access to persons or records.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. Except as otherwise provided, this Part of the act became effective July 29, 2025.

## Department of Revenue Authorization to Force Collect Debts – Clarify Powers of State Auditor.

SL 2025-83 (H549), Part III

Part III of S.L. 2025-83 (House Bill 549) authorizes the Department of Revenue to collect certain debts owed to State agencies that are uncovered through an audit by the Office of the State Auditor and are the result of fraud, misrepresentation, or other deceptive acts or practices by a

private person or entity while doing business with a State agency through a new "forced collection" process. The forced collection process authorized by Part III of the act is in addition to the current debt setoff process allowing tax refunds to be applied to the debt and other remedies available by law. A debt subject to forced collection may be recovered through levy and sale or attachment and garnishment in the same manner as a debt for nonpayment of taxes. A debtor is allowed to contest the validity of the debt by filing a notice of hearing with the Auditor. A debtor is allowed to appeal to the General Court of Justice a final decision made after an administrative hearing with the Auditor.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This Part becomes effective December 1, 2025.

#### Other State Auditor Amendments – Clarify Powers of State Auditor.

SL 2025-83 (H549), Part II

Part II of S.L. 2025-83 (House Bill 549) does the following:

- Removes language making certain entities subject to audit by the State Auditor and requiring the Auditor to verify certain membership counts.
- Provides that if an audit or investigation reveals that a person or entity received public funds as a result of fraud, misrepresentation, or other deceptive acts or practices while doing business with a State agency, then the Auditor must notify the Department of Revenue so the money can be collected. (Effective December 1, 2025).
- Allows the State Auditor to audit or investigate any publicly funded entity. This audit or investigation is limited to the State or federal funds received, disbursed, or otherwise handled by the publicly-funded entity.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. Except as otherwise provided, this Part of the act became effective July 29, 2025.

## **Prevent Sexual Exploitation/Women and Minors.**

SL 2025-84 (H805)

S.L. 2025-84 (House Bill 805) does the following:

- Provides that the following definitions apply to all administrative rules, regulations, or public policies of North Carolina and its political subdivisions, unless otherwise specified:
  - Biological Sex. The biological indication of male and female in the context of reproductive potential or capacity, such as sex chromosomes, naturally occurring sex hormones, gonads, and nonambiguous internal and external genitalia present at birth, without regard to an individual's psychological, chosen, or subjective experience of gender.
  - o Boy. A minor human male.

- Father. A male parent.
- Female. A term that when used to refer to a natural person, means a person belonging, at conception, to the sex characterized by a reproductive system with the biological function of producing ova (eggs).
- Gender identity. A term that means an individual's self-declared identity that may not align with biological sex and, being a subjective internal sense, shall not be treated as legally or biologically equivalent to sex.
- o Girl. A minor human female.
- Male. A term that when used to refer to a natural person, means a person belonging, at conception, to the sex characterized by a reproductive system with the biological function of producing sperm.
- o Man. An adult human male.
- o Mother. A female parent.
- Woman. An adult human female.

This section becomes effective January 1, 2026.

- Enacts Article 51A of Chapter 66 of the General Statutes, which is entitled "Prevent Sexual Exploitation of Women and Minors Act." This Article does the following:
  - Requires online entity operators to comply with certain age verification and written consent requirements for individuals appearing in pornographic images.
  - Requires online entity operators to establish certain procedures for removing a pornographic image upon request and to prominently display a notice on its website or mobile application that provides instructions on how to request removal of a pornographic image.
  - Prohibits users of online entities from distributing or publishing a pornographic image of an individual to the online entity without that individual's consent.
  - o Authorizes the Attorney General to impose civil penalties on online entity operators for violations of this Article.
  - Authorizes civil actions against online entity operators and users of online entities for certain violations of this Article.

This section becomes effective December 1, 2025, and applies to acts or omissions occurring before, on, or after that date.

