



TOP NCHBA LEGISLATIVE ACCOMPLISHMENTS IN THE 2025 SESSION

"The 2025 legislative long session was both productive and challenging. Our legislative team successfully achieved our top priority—stopping harmful housing legislation from becoming law—while also advancing pro-housing measures. In a session where only 97 bills passed both chambers, these accomplishments are especially significant. As we look ahead to the remaining sessions this year and the 2026 short session, we are well positioned to build on our legislative success," said Tim Minton, NCHBA Executive Vice President.

A. Pro-Active Accomplishments and Successes Working with Others

1. HB 47: Disaster Recovery Act of 2025 - Part I

Status: Session Law 2025-02

In support of rebuilding efforts in Western North Carolina following Hurricane Helene, HB 47 includes provisions delaying implementation of the 2024 building codes. Under this measure, the codes will not take effect until the Residential Code Council is fully seated and all volumes of the 2024 codes are officially published. Once those conditions are met, the codes will take effect 12 months after proper notification. This delay provides regulatory certainty during the critical months ahead.

The extension ensures that the full set of codes can be published in a timely manner, allowing contractors sufficient opportunity to review and adapt to the changes across both code volumes. It also guarantees that a fully seated council will be in place to promptly address any necessary adjustments to the 2024 codes, should issues arise.

Furthermore, because the 2024 codes were approved through the formal rulemaking process, builders will retain the flexibility to use the alternative compliance method for construction when it best meets their project needs.

Governor Stein has submitted seven candidates for appointment to the Residential Building Code Council. However, none of these nominees have undergone the confirmation process at this time (September 30, 2025).

HB 47 also extends the suspension of locally authorized tree ordinances and lengthens the validity of certain permits in counties designated as disaster areas. These provisions will remain in effect until the Governor's statewide emergency declaration is lifted. The permits covered under this extension include building permits, waivers allowing sedimentation pollution control plans to be submitted and approved after certain land-disturbing activities begin, and authorizations to connect temporary housing units to wastewater treatment systems.

Finally, the bill allows for the reconstruction or repair of nonconforming residential structures if certain criteria are met. To qualify, the structure must:

- Not exceed its original footprint
- Serve the same or a similar residential use
- Have no feasible alternatives for replacement that comply with current law
- Be rebuilt to comply with local development regulations as much as possible
- Meet floodplain or flood damage prevention regulations, if applicable

- Comply with any relevant federal laws.

Key Legislators: Representatives Bell (R-Wayne), Mark Brody (R-Union)

2. HB 559: Elevators/Interim Code Council Appt

Status: Session Law 2025-63

Initially, this legislation dealt with elevator regulations and elevator permit fees. However, the bill was amended at our request to include an important provision impacting the newly created building code councils. Session Law 2024-49 outlined a process allowing the Governor to make interim appointments to the Residential Code Council when the General Assembly has adjourned for more than 10 days. House Bill 559 modifies the interim appointment process, and precludes interim appointments from being made unless the General Assembly has adjourned for 90 days or more. This provision represents a practical adjustment as legislators continue to work through the implementation of the two new code councils. This procedural modification applies to both the new Residential Building Code Council and the existing Building Code Council.

Key Legislators: Representative Julia Howard (R-Davie) and Senator Steve Jarvis (R-Davidson)

3. HB 768: Emerg. Comm. Code Exempts/Sanitary Board/401

Status: Session Law 2025-50

The legislation directs the North Carolina Building Code Council to amend state codes to clarify exemptions from in-building emergency responder communication requirements. These changes will exempt certain residential or low-risk structures and will reduce unnecessary compliance costs. Local enforcement of these requirements is suspended until permanent rules are adopted.

In addition to code clarifications, HB 768 includes two additional provisions. It establishes a process for filling vacancies on sanitary boards, ensuring operational continuity. It also outlines statutory procedures for the Department of Environmental Quality (DEQ) to process 401 Water Quality Certifications for projects qualifying for general permits. It is expected that this provision will streamline reviews and provide regulatory certainty for applicants.

Key Legislators: Senator Steve Jarvis (R-Davidson) and Representative Mark Brody (R-Union)

4. SB 472: Coastal Regulatory Reform

Status: Session Law 2025-48

Senate Bill 472 contains three components designed to streamline and clarify various environmental regulations in North Carolina. First, it revises the process for issuing Section 401 water quality certifications by requiring the state to complete reviews within specific timeframes, ensuring more predictable and timely permitting. Second, it establishes clear criteria and deadlines for approving upland basin projects, mandating that qualifying applications be approved after meeting clear criteria. Third, the bill clarifies that man-made ditches are exempt from certain coastal oversight requirements, reducing unnecessary regulatory burdens on these artificial features.

