



2023 End of Session Report

From the Legislative Long Session

Session Overview

The North Carolina General Assembly [adjourned](#) October 25, 2023, to reconvene one day a month until April 24, 2024, when the legislative "short session" will commence.

Legislators introduced 1,659 bills and passed 151 Session Laws, including 19 notwithstanding the governor's veto. Throughout the session, legislators introduced hundreds of bills impacting counties in every area from zoning to finance. The state budget, arguably the most significant piece of legislation in any given year, addressed many [county priorities](#) adopted at the 2022 Legislative Goals Conference including Medicaid Expansion, investments in school capital and water infrastructure. Summaries of legislation impacting counties can be found later in this report.

Since 2011, Republicans have controlled both the House and Senate at the General Assembly. When the session commenced, Republicans held a 30 – 20 veto-proof majority in the Senate and a 71 – 49 majority in the House, which was one vote shy of a veto-proof majority. However, in April of this year, Representative Tricia Cotham, a Democrat from Mecklenburg County, switched parties, delivering a veto-proof majority in both chambers. This shift was especially significant as national policy debates played out in North Carolina. The General Assembly enacted legislation related to transgender people's rights in athletics and healthcare ([S.L. 2023-109 Fairness in Women's Sports Act](#); [2023-111 Gender Transition/Minors](#)) and access to abortion ([S.L. 20 Care for Women, Children and Families Act](#)). Legislators also debated legislation expanding gaming ([S.L. 2023-43 Sports Wagering](#)) and medical marijuana ([Senate Bill 3 NC Compassionate Care Act](#)). Well into the fiscal year, the state budget was delayed as Senate and House members debated [legislation](#) to allow the construction and operation of four casinos in the state. Before adjourning in October, the General Assembly took up [redistricting maps](#) for both Congress and the legislature itself. According to several sources statewide, these maps are projected to solidify Republican control of the General Assembly and flip the state's Congressional delegation from 7-7 to 10-4 in favor of Republicans. Legal challenges to these legislative maps are expected.

State Budget

Following a summer long negotiation between the House and the Senate, a budget deal was struck. The General Assembly will spend \$29.8 billion in FY 2023-24 and \$30.9 billion in FY 2024-25. With considerable shortages of teachers and state workers, this budget prioritized salary adjustments by giving most state employees a 7% pay raise across the biennium. Teachers will also receive an average pay raise of 7% in that same time period, while starting teaching pay will increase by 11% to \$41,000 in FY 24-25. Additionally, the budget added an additional \$125 million to the Rainy-Day Fund for a total of just under \$5 billion and cut taxes by \$1.2 billion over the next two years.

The budget also invests billions of dollars in capital and infrastructure projects, including water infrastructure and K-12 public school capital infrastructure, throughout the state. The budget includes more than 2,000 special appropriations, and NCACC urges counties to search the budget document for their counties and municipalities. Counties can search for direct grants at www.osbm.nc.gov/directedgrants-database. In addition to making financial investment in county priorities, the budget also makes various policy changes impacting counties, including the modification of a General Assembly commission to expand the commission's oversight of, and ability to investigate, local governments and local officials (Section 27.10).

More details on the 2023-24 budget can be found [here](#).

Defensive Issues

As housing affordability becomes an ever-increasing issue nationally and locally, preemption of local authority was thematic of the session, with legislators filing dozens of bills aimed at limiting county authority around land use and zoning, including but not limited to preemption of local authority with regards to short-term rentals, temporary dwellings, accessory dwelling



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units, and more. While many of these bills received little or no debate, a few garnered significant discussion and consideration at the General Assembly this year, including [Senate Bill 317 Addressing Workforce Housing Crisis](#), which creates a new type of "workforce housing development" and, except as provided in the legislation, prohibits a local government from implementing or enforcing a zoning regulation, including development standards regulating lot widths, setbacks, density, or building design elements, for workforce housing developments. Additionally, [Senate Bill 675 Land Use Clarification and Changes](#) as filed eliminated all municipal extraterritorial jurisdictions (ETJs) statewide. This was later amended to only eliminate ETJs in counties with a population of 50,000 or less. Additionally, different versions of the legislation prohibited minimum lot sizes greater than 8,700 square feet for one- and two-family homes and prohibited limiting density in any district that allows one- and two-family homes below five structures per acre. The minimal lot size prohibition was removed from the legislation in a Senate committee before the bill moved to the House where it sits for further consideration during the short session.