• Prohibits State funds from being used to fund surgical gender transition procedures, puberty-blocking drugs, or cross-sex hormones for any prisoner incarcerated in the State prison system or the Statewide Misdemeanor Confinement Program or otherwise in the custody of the Department of Adult Correction, or to support the administration of any governmental health plan or government-offered insurance policy offering surgical gender transition procedures, puberty-blocking drugs, or cross-sex hormones to any prisoner incarcerated in the State prison system or the Statewide Misdemeanor Confinement Program or otherwise in the custody of the Department of Adult Correction. This provision does not apply to the State Health Plan for Teachers and State Employees. This section became effective July 1, 2025. The exemption for the State Health Plan for

Teachers and State Employees expires 30 days after the Memorandum and Order, dated June 10, 2022, or the permanent injunction ordered therein in Kadel v. Folwell, 1:19CV272 is vacated, overturned, or is no longer in force.

- Provides that certain causes of action for malpractice under G.S. 1-15 arising out of the
  performance of or failure to perform services while in the course of facilitating or
  perpetuating gender transition must be commenced within 10 years from the time of
  discovery by the injured party of both the injury and the causal relationship between the
  treatment and the injury against the offending medical professional or entity. This section
  became effective July 29, 2025, and applies to causes of action accruing before, on, or
  after that date.
- Provides that when the sex of a person is changed on an amended or new birth certificate, the State Registrar will attach the new certificate to the certificate of birth then on file and will preserve both certificates as a multi-page document. The State Registrar will forward a copy of the new certificate to the register of deeds of the county of birth. The register of deeds of the county of birth will attach the new certificate to the copy of the certificate of birth on file. The register of deeds will preserve both certificates as a multi-page document. Thereafter, when a certified copy of the certificate of birth of the person is issued, it will be a copy of the multi-page document. The State Registrar will adopt rules and policies to implement these requirements. This section becomes effective December 1, 2025.

Please note that the summaries for sections 3.2, 3.3, and 3.4 of S.L. 2025-84 can be found in the Education subject area of this publication.

This bill was vetoed by the Governor on July 3, 2025, and that veto was overridden by the General Assembly on July 29, 2025. Except as otherwise provided, this act became effective July 29, 2025.

# Excuse Students with Religious Objections — Prevent Sexual Exploitation/Women and Minors.

SL 2025-84 (H805), Sec. 3.2

Section 3.2 of S.L. 2025-84 (House Bill 805) requires local boards of education to adopt policies allowing a student or the student's parent or guardian to request excusal from any classroom discussions, activities, or assigned readings if the student, parent, or guardian believes either of the following:

- The discussion, activity, or assigned reading would impose a substantial burden on the student's religious beliefs.
- The discussion, activity, or assigned reading would invade the student's privacy by calling attention to the student's religion.

To the extent practicable, the local board of education must provide advance notice to students, parents, and guardians of the discussions, activities, or assigned readings. The school must provide the excused student with an alternative activity or assignment aligned with the standard course of study.

This bill was vetoed by the Governor on July 3, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This section became effective July 29, 2025.

## Parent Access to Library Books – Prevent Sexual Exploitation/Women and Minors.

SL 2025-84 (H805), Sec. 3.3

Section 3.3 of S.L. 2025-84 (House Bill 805) requires local boards of education to adopt policies to do both of the following:

- Provide public access to the titles of library books available within each school within the local school administrative unit.
- Allow a parent of a student to identify library books that cannot be borrowed by the student.

Library books are defined as electronic, print, and nonprint resources, excluding textbooks, for independent use by students and school personnel outside of the standard course of study for any grade or course. Library books can be held in a formal school library or in a classroom.

This bill was vetoed by the Governor on July 3, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This section became effective July 29, 2025, and applies beginning with the 2025-2026 school year.

## Restrictions on Sleeping Quarters – Prevent Sexual Exploitation/Women and Minors.

SL 2025-84 (H805), Sec. 3.4

Section 3.4 of S.L. 2025-84 (House Bill 805) requires the governing bodies of public school units to adopt a policy prohibiting students from sharing sleeping quarters with a member of the other biological sex during any activity or event authorized by a school within the public school unit, except when authorized by the school when either (i) written permission is provided from the parents or legal guardians of all students sharing the sleeping quarters, or (ii) the member of the other biological sex is the student's immediate family member, which includes parent, brother, sister, or grandparent, including step and half relationships. Sleeping quarters are a room with a bed that is intended to be used to house a person overnight or other area designated for overnight sleep.