Key Legislators: Representatives Carson Smith (R-Pender) and Cairnes (R-Carteret) Senators Steve Jarvis (R-Davidson) and Bill Rabon (R- Brunswick)

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5. HB 926: Regulatory Relief Act of 2025

Status: Session Law 2025-94

The 2025 comprehensive package contains several provisions of particular importance to home builders. Many of these provisions were among NCHBA's legislative priorities, including three central elements carried over from HB 661 (Building Efficiency Act of 2025):

Exempt Model Homes from Fire Protection Water Supply Requirements

Allows model homes under construction to be exempt from water supply requirements when full fire-flow development is impractical or pending. This change enables model homes to be built and displayed more quickly once a temporary Certificate of Occupancy is issued. Importantly, no other homes in the development may proceed, and no staff or members of the public may enter the model home until the water supply is available.

Limit Municipal Street Standards

Prohibits local governments from requiring roadway pavement design standards that are more stringent than the minimum pavement design standards adopted by the North Carolina Department of Transportation (NCDOT) for both public and private roads.

Prohibit Fees for Certain Inspection Cancellations

Prevents local inspection departments from charging fees or failing an inspection when a permit holder cancels a scheduled inspection at least one business day in advance.

No Second Bite for Stormwater Permitting Review

Prohibits the Department of Environmental Quality (DEQ) from requesting additional information during a stormwater permit review that was not previously identified as missing or required by DEQ during their initial review.

Multijurisdictional Developments

Allows developers to proceed under the regulations of one jurisdiction when a property spans multiple local governments. If no mutual agreement exists, the developer may elect to follow the rules of the jurisdiction where the majority of the development lies.

Prohibit Waiting Periods on Refiled Applications

Prevents local governments from imposing waiting periods on applicants who withdraw or are denied zoning map amendments, text amendments, or development approvals. This reform ensures developers can promptly refile development applications without unnecessary delays.

Key Legislators: Representatives Jeff Zenger (R-Forsyth), Allen Chesser (R-Nash) and Dennis Riddell (R-Alamance), Senators Steve Jarvis (R-Davidson), Tim Moffitt (R-Henderson), Tom McInnis (R-Moore)

6. SB 449: Continuing Budget Operations Part IV.

Status: Session Law 2025-97

This legislation authorizes the Environmental Management Commission (EMC) to establish its own independent professional staff to serve the EMC directly. In recent years, the Department of Environmental Quality (DEQ) has repeatedly declined to carry out directives from the EMC, including refusing to prepare accurate regulatory impact analyses and delaying drafting rules it opposes. The new provision strengthens the EMC's independence and reinforces its statutory role as North Carolina's policymaking body for environmental matters.

The mini-budget also included a provision extending certain development-related approvals in counties impacted by Hurricane Helene. Specifically, any government approval valid as of September 25, 2024 will be automatically extended for 12 months beyond its original expiration date. Additionally, current tree ordinance restrictions in affected counties are extended under this measure.

Key Legislators: Representatives Dean Arp (R-Union), Senator Brent Jackson (R-Sampson), Speaker Destin Hall (R-Caldwell), Senator Phil Berger (R-Rockingham)

7. HB 661: Building Industry Efficiency Act of 2025

Status: Passed the House

HB 661 serves as an omnibus building code regulatory relief bill. The legislation has successfully passed the House and is expected to remain a viable vehicle throughout the remainder of the long session and, if necessary, into the short session. It will continue to carry provisions critical to the home building industry.

The following provisions were included in the version of the bill that passed the House in the days leading up to adjournment:

- Prohibit Fees for Certain Inspection Cancellations**

Prohibits local building inspection departments from charging a fee or failing an inspection when a permit holder cancels a scheduled inspection at least one business day in advance.

- Limit Methodology and Construction Standards for Certain Municipal Streets**

Limits municipalities from imposing design and construction standards for new streets and highways that are stricter than those used by the North Carolina Department of Transportation (NCDOT) when non-municipal funds are involved. NCDOT retains authority over street connections to the public system.

- Limit Design Methodology and Construction Standards for Certain Private Streets**

Limits municipalities from imposing design and construction standards for private streets that are stricter than NCDOT standards. Requires acceptance of engineered designs below NCDOT standards if certified by a licensed engineer, and mandates buyer disclosure and liability protection for local governments.