The issue of workforce and affordable housing will continue to permeate the General Assembly during the upcoming short session and beyond with legislators indicating they are keen to preempt local authority and move to statewide policy to address these issues if need be. The [National Association of Counties' Housing Task Force](#) recently studied the issue of housing affordability, releasing a report of its findings. NCACC encourages our counties to read the [report](#) and the accompanying [best practices and recommendations](#) guide to determine what measures may be best to implement in their counties.

Property tax exemptions were also proposed as a tool to address housing affordability by providing tax relief for certain groups of taxpayers including [the elderly](#), [veterans](#), and [volunteer firefighters](#). NCACC opposed these preemptions of local authority and reductions to the tax base. However, as the issue of housing affordability in North Carolina becomes more acute, NCACC looks forward to partnering with various stakeholders for appropriate statewide solutions.

Local government transparency, particularly around finance, was also a theme of this session. Legislators introduced several bills requiring [additional hearings](#) when passing a county budget, [duplicative notices](#) to taxpayers related to property tax assessments, and [additional disclosures](#) to voters when placing bond referenda on a ballot, which eventually gained approval with its inclusion in the state budget.

Status of 2023 Long Session Legislative Priority Goals

NCACC's [2023-2024 legislative goals package](#) was submitted, debated, and approved by NCACC members through a thorough process from July - November 2022. Thirty-eight legislative goals were approved by NCACC membership including three priority goals outlined below.

Broadband

Priority Goal #1: Seek legislation, funding, and other efforts to expand digital infrastructure/broadband capability to the unserved and under-served areas and residents of the state.

Last biennium, members of the General Assembly invested billions in American Rescue Plan funds to expand broadband throughout the state, a long-standing legislative goal for NCACC. This year, legislators appropriated funds to improve digital literacy and expand capacity for the Department of Information Technology to administer grants. Funds appropriated in this year's budget include:

- \$3.75M in each year of the biennium to supplement existing administrative capacity in support of high-speed internet efforts.
- \$14M from the Growing Rural Economies with Access to Technology (GREAT) program to complete the project to improve broadband access at all 47 rural colleges.
- \$12.5M in 2023-24 and \$6.6M in 2024-25 for an awareness campaign with targeted community-based efforts and digital literacy offerings.
- Legislators also amended the eligibility for the Completing Access to Broadband (CAB) program to exclude eligibility



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to those counties that both (1) are a development tier-three area, as provided in the annual ranking performed by the Department of Commerce pursuant to [G.S. 143B-437.08](#) for the 2023 calendar year and (2) have utilized federal funding for broadband infrastructure projects on or after May 1, 2021, as not eligible. Prior to this change, state policy excluded all counties that had previously utilized federal funding.

K-12 and Community College Capital

Priority Goal #2: Seek additional revenue sources to address statewide public school and community college capital needs and ensure methods used to distribute school capital funding considers the needs of both low-wealth and growing counties. Revisions to the Needs-Based Public School Capital Fund that will allow for more access to counties and allow for faster school construction to include allowing projects that have not previously been awarded a grant to commence and remain eligible for future grant application periods.

The General Assembly addressed K-12 public school and community college capital issues through its work on the state budget. The budget invests over \$400 million in 2023-24 toward public school capital funding via the Education Lottery Fund. This amount equals over 43% of appropriated lottery proceeds. The lottery funds earmarked for public school capital infrastructure flow through three different funds within the Education Lottery Fund as follows:

- \$100M in Public School Building Capital Fund distributed to counties based on school population numbers.
- \$254M FY23-24 in Needs-Based Public School Capital Fund to which counties can apply for grants for specific capital projects.
- \$50M FY23-24 in the recently created Public School Repair & Renovation Fund distributed equally (\$500,000) to each county to be used for enlargement, improvement, expansion, repair, or renovation of classroom facilities at public school buildings, but may not be used for retirement of indebtedness.