This bill was vetoed by the Governor on July 3, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This section became effective July 29, 2025, and applies beginning with the 2025-2026 school year.

#### The Criminal Illegal Alien Enforcement Act.

SL 2025-85 (H318)

S.L. 2025-85 (House Bill 318) does the following:

- Modifies the list of offenses for which the administrator of a jail or confinement facility must attempt to determine legal residency of a prisoner to include the following:
  - Any felony.
  - A Class A1 misdemeanor under the unborn victims statutes, the rape and other sex offenses statutes, or the assaults statutes.
  - Any violation of a domestic violence protective order.
  - Any offense involving impaired driving.
- Requires a judicial official determining conditions of pretrial release to attempt to
  determine legal residency for the same offenses applicable to prisoners, and if unable to
  determine legal residency, commit the defendant to a facility to be fingerprinted and held
  for a period of two hours after a query to Immigration and Customs Enforcement of the
  United States Department of Homeland Security (ICE). If ICE does not issue a detainer and
  administrative warrant for the defendant within the two-hour period, the defendant will
  be released pursuant to the terms and conditions of the pretrial release order. If the
  facility receives an ICE detainer and administrative warrant for the defendant within the
  two-hour period, the defendant will be taken before a judicial official for processing based
  on the ICE detainer and administrative warrant.
- Requires a person subject to a court order based on receipt of an ICE detainer and administrative warrant to be held for 48 hours after the time the person would otherwise be released from the facility unless ICE takes custody of the person or ICE rescinds the detainer.
- Requires the facility holding a person subject to a court order based on receipt of an ICE detainer and administrative warrant to notify ICE, not more than 2 hours after the person would otherwise be released, of the date and time the 48 hours will expire using the manner indicated on the detainer and administrative warrant.

This bill was vetoed by the Governor on June 20, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective October 1, 2025. The section of the act pertaining to the legal status of prisoners applies to any person confined in or released from a facility on or after that date, and the section of the act pertaining to pretrial release proceedings applies to persons appearing before a judicial official for a determination of pretrial release conditions on or after that date.

## **Educational Choice for Children Act (ECCA).**

Ratified (H87)

House Bill 87 would authorize the North Carolina State Education Assistance Authority (NCSEAA) to certify and submit a list of qualifying scholarship granting organizations to the Secretary of the Treasury (Secretary).

The bill would voluntarily elect the State to (i) participate in the federal tax credit program for qualified elementary and secondary education scholarships established under § 25F of the Internal Revenue Code and (ii) identify scholarship granting organizations located in the State. NCSEAA would be required to submit to the Secretary and publish on its website a list of the scholarship granting organizations located in the State that meet the federal requirements. NCSEAA could establish rules governing the process and documentation necessary for an organization to be included on the list and enter into agreements with other State agencies to meet these requirements.

NCSEAA would be required to comply with all federal regulations regarding the administration of the federal tax credit program set in federal law to ensure that the State could participate in taxable years beginning after December 31, 2026. NCSEAA would establish any necessary rules by the later of July 1, 2026, or within 120 days of federal regulations being published.

Scholarship granting organizations would be authorized to provide scholarships for home school expenses to the extent allowed under federal law.

House Bill 87 was ratified by the General Assembly on July 31, 2025, and was vetoed by the Governor on August 6, 2025.

#### **Expedited Removal of Unauthorized Persons.**

Ratified (H96)

House Bill 96 would have created an expedited removal process for the removal of an unauthorized person from residential property and created a new statute providing State uniformity for the operation of licensed pet shops.