- Acceptance of Developer-Built Pedestrian Facilities and Street Improvements**

Requires municipalities and counties to accept into their public road systems any pedestrian facility or street improvement constructed by a developer within a public right-of-way located outside the project boundary—except when the right-of-way is controlled by NCDOT.

- Amend Public Street Dedication Abandonment Process**

This section clarifies that if a street was dedicated to a local government on December 22, 1978, but the local government has not developed or maintained the street in over forty-five (45) years, the rights to the street revert back to the property owner. Nothing in this section impairs, extinguishes, or otherwise affects any private easements or other vested property rights.

- Exempt Model Homes from Fire Protection Water Supply Requirements**

Exempts model homes under construction from fire protection water supply requirements in cases where full fire-flow development is impractical or pending. By allowing the model home to be built

During this period, it will allow home builders to present their product in a more timely manner once the temporary Certificate of Occupancy is approved after the water is approved and available. No other homes will start until the water supply is approved. There will be no occupants (salespeople, public, etc.) in the model home until the water is turned on if this provision becomes law.

- **Technical Correction to Building Code References**
Makes technical corrections to statutory references to clarify the proper designation of building code volumes.
- **Amend State Building Code (Commercial) to Exempt Building Emergency Responder**
This section directs the North Carolina Building Code Council to amend the State Building and Fire Codes to exempt certain low-rise apartment and lodging buildings from in-building emergency responder communication coverage requirements and to address treatment of existing systems in exempted buildings, with these exemptions applying immediately until permanent rules are adopted.
- **Exempt Plumbing and Heating Contractor Board Investigative Records from Public Records**
Exempts investigative records of the Plumbing and Heating Contractor Board from public disclosure, making them confidential unless introduced as evidence in a Board hearing.
- **Exempt Electrical Contractor Board Investigative Records from Public Records**
Exempts investigative records of the Electrical Contractor Board from public disclosure, making them confidential unless introduced as evidence in a Board hearing.
- **Exempt Certain Construction Trades from General Contractor Licensure**
Exempts specific construction trades—such as floor covering and painting—from general contractor licensure requirements.
- **Remove Engineering Foundation Credit Requirement**
Removes the requirement for the Board for General Contractors to credit remaining funds to the North Carolina Engineering Foundation for the benefit of the NCSU School of Engineering.
- **Amend Disciplinary Authority of the General Contractors Licensing Board**
Amends the authority of the North Carolina Licensing Board for General Contractors regarding disciplinary actions.
- **Prohibit General Contractor Reexamination if Court Judgment Remains Unpaid**
Prohibits applicants from taking a licensing examination offered by the Board until any outstanding court-awarded judgment has been paid in full.
- **Modernize General Contractor Statutes**
Makes various updates to statutory references relating to general contractor regulations.
- **Certify Residential Changeout Special Inspectors and Create Alternate Inspection Method**
Authorizes the Code Enforcement Qualification Board to certify inspectors for residential changeout work and to establish an alternate inspection method to improve efficiency and safety.
- **Clarify Public Pool Laws Regarding Private Pools and Cold Baths**
Clarifies that private pools and certain public cold baths are excluded from public swimming pool regulations, provided specific conditions are met.
- **Increase Formal Bidding Threshold for Public Contracts**
This section raises the formal bidding threshold for public construction contracts to \$1.5 million (from \$500,000) and for purchases of supplies and equipment to \$180,000 (from \$90,000).

Key Legislators: Representatives Mark Brody (R-Union) and Carla Cunningham (D-Mecklenburg)

6. HB 765 Save the American Dream Act and SB 205: Swimming Pools/Housing Regulatory Reform

Status: Awaiting Action in the House

The legislation began as an all-encompassing bill aimed at reducing the cost of housing by reforming development regulations that add unnecessary expense and delay to homebuilding. The original version of the

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bill included more than 20 provisions addressing planning authority, zoning regulations, fees, infrastructure, and development rights. Notably, it also included "by-right" zoning densities, which established minimum residential density requirements based on population thresholds across the state. These provisions were intended to ensure that growing communities accommodate sufficient housing supply to meet demand, and to prevent local governments from using zoning to artificially restrict density or impose costly conditions, many of which are prohibited by law, in an effort to drive up the price of housing.

The bill passed out of the House Housing and Development Committee in May and was subsequently shuffled between committees as the House GOP caucus continued to debate its provisions.

After several legislators expressed concerns about House Bill 765 and reported being pressured to oppose the bill by local government officials in their districts, the bill was pared down and moved to a new legislative vehicle.

SB 205 reflects a refined effort to remove unnecessary regulatory barriers, protect housing affordability, and uphold clear limits on local authority under state law. The following provisions are included in the latest version of the bill.