The budget also increases the maximum grant awards in the Needs-Based Public School Capital to \$42 million for an elementary school, \$52 million for a middle school, or \$62 million for a high school and provides that if a county declines or otherwise forfeits a grant award, the county may not be awarded an additional grant for 24 months and directs project construction must be initiated within 24 months of award of grant funds.

Additionally, the budget allocates \$100 million via the State Capital Infrastructure Fund (SCIF) in each year of the biennium for new construction and repairs and renovations of community college facilities.

Medicaid Expansion

Priority Goal #3: Support expansion of Medicaid as well as related funding and operational flexibility for counties to expand county workforce and necessary infrastructure.

[Session Law 2023-7 Access to Healthcare Options \(H76\)](#)

With the passage of the state budget, House Bill 76 became law. Medicaid Expansion increases the eligible population to all North Carolina adults 19-64 who have incomes of up to 138% of the federal poverty level including single adults who have income of approximately \$20,000 a year; and parents with low incomes — for a family of 3, this is equivalent to an annual income below \$34,000 a year. This new option for healthcare represents a boon for many counties who have long been challenged to provide services for residents without coverage.

Tying Medicaid Expansion to the passage of the state budget presented challenges as ongoing policy disagreements delayed the legislation. To ensure counties' preparedness, the Department of Health and Human Services provided county support in the form of:

- Various flexibilities and policy changes; automation of communication to beneficiaries, and automatic recertifications
- \$8.335M lump sum funding to kick start hiring eligibility workers, and



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- Various technical supports.

S.L. 2023-7 also includes funding to counties to support Medicaid Expansion:

- \$1.667M per month for each month that Medicaid expansion is effective for fiscal year 2022-2023 and 2024; \$20M per fiscal year
- \$29.6M for fiscal year 2024-25
- \$31.2M for fiscal year 2025-26

In following years, county funding will increase over the prior year's quarterly amount according to the Consumer Price Index. Expansion went live December 1, 2023.

Enacted Legislation Impacting Counties

Land Use, Planning, and Zoning

[Session Law 2023-108 Code Council Reorg. and Var. Code Amend. \(H488\)](#)

Provides a county may only require connection of an owner's premises to a sewer line if the county has adequate capacity to transport and treat the proposed new wastewater from the premises at the time of connection. The law also prohibits local governments from requiring payments from owners of stormwater control system for future maintenance or replacement costs of a system. Additionally, the law requires local governments issuing stormwater permits to transfer such permits in accordance with requirements for transfer of state-issued effective when they became law notwithstanding the objections of the governor on August 16, 2023. The law also reorganizes the Building Code Council and creates the Residential Code Council. This portion of the law is effective January 1, 2025.

[Session Law 2013-142 Surveyors Right of Entry/Expend. Comm. Bldg. \(S677\)](#)

Requires local governments to perform plan review and issue building permits for commercial and multifamily building plans that require the seal of an engineer or architect within 45 days after the applicant has submitted a permit application with the necessary plans and sufficient information, unless otherwise agreed to by the applicant and local government. The local government has an additional 10 business days to issue applicable permits in the event it requests additional information or requires plan resubmission with changes. Creates the option for a pre-submittal meeting prior to permit applicants to determine if the applicant has the necessary plans and sufficient information the local government requires for building permit plan review. At-risk building foundation and at-risk building structure permit options are available to applicants utilizing the pre-submittal meeting option. Provides a process for third-party plan review and provides limited liability to local governments issuing permits based on third-party review. The bill became law without the governor's signature. Effective July 1, 2024, and applies to permit applications submitted on or after that date.

Tax & Finance

[Session Law 2023-59 Reimburse Late Audit Costs with Sales Tax Rev. \(S299\)](#)

Establishes a sales and use tax withholding penalty for local governments failing to submit a timely annual audit. The maximum amount withheld may be 150% of the cost of the required annual audit for the local government unit. Sets out procedure for the release of withheld funds after the annual audit has been received, or two years have passed since the commencement of fund withholding. Establishes warning notice requirements to local governments that do not submit an audit within nine months of the local government unit's end. Effective January 1, 2024, and applies to audits for fiscal years ending on or after June 30, 2023.