#### Section 1

Section 1 would have added a new Article 22D to Chapter 14 of the General Statutes, under which a property owner or an authorized representative of the property owner may initiate an expedited removal proceeding for the removal of an unauthorized person unlawfully occupying residential property if all the following conditions are met:

- 1. The requesting party is the property owner or the authorized agent of the property owner.
- 2. The property that is being unlawfully occupied is residential property or property used in connection with or appurtenant to residential property.
- 3. An unauthorized person has entered the property after the property owner acquired the property and is remaining or residing unlawfully on the residential property of the property owner.
- 4. The property was not offered or intended as an accommodation for the general public at the time the unauthorized person entered.
- 5. The property owner or the authorized representative of the property owner has directed the unauthorized person to leave the residential property.

- 6. The unauthorized person is not a tenant of the property being unlawfully occupied.
- 7. The unauthorized person is not an owner of the property being unlawfully occupied.
- 8. There is no pending litigation between the property owner and the unauthorized person related to the residential property.
- 9. No other valid rental agreement or contract for deed has been entered into or formed by the property owner or a former property owner and the unauthorized person permitting the unauthorized person to occupy the residential property.

(10) No rent or other form of payment has ever been demanded of or paid by the unauthorized person to the property owner or to an authorized representative of the property owner in connection with the occupancy of the residential property.

The term "unauthorized person" would have meant a person who has no legal claim to the property and who is not entitled to occupy it under a valid rental agreement or otherwise. It would not have included a tenant holding over after the lease term has expired.

In terms of procedure, the following would have occurred: Filing of a complaint and issuance of a summons in the county where the property is located. ? The summons and complaint are provided to the sheriff. ? The summons and complaint are served on the unauthorized person by the sheriff within 24 hours of the sheriff receiving the documents. ? The sheriff promptly files a return. ? A hearing is held before a magistrate as soon as practicable, but no more than 48 hours after service. ? If the court finds for the property owner, the court immediately enters a written order granting the property owner possession of the property and stating the time the unauthorized person must vacate the property – which cannot be more than 4 hours after the order is served on the unauthorized person.

All parties would have had the right to appeal an order entered by a magistrate to the district court for a trial de novo.

If the court entered an order of removal and an unauthorized person failed to remove personal property from the residential property within the time allowed by the order, the property owner or authorized representative of the property owner would have been permitted to remove the personal property from the premises to or near the property line. The failure of an unauthorized person to vacate a residential property in accordance with a court order would have been a criminal trespass.

Law enforcement agencies, law enforcement officers, and magistrates would have been granted immunity for any acts or omissions related to the expedited removal process, provided the parties acted in good faith and did not act with gross negligence, willful or wanton misconduct, or intentional wrongdoing. The property owner or authorized representative would have been granted immunity for any damages related to the expedited removal process unless the removal was wrongful.

A person harmed by a wrongful removal would have been entitled to bring a civil action against the property owner or authorized representative seeking to recover possession of the property and would have been able to recover from the property owner or authorized representative damages limited to actual damages as in an action for trespass or conversion.

#### Section 2

Section 2 would have directed the Administrative Office of the Courts, in consultation with the North Carolina Sheriff's Association and the North Carolina Association of Chiefs of Police, to develop the affidavit form to implement the expedited removal process discussed above by September 30, 2025.

#### Section 3

Section 3 would have created a new statute, G.S. 19A-27.5, to provide for State uniformity for operation of pet shops. Specifically, this new law would have provided that no local government or other political subdivision of the State may enact, maintain, or enforce any ordinance, resolution, or other enactment that does either of the following:

- Prohibits or restricts the sale of animals by a licensed pet shop.
- Imposes additional licensing, operational, or regulatory requirements on pet shops beyond those established by State law.

House Bill 96 was ratified by the General Assembly on June 30, 2025, and vetoed by the Governor on July 9, 2025. Subsequent to the Governor's veto of House Bill 96, the General Assembly enacted and the Governor signed Senate Bill 55, which included language similar to the sections of this bill addressing expedited removal of unauthorized persons.