- **Swimming Pool Regulations**
Prohibits local Boards of Health from regulating private swimming pools serving single-family dwellings, including pools rented through short-term rental platforms.
- **Local Development Authority and the Dillon Rule**
Clarifies that local governments only have regulatory authority expressly granted by the General Assembly. Helps limit unlawful local requirements that drive up development costs.
- **Grant of Power**
Prohibits local governments from imposing zoning conditions beyond their statutory authority, including excessive density limits and conflicting infrastructure standards that often lead to orphan roads.
- **Curb Cut Regulations**
Clarifies city authority to regulate driveway (curb cut) connections into streets or alleys.
- **Zoning Based on Density**
Defines a dwelling unit under the NC Residential Code and requires residential districts to be based on units per acre instead of minimum lot size. The provision is intended to encourage higher density and clarify conditional zoning procedures.
- **Vested Rights During Emergencies**
Extends vested rights and permit choice protections during declared emergencies like hurricanes, ensuring developers don't lose entitlements due to construction delays beyond their control.
- **Split Jurisdiction**
Establishes clear rules for properties that fall within more than one local government's boundaries.
- **Permit Choice in Conditional Zoning**
Clarifies that permit choice protections apply to conditional zoning decisions, allowing applicants to proceed under rules in place at the time of application.
- **Administrative Staffing Requirements**
Requires local governments to designate staff to implement and enforce development regulations. Allows for shared or contracted staffing and defines proper fee use.
- **Rezoning Application Deadlines**
Local governments must determine application completeness within 7 days and approve or deny completed applications within 90 days—or they are automatically approved.
- **No Waiting Periods for Refilling Applications**
Prevents local governments from imposing delays on applicants seeking to refile denied or withdrawn development proposals.

- **Development Application Review Process**
Sets a 14-day deadline for determining completeness of development applications and a 90-day limit for decisions—otherwise, applications are automatically approved.
- **Civil Actions Against Regulations**
Allows individuals and associations with legal standing to challenge local development regulations or decisions through civil action.
- **Expanded Private Remedies**
Permits individuals or entities to enforce Chapter 160D via civil action and recover damages, costs, and attorney's fees.
- **Attorney's Fees**
Reinforces that prevailing parties in actions to enforce Chapter 160D are entitled to attorney's fees and equitable relief.
- **Plan Consistency**
The change makes plan consistency determinations subject to legal challenge, ensuring local governments cannot make arbitrary decisions on zoning map amendments. This provides a legal safeguard by allowing courts to review whether zoning map amendments align with comprehensive or land-use plans.
- **Local Government Financial Reporting**
Requires local governments to publish annual reports by October 1 showing how building code enforcement fees were used in the previous fiscal year.
- **NCDOT Performance Guarantees**
Mandates that the Division of Highways accept performance guarantees to ensure completion of subdivision streets, streamlining local infrastructure approval.
- **Severability and Effective Date**
Standard clauses ensuring legal continuity and setting the bill's effective date.
- **Subdivision Plat Procedures**
Clarifies standards and review timelines for approving subdivision plats, requiring administrative decisions and inter-agency input. Once approved and recorded, plats remain valid unless further development is requested.

As of summer 2025, the bill remains in play for future action. We remain hopeful that it will receive a hearing later this fall or during the 2026 short session.

Key Legislators: Representatives Matthew Winslow (R-Franklin), Jeff Zenger (R-Forsyth), Mark Brody (R-Union), and Carla Cunningham (D-Mecklenburg)

7. HB 402: Limit Rules with Substantial Financial Costs

Status: Session Law 2025-82

In an effort to place guardrails on agency rulemaking powers and enhance legislative oversight, House Bill 402 introduces several key reforms to the state agency rulemaking process. This piece of legislation promises significant benefits to the homebuilding industry. It amends the state's Administrative Procedure Act (APA), introducing new cost thresholds and procedural requirements for the adoption of state agency rules, ensuring enhanced legislative oversight over regulations that may impose substantial financial burdens on North Carolina businesses and citizens.

Key provisions of House Bill 402 include the following:

- **Ratification of High-Cost Rules:** Any permanent rule projected to impose \$20 million or more in aggregate costs over a five-year period must now be ratified by the General Assembly before it can take effect.
- **Approval Requirements for Moderate-Cost Rules:** Rules expected to impose costs between \$1 million and \$10 million require approval by a two-thirds supermajority vote of the respective agency's board or commission. For rules with projected costs exceeding \$10 million, unanimous approval is mandatory.
- **Enhanced Fiscal Accountability:** Agencies are mandated to prepare a detailed fiscal note, subject to approval by the Office of State Budget and Management (OSBM). This fiscal note must comprehensively assess the aggregate financial costs imposed on all affected parties, ensuring a thorough and transparent evaluation of the economic impact of the proposed rule.