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Infrastructure

[Session Law 2023-55 Water and Wastewater Regulatory Relief Act \(S673\)](#)

Changes the wastewater flow rate for new dwellings to 75 gallons per day per bedroom. Changes permitting requirements for sewer line extensions to wastewater treatment systems owned by municipalities, counties, districts, or public utilities. Changes how river basins are defined to account for the U.S. Geological Survey for subbasin water transfers. Increases the amount of water allowed to be transferred from one basin to another. The law also provides that a local government may impose a system development fee to recoup costs incurred by the local government unit to purchase capacity in, or reserve capacity supplied by, capital improvements or facilities owned by another local government unit but would clarify that the system development fee does not include any charge or fee paid for such capacity. Effective when signed into law on June 15, 2023.

Elections

[Session Law 2023-139 No Partisan Advantage in Elections \(S749\)](#)

Revises the structure of the North Carolina State Board of Elections and county boards of elections. At the state level, the law increases the number of members from five members to eight members and removes the governor's appointment power over the State Board of Elections and vests that duty to majority and minority leaders in the General Assembly and state party chairs. Regarding county boards of the elections, the law:

- Reduces the number of board members from 5 to 4.
- Provides the board members be appointed as follows:
 - One member appointed by the President Pro Tempore of the Senate.
 - One member appointed by the Speaker of the House of Representatives.
 - One member appointed by the minority leader of the Senate.
 - One member appointed by the minority leader of the House of Representatives.

The law also makes changes to the method by which county elections directors are appointed. As originally filed and passed by the Senate, the bill changes this method by shifting the responsibility of filling a vacancy to the county board of commissioners, rather than the county board of elections. However, the final version of the bill allows the Director of the State Board of Elections to appoint an interim county elections director when there is a vacancy and the county board is unable to reach consensus on a candidate to fill it. Effective January 1, 2024.

[Session Law 2023-140 Election Law Changes \(S747\)](#)

Makes comprehensive election law changes impacting counties. Changes include but are not limited to:

- Requires absentee ballot to be accepted by Election Day.
- Prohibits accepting private money to administer elections.
- Launches a pilot program for some counties to use signature verification software for absentee ballots.
- Establishes a process for periodic removal of ineligible voters, including the deceased, convicted felons, and those who have moved.
- Amends same-day registration to remove ballots if the registration is not confirmed by a county election board's verification mailing.
- Requires that unaffiliated voters are eligible to vote in a political party's primary, removing the ability of parties to opt out of doing so.
- Makes early voting a unique method rather than a subset of absentee voting, bringing North Carolina in line with how other states handle the process.
- Mandates that election officials keep a log of the names and addresses of any adult who enters a voting place, except for voters, election officials, observers, and runners.
- Makes various changes to the statutes related to poll observer appointments, access, and permitted activities.

Effective January 1, 2024, and applies to elections on or after that date.



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Justice and Public Safety

[Session Law 2023-6 Prevent Rioting and Civil Disorder \(H40\)](#)

Increases penalties associated with rioting offenses, including those related to assault, injury, or death of emergency personnel during a riot or state of emergency. The bill became law without the signature of the governor. Effective December 1, 2023, and applies to offenses committed on or after that date.

[Session Law 2023-8 Guarantee 2nd Amendment Freedom and Protections \(S41\)](#)

Repeals the requirement to obtain a pistol purchase permit from a sheriff prior to the purchase or transfer of a pistol. Additionally, authorizes, under certain conditions, the carrying of a handgun at a place of religious worship that is also educational property. Exempts public schools by providing that property owned by a local board of education or county commissioners may not be construed as a religious place of worship. Also, launches a statewide firearm safe storage awareness initiative and facilitates the distribution of gun locks. Became law notwithstanding the objections of the governor on March 29, 2023.