## **Equality in State Agencies/Prohibition on DEI.**

Ratified (H171)

House Bill 171 would have done the following:

- Prohibit State agencies from promoting, supporting, implementing, or maintaining diversity, equity, and inclusion (DEI), including using DEI in State government hirings and employment, maintaining dedicated DEI staff positions or offices, or offering or requiring DEI training.
- Prohibit a State agency or unit of local government from (i) using State funds or public
  monies to promote, fund, implement, or maintain DEI initiatives or programs and (ii)
  applying for, accepting, or utilizing federal funds, grants, or other assistance that require
  compliance with DEI policies, initiatives, or mandates. Existing programs funded in these
  ways would have been discontinued unless federal law required continued participation.
- Require the State Auditor to conduct periodic compliance audits to determine violations and report those violations to named entities.
- Amend the State Budget Act by requiring State agencies to attempt to recoup the
  misspent funds by all lawful means available, including filing a civil action. It would have
  also required the Governor to report the facts leading to the suspension of a State officer

- or employee of the Executive Branch to the Attorney General and the district attorney for the county in which all or a substantial part of the violation occurred.
- Require the Local Government Commission, after suspending a local officer or employee for refusing to comply with the Local Government Finance Act, to report the circumstances to the Attorney General and the district attorney for the county in which all or a substantial part of the noncompliance occurred.
- Provide consequences for violating the prohibition on using public monies for DEI purposes.

House Bill 171 was ratified by the General Assembly on June 30, 2025, and vetoed by the Governor on July 3, 2025.

#### Freedom to Carry NC.

Ratified (S50)

Senate Bill 50 would have made the following changes to the firearms laws of North Carolina:

- Created a new Article 54C in the General Statutes, which would have authorized the
  concealed carry of a handgun by any U.S. citizen, who is at least 18 years old, and who is
  not otherwise disqualified by law because of a disqualifying criminal conviction or
  otherwise. The list of disqualifying criteria would have mirrored the criteria contained in
  G.S. 14-415.12(b) which would disqualify a person from obtaining a concealed handgun
  permit.
- Allowed a person to carry a concealed handgun pursuant to Article 54B or Article 54C.
- Continued to authorize the issuance of concealed handgun permits for purposes of reciprocity with other states, efficiency of purchasing a firearm, and various other reasons.
- Eliminated an impaired driving conviction within the prior three years as a disqualifying event to obtaining a concealed handgun permit.
- Amended the current prohibitions against carrying a firearm into an assembly where a
  fee is charged for admission or an establishment where alcohol is served to only prohibit
  firearms in those locations if the person is consuming alcohol or has alcohol or a
  controlled substance remaining in their body.
- Amended several statutes that generally prohibit firearms in certain locations but provide an exception for a person with a concealed handgun permit, to modify the exception to reflect the creation of Article 54C.
- Amended the disqualifying criteria for restoration of firearm rights for a felon to remove
  a finding of probable cause for a felony from the list of disqualifying criteria. Being under
  indictment for a felony would have remained a disqualifier.

Section 1.9 of the bill would have increased the public safety employee death benefit to \$150,000.

Section 9.1 would have increased the punishment for assault with a firearm to a Class B1 felony if the assault is committed against one of the following:

- A law enforcement officer
- A probation officer
- A parole officer
- A member of the North Carolina National Guard
- An employee of a detention facility
- An emergency medical technician or other emergency health care provider
- A medical responder
- A firefighter
- A telecommunicator employed by a law enforcement agency.

Sections 15.5 and 15.6 would have amended the offense of possession of a firearm by a felon, which is a Class G felony, to include two new offenses as follows:

- A Class F felony for possession of a firearm by a felon during the commission or attempted commission of a felony under Chapter 14 or Article 5 of Chapter 90.
- A Class C felony for possession of a firearm by a felon when a firearm is discharged during the commission or attempted commission of a felony under Chapter 14 or Article 5 of Chapter 90.

Section 8 of S.L. 2025-71, which creates new offenses regarding possession of a firearm or weapon of mass death and destruction by a felon, is similar to the provisions in Section 15.5 and Section 15.6 of Senate Bill 50. Senate Bill 50 was ratified by the General Assembly on June 12, 2025, and vetoed by the Governor on June 20, 2025.