This legislation will apply to building code amendments adopted by the Residential Code Council and is designed to ensure that any costly new requirements undergo thorough review and oversight before being implemented.

Key Legislators: Representatives Allen Chesser (R-Nash), John Bell (R-Wayne), Jeff Zenger (R-Forsyth) and Mike Schietzelt (R-Wake)

8. SB 391: DOT Omnibus

Status: Session Law 2025-47

This legislation establishes clear boundaries for certain rights of way and easements maintained by the North Carolina Department of Transportation to address past property transactions that were not properly documented or recorded. When no formal document exists describing the limits of a right of way or easement, the law now defines those boundaries based on the Department's typical maintenance practices. This ensures consistency for property owners and developers interacting with state-maintained roadways. The law also prevents the Department from requiring developers to sign hold harmless agreements or from taking any actions that would violate constitutional protections related to property rights.

The legislation further addresses situations where developers are required to construct offsite improvements as a condition of obtaining a permit. If acquiring the necessary right of way or easement proves unsuccessful despite a good faith effort by the developer, the Department must collaborate with the developer to modify the project so that no additional property is needed. The developer's good faith effort must include documented attempts to reach property owners.

Key Legislators: Representative Brenden Jones (R-Columbus), Senator Michael Lazzara (R-Onslow), Senator Vickie Sawyer (R-Iredell), Senator Bill Rabon (R-Brunswick)

9. SB 765: A Joint Resolution providing for the confirmation of Regina Smith Adams to the Board of Review

Status: CH. RES. 2025-06

Regina Adams was confirmed by both the House and Senate, securing her second term on the Board of Review. She was unanimously confirmed in both chambers. The Board plays a crucial role in maintaining balance in the unemployment system and serves as the final arbiter in disputed cases concerning unemployment benefits.

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Regina fills the employer slot on the Board and was widely supported by the business community, including the NC Retail Merchants, the NC Chamber, and NCHBA.

Key Legislators: Senator Bill Rabon (R-Brunswick) and Representative John Bell (R-Wayne)

10. SJR 768: A Joint Resolution relating to the appointment of Kenneth Goodman to the North Carolina Industrial Commission

Status: CH. RES. 2025-07

The commission administers and adjudicates claims in the state's workers' compensation system. NCHBA, the NC Chamber and the NC Retail Merchants Association led business community efforts in 2011 to bring about needed workers' compensation reforms including legislative confirmation of nominees to the Industrial Commission. Mr. Goodman was approved unanimously in both chambers and will serve his second term on the Commission.

Key Legislators: Senator Bill Rabon (R-Brunswick) and Representative John Bell (R-Wayne)

B. BILLS SPECIFICALLY AFFECTING OUR INDUSTRY WHICH NCHBA SUCCESSFULLY OPPOSED

1. House Bill 348: Annexation of PUV Land/School Capacity and Senate Bill 401: NC Farm Act of 2025

HB 348 would have imposed new restrictions on voluntary municipal annexation authority. The bill proposed requiring cities to obtain approval from county commissioners before annexing land enrolled in the Present-Use Value (PUV) program for agricultural use. This would have added a new layer of bureaucracy and potentially slowed development efforts. In order for this provision to apply, all the following conditions would have to be met:

- Counties with a population of 150,000 residents
- Agricultural land, forestland, or horticultural land
- Been enrolled in present-use value taxation within the previous three calendar years
- Is not contiguous to the city's primary corporate limits.
- Is not within the city's extraterritorial planning jurisdiction

As part of the legislation, if the county commission determined that the new development would increase school capacity greater than 100%, then the county commission could require the municipality to pay an undetermined fee. Most likely, the municipality would then require the developer to pay the undetermined fee. While the bill claimed to protect farmland, it appeared to also create a back door approach to require school impact fees.

If the legislation had passed, our members would have seen unnecessary delays, higher costs, and an even more complicated annexation process. NCHBA worked with Representative Mark Brody, Senator Brent Jackson, and others to successfully oppose and defeat this measure for now. A similar provision was included in HB 401: NC Farm Act of 2025 but was also defeated.

Key Legislators: Representatives Mark Brody (R-Union), Matthew Winslow (R-Franklin), Senator Brent Jackson (R-Sampson)

2. Senate Bill 401 (SB 639): NC Farm Act of 2025

Status: Conferees Appointed