[Session Law 2023-45 Probation Modifications/Sheriff Authority \(H87\)](#)

Among other things, exempts sheriff's offices from certain state contracting requirements when contracting for food services at detention facilities. Effective June 7, 2023, when signed into law.

[Session 2023-76 Protect Those Who Serve and Protect Act \(H34\)](#)

Increases punishment for certain crimes committed against law enforcement or other emergency personnel while the person or animal is in the performance of his or her duties. Effective December 1, 2023, and applies to offense committed on or after that date.

[Session Law 2023-92 Emergency Management Mods \(H814\)](#)

Makes various changes to the Emergency Management Act including establishing the North Carolina Geodetic Survey as the authoritative source for North Carolina county and state boundary information, and permits the use of light detection and ranging (or "Lidar") in determining county boundaries. The law also amends the powers of the Division of Emergency Management as follows:

- Removes the authority to establish a voluntary model registry for identifying functionally and medically fragile persons in need of assistance during an emergency.
- Authorizes the Division to contract for services from vendors specializing in certain functions related to hazard mitigation.
- Requires the Division to establish and maintain a Statewide Interoperability Coordinator (SWIC) to coordinate voice and data interoperability programs, processes, and initiatives.
- Requires the Division to support local, regional, state, and federal disaster communications planning and response through integrated planning.

Effective when signed into law on July 10, 2023.

[Session Law 2023-104 Firefighters Criminal History Record Checks \(H378\)](#)

Provides that, for firefighters who have been North Carolina residents for five or more years, criminal background checks may be conducted through the Department of Public Safety, clerk of superior court or a third-party vendor. Clarifies that criminal history record checks are required only when the individual is being offered a position. Effective when it became law on July 13, 2023, and applies to applications submitted and current members serving on or after that date.

Health and Human Services

[Session Law 2023-14 Care for Women, Children, and Families Act \(S20\)](#)

In addition to amending various laws related to abortion in North Carolina, revises the law regarding the safe surrender of infants who may be physically abandoned or harmed by a parent. The law sets forth duties of a department of social services office which received a surrendered infant. The law also expands access to, and appropriates funding for, childcare.



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Appropriates funds for adoption and foster care services. The law directs the Legislative Research Commission to study and report on streamlining adoption and foster care laws. Appropriates funding to the North Carolina Community College System for NC Finish Line grants to help community college students complete their training when facing unforeseen challenges. Became law notwithstanding the objections of the governor on May 16, 2023.

[Session Law 2023-15 Control Subst./Opioid/Vaccine/At Home Omnibus \(S206\)](#)

Among other things, the law expands the state's definition of opioid antagonist from only naloxone hydrochloride to include all opioid antagonists approved by the FDA for the treatment of a drug overdose. Effective when signed into law on May 19, 2023.

[Session Law 2023-65 Dept. of Health and Human Services Revisions \(H190\)](#)

Aligns a state-county special assistance program with federal regulations by removing a person's primary residence from the property tax base when that owner has insufficient resources to provide "a reasonable subsistence compatible with decency and health." Effective when signed into law on June 27, 2023.

Expands the type of qualified professionals eligible to serve as county medical examiners. Effective when signed into law on June 27, 2023.

Amends NCGS §90A-53 to shorten the work experience in the field of environmental health practice necessary to receive a certificate as a Registered Environmental Health Specialists from two years to one year. This section is effective on October 1, 2023.

Regulatory Reform

[Session Law 2023-138 Regulatory Reform Act of 2023 \(H600\)](#)

Makes various regulatory changes impacting counties, including various stormwater and wastewater provisions and zoning and development regulations.