# Children of Disabled First Responders Scholarship Program – Freedom to Carry NC.

Ratified (S50), Sec. 16.7

Section 16.7 of Senate Bill 50 would require The University of North Carolina Board of Governors (BOG) to develop a scholarship program for any child of a law enforcement officer, correctional officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty.

The scholarship would be available to children at least 17 years old but not yet 28 years old and could be used for the following:

- Tuition, fees, educational supplies, and boarding expenses not covered under Chapter 115B of the General Statutes (Tuition and Fee Waivers).
- Both undergraduate and graduate programs.

The BOG would be required to report to the Joint Legislative Education Oversight Committee on the establishment of the program no later than July 1, 2026.

Senate Bill 50 was ratified by the General Assembly on June 12, 2025, and was vetoed by the Governor on June 20, 2025.

#### North Carolina Border Protection Act.

Ratified (S153)

Senate Bill 153 would have made various changes related to enforcement of federal immigration laws within the State.

#### Require Certain Agencies to Cooperate with ICE

Senate Bill 153 would have directed the Secretary of the Department of Public Safety (DPS), the Secretary of the Department of Adult Correction (DAC), the Commander of the State Highway Patrol (SHP), and the Director of the State Bureau of Investigation (SBI) to do all the following:

- Enter into Memorandums of Agreement (MOAs) with the Director of U.S. Immigration and Customs Enforcement (ICE) pursuant to Section 287(g) of the Immigration and Nationality Act (8 U.S.C. § 1357(g)) to perform immigration law enforcement functions under the supervision of ICE.
- Develop policies requiring employees of each agency to do all the following:
  - Have employees attempt to determine if any person in the custody of or under the supervision of the agency is a legal resident or citizen of the United States by asking the person questions or examining relevant documents.
  - o If an employee cannot determine a person's status by conducting the above inquiry, then the employee would be required to make an ICE query.
  - If an employee determines that the person is not a legal resident or citizen of the United States, then the employee would be required to provide information requested by ICE.
- Cooperate to the fullest extent allowed by law with ICE.
- Report the MOAs and policies required by this bill to the Joint Legislative Oversight Committee on Justice and Public Safety no later than August 1, 2025.

The State Auditor would have been required to perform an audit to determine that agencies are complying with the above requirements.

#### Require Certain Agencies to Cease Providing Benefits to Certain Noncitizens

Senate Bill 153 would have required the Department of Health and Human Services (DHHS), the Department of Commerce, the Housing Finance Agency, and all local housing authorities to do the following:

- Cease providing State-funded benefits and publicly funded housing benefits to noncitizens residing in the United States without legal permission, to the extent permitted by federal law.
- Develop a plan, to the extent permitted by federal law, to update and review eligibility criteria for all State-funded benefits and publicly funded housing benefits to ensure noncitizens residing in the United States without legal permission are ineligible to receive those benefits.

Report by January 15, 2026, on the steps taken to cease providing benefits and the details
of the developed and implemented plan including all federal statutes or regulations
prohibiting denial of benefits.

"State-funded benefits" would include various programs administered by DHHS or through a contract with DHHS, excluding benefits or services available under the listed programs that help eligible beneficiaries access food or meals.

"Publicly funded housing benefits" would include various programs or assistance administered by or through a contract with the Department of Commerce, the North Carolina Housing Agency, and any local housing authority.

#### Require Verification of Legal Residency for Unemployment Benefits

Senate Bill 153 would have required the Department of Commerce, Division of Employment Security, to the extent permitted by federal law, to adopt and implement a policy to verify that all applicants for unemployment benefits are legally authorized to reside in the United States prior to receiving the first unemployment benefit payment by January 15, 2026.

#### Waive Governmental Immunity for Sanctuary

Senate Bill 153 would have waived governmental immunity from tort liability for cities and counties that adopt sanctuary ordinances when the tort claim is based on the commission of a crime by an unauthorized alien against a person or property within the corporate limits of the city or county, whether or not insurance has been purchased.

Senate Bill 153 was ratified by the General Assembly on June 10, 2025, and vetoed by the Governor on June 20, 2025.

# University of North Carolina Constituent Institutions to Comply with Laws Related to Immigration – North Carolina Border Protection Act.

Ratified (S153), Part VI

Part VI of Senate Bill 153 would prohibit constituent institutions of The University of North Carolina from having policies or procedures that limit the enforcement of federal immigration laws to less than the full extent permitted by federal law. Constituent institutions would not be allowed to do any of the following with respect to information about an individual's citizenship or immigration status:

- Prohibit law enforcement officials or agencies from gathering the information.
- Prohibit communication of the information to federal law enforcement agencies.

Senate Bill 153 was ratified by the General Assembly on June 10, 2025, and was vetoed by the Governor on June 20, 2025.

### **Eliminating "DEI" in Public Education.**

Ratified (S227)

Senate Bill 227 would prohibit public school units from doing the following:

- Engaging in or advocating for discriminatory practices.
- Compelling students, teachers, administrators, or other school employees to affirm or profess belief in divisive concepts.
- Providing instruction to students on divisive concepts.
- Engaging in activities related to professional development that include or advocate for divisive concepts or discriminatory practices.
- Maintaining an office or other unit (i) promoting discriminatory practices or divisive concepts or (ii) referred to as or named diversity, equity, and inclusion.
- Employing or assigning an employee whose duties for a public school unit include promoting discriminatory practices or divisive concepts.

The bill would prohibit the State Board of Education (SBE) from approving, providing, recommending, or requiring professional development that includes or advocates for divisive concepts or discriminatory practices. The SBE would not be able to:

- Approve, recommend, or require a professional educator to participate in that professional development.
- Develop, purchase, or provide the professional development.
- Contract with an entity for the professional development.
- Provide an entity access for the purpose of delivering the professional development.

No continuing education credit for professional educator license renewal could be awarded for any professional development that includes or advocates for divisive concepts or discriminatory practices.

The following would not be construed to be limited under the bill:

- Speech protected by the First Amendment of the United States Constitution.
- Materials accessed on an individual basis that advocate divisive concepts or discriminatory practices for research or independent study.
- Policies, procedures, or professional development required by State or federal law.
- Instruction on divisive concepts in accordance with the North Carolina Standard Course of Study when it is made clear that the public school unit does not sponsor, approve, or endorse any divisive concepts including instruction related to:
  - The history of an ethnic group as described in textbooks and instructional materials adopted in accordance with State law.
  - The impartial discussion of controversial aspects of history.
  - The impartial discussion of the historical oppression of a particular group of people based on race, ethnicity, class, nationality, religion, or geographic region.

 Historical documents such as the United States Constitution and the writings of the founding fathers.

Discriminatory practice would be defined as any of the following based on an individual's protected classification under federal law:

- Treating an individual differently solely to advantage or disadvantage that individual as compared to other individuals or groups.
- Excluding an individual from employment, except as allowed under federal law.
- Excluding an individual from participation in an educational program or activity, except as allowed under federal law.

Divisive concepts would be defined as any of the following:

- One race or sex is inherently superior to another race or sex.
- An individual is inherently racist, sexist, or oppressive solely because of his or her race or sex.
- An individual should be discriminated against or receive adverse treatment solely or partly because of the individual's race or sex.
- Moral character is necessarily determined by an individual's race or sex.
- An individual solely by virtue of his or her race or sex bears responsibility for actions committed in the past by members of the same race or sex.
- An individual solely by virtue of his or her race or sex should feel discomfort, guilt, anguish or other psychological distress.
- A meritocracy is inherently racist or sexist.
- The United States was created by members of a particular race or sex for the purpose of oppressing members of another race or sex.
- Particular character traits, values, moral or ethical codes, privileges, or beliefs should be ascribed to a race or sex or to an individual because of the individual's race or sex.
- The rule of law does not exist but instead is a series of power relationships and struggles among racial or other groups.
- Americans are not created equal and not endowed by their Creator with certain unalienable rights, including life, liberty, and the pursuit of happiness.
- Governments should deny to any person within the government's jurisdiction the equal protection of the law.