Additionally, prohibits local governments from regulating the operation of an online marketplace or requiring an online marketplace to provide personally identifiable information of users unless pursuant to subpoena or court order. The law also prohibits local governments from adopting certain ordinances, rules, and regulations related to battery-charged security fences and establishes requirements for battery-charged security fences. Other provisions of the law impacting counties include:

- Prohibits nutrient offset banks approved by NC Department of Environmental Quality (DEQ) and owned by a unit of local government from selling nutrient offset credits to any entity other than a government entity or unit of local government.
- Prohibits local government zoning and development regulations from requiring additional entrances into a residential subdivision that are not in compliance with the number of entrance requirements into a residential subdivision set forth in the Fire Code of the North Carolina Residential Code for One- and Two-Family Dwellings.
- Expands the definition of "emergency" to include a "disruption in the supply chain that creates a significant threat to a local government's ability ... to provide essential services such as electricity and water."
- Effective when it became law notwithstanding the objections of the governor on October 10, 2023.

Public Education

[Session Law 2023-107 Charter School Omnibus \(H219\)](#)

Authorizes counties to provide capital funds to charter schools for the purposes of the following:

- The acquisition of real property for school purposes, including, but not limited to, school sites, playgrounds, and athletic fields.
- The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures,



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including, but not limited to, buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, and gymnasiums.

- The acquisition or replacement of furniture and furnishings, instructional apparatus, technology, data processing equipment, business machines, and similar items of furnishings and equipment.

Additionally, the law adds to the statutes the above authorization as a purpose for which a county may levy property taxes. Effective when it became law notwithstanding the objections of the governor on August 16, 2023.

Environment

[Session Law 2023-27 Cities/Remove & Dispose of Abandoned Vessels \(S465\)](#)

Extends the authority granted to 20 coastal counties under the Coastal Area Management Act of 1974 to adopt ordinances to prohibit the abandonment of vessels within the navigable waters of the county's ordinance-making jurisdiction and provide for the removal and disposal of abandoned vessels to all counties and cities in the state. Effective when signed into law on June 2, 2023.

[Session Law 2023-58 Energy Choice/Solar Decommissioning Rqmts. \(H130\)](#)

Prohibits local governments from adopting any ordinance that prohibits any energy service based on the type or source of energy to be delivered to the end-user of the energy service. This provision is effective when the legislation went into law without the governor's signature on June 26, 2023.

The law also requires owners or operators of utility-scale solar projects to responsibly decommission the project upon cessation of operations, and to establish financial assurance to cover the decommissioning. The requirements for decommissioning and registration established under this law become effective November 1, 2025, and apply to utility-scale solar projects constructed prior to or after that date.

[Session Law 2023-67 Expedite Water/Wastewater Franchise Transfer \(H455\)](#)

Expedites the transfer, merger, or consolidation of water or wastewater public utilities by setting shot clock windows with the Utilities Commission. Effective when signed into law on June 21, 2023.

[Session Law 2023-77 On-Site Wastewater Rules Implementation \(H627\)](#)

Sets forth 20 wastewater rules and requires the Commission for Public Health to implement those rules. Effective January 1, 2024.

[Session Law 2023-90 Amend On-Site Wastewater/Environment Statues \(H628\)](#)

Makes changes to the statutes governing on-site wastewater systems when improvements are made. Changes the requirements for inspections of private drinking water wells. These provisions are effective when signed into law on July 10, 2023.

Establishes a registered health associate certification under the Board of Environmental Health Specialist Examiners. Effective May 1, 2024.

[Session Law 2023-138 Clean Energy/Other Changes \(S678\)](#)

Relabels "renewable energy resources" as "clean energy resources" in the state's Renewable Energy Portfolio Standard and adds nuclear fission and fusion into the definition of clean energy. Additionally includes a section requiring local governments to acquire permission from the Local Government Commission when transferring a public enterprise to a nongovernment entity.

Effective when it became law notwithstanding the objections of the governor on October 10, 2023.



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Agriculture

[Session Law 2023-63 North Carolina Farm Act of 2023 \(S582\)](#)

Among other things, considers the sale of honey as qualifying gross income for purposes of the present-use value program for agricultural land. Clarifies that a facility that recycles turkey brooder litter is a bona fide farm purpose that is exempt from county zoning. Exempts compost from sales tax for qualifying farms. Clarifies the definition of "property-hauling" vehicles for taxation and registration. Encourages public schools to make 100% muscadine grape juice available to students statewide. Effective when it became law notwithstanding the governor's objection on June 27, 2023.