By September 1 of each year, each public school unit would be required to certify in writing to the Department of Public Instruction (DPI) that it fully complies with the requirements of this bill and include any actions taken to achieve compliance. DPI must summarize the certifications in a report to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee by January 15 of each year. For the certifications due by September 1, 2025, each public school unit would be required to include information on the initial implementation of these requirements, including reductions in force and spending, changes to job titles and position descriptions, and how savings achieved from these actions have been directed.

Senate Bill 227 was ratified by the General Assembly on June 26, 2025, and was vetoed by the Governor on July 3, 2025.

### **Eliminating "DEI" in Public Higher Education.**

Ratified (S558)

Senate Bill 558 would prohibit public institutions of higher education from doing any of the following:

- Engaging in or advocating for discriminatory practices.
- Compelling students, professors, administrators, or other employees to affirm or profess believe in divisive concepts.
- Endorsing divisive concepts.
- Maintaining an office, division, or other unit (i) promoting discriminatory practices or divisive concepts or (ii) referred to as or named diversity, equity, and inclusion.
- Employing or assigning an employee whose duties include promoting discriminatory practices or divisive concepts.
- Requiring completion of a course related to divisive concepts for purposes of awarding a
  degree or completing a program, unless approved by the chancellor of the institution.

These prohibitions would not apply to any of the following:

- Speech protected by the First Amendment of the United States Constitution.
- Materials accessed on an individual basis for research or independent study that advocate for divisive concepts or discriminatory practices.
- Policies or procedures required by State or federal law.
- Instruction or discussion on divisive concepts that makes it clear the public institution of higher education does not endorse the divisive concepts.

Discriminatory practices would be defined as doing any of the following based on an individual's protected classification under federal law:

- Treating an individual differently solely to advantage or disadvantage that individual as compared to other individuals or groups.
- Excluding an individual from employment, except as allowed under federal law.
- Excluding an individual from participation in an educational program or activity, except as allowed under federal law.

Divisive concepts would include any of the following:

- One race or sex is inherently superior to another race or sex.
- An individual, solely by virtue of his or her race or sex, is inherently racist, sexist, or oppressive.
- An individual should be discriminated against or receive adverse treatment solely or partly because of his or her race or sex.

- An individual's moral character is necessarily determined by his or her race or sex.
- An individual, solely by virtue of his or her race or sex, bears responsibility for actions committed in the past by other members of the same race or sex.
- Any individual, solely by virtue of his or her race or sex, should feel discomfort, guilt, anguish, or any other form of psychological distress.
- A meritocracy is inherently racist or sexist.
- The United States was created by members of a particular race or sex for the purpose of oppressing members of another race or sex.
- Particular character traits, values, moral or ethical codes, privileges, or beliefs should be ascribed to a race or sex or to an individual because of the individual's race or sex.
- The rule of law does not exist but instead is a series of power relationships and struggles among racial or other groups.
- All Americans are not created equal and are not endowed by their Creator with certain unalienable rights, including life, liberty, and the pursuit of happiness.
- Governments should deny to any person within the government's jurisdiction the equal protection of the law.

Public institutions of higher education would be required to certify annually in writing by September 1 to their applicable governing board that they fully comply with the bill's requirements. The University of North Carolina Board of Governors and the State Board of Community Colleges would be required to summarize the relevant certifications and submit a consolidated report by January 15 annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee. For the first certifications due September 1, 2025, public institutions of higher education would have to include information on the initial implementation of the requirements, including reductions in force and spending, changes to job titles and position descriptions, and how savings achieved from these actions have been directed.

The bill would also prohibit constituent institutions and community colleges from establishing, maintaining, or otherwise implementing a process for reporting or investigating offensive or unwanted speech that is protected by the First Amendment, including satire or speech labeled as microaggression.

Senate Bill 558 was ratified by the General Assembly on June 26, 2025, and was vetoed by the Governor on July 3, 2025.