Commercial Law and Consumer Protection

See full summary documents for additional detail

Credit Union Update – Various Revenue Laws Changes.

SL 2026-31 (S595), Part XI

Part XI of S.L. 2026-31 (Senate Bill 595) expands the powers of the Administrator of Credit Unions (Administrator), expands the powers of credit unions to offer additional financial services, expands the field of membership, expands investment authorities, lowers the number of people needed to organize a new credit union, expands the Administrator's authority for surety bonds, and updates language regarding minor accounts.

Article 14B – Supervision and Regulation:

- Allows the Administrator to assess a civil penalty not to exceed $500.00 for violation of any section of Articles 14A to 15A of Chapter 54.
- Allows the Administrator to increase the penalty for a late report from $75.00 to a range of $75.00 – $750.00 per day.
- Updates record keeping requirements.
- Removes the requirement for the Administrator to establish rules and regulations relating to the selection of attorneys for credit union loan closings.
- Requires administrative hearings to be conducted in accordance with Article 3A of Chapter 150B (Administrative Procedure Act), unless otherwise provided, and provides the procedure for an appeal.
- Expands the Administrator's ability to remove officers, directors, committee members, or employees, makes the removal immediate upon service of the notice of removal, and provides a procedure to appeal for those subject to removal.
- Allows the Administrator to temporarily waive compliance or suspend compliance requirements during a natural disaster or national, regional, State, or local emergency.
- Creates a new cease and desist authority, where the Administrator can issue and serve upon a credit union an order to cease and desist from one or more unsafe or unsound practices or violation if certain conditions are met.
- Gives the Administrator authority to conduct an investigation, with background checks, of any employee, officer, director, or committee member when the Administrator has reason to believe the person is likely to affect the safety or soundness of the credit union, or when considering:
    - Applications for new charters.
    - Changes to those positions in credit unions in a troubled condition.
    - A managing agent or manager in a conserved credit union.
- Makes technical and clarifying changes.

Article 14C – Powers of Credit Union:

- Expands financial services offered, such as safe deposit boxes, custodial services, correspondent services, and electronic transfer of funds.
- Streamlines the procedure to expel any member and provides a right to appeal to the credit union's board.
- Allows parity with federal credit unions upon 45-day written notice to the Administrator, subject to the Administrator's written disapproval, by allowing state-chartered credit unions to engage in any activity or exercise any power that it could if it were federally chartered.
- Makes technical and clarifying changes.

Article 14D – Membership:

- Allows multiple common bonds for membership of a credit union.
- Expands the field of membership by authorizing credit unions organized in North Carolina to extend membership to:

    - Individuals and families, in North Carolina, that earn income at or below the federal poverty threshold in North Carolina, if the account holder is at least 25 years of age.
    - Persons residing in census tracts in North Carolina where the center of population, as defined by the US Census Bureau, is more than nine miles from a bank branch. If the credit union does not already have a branch located in that census tract, one must be established.

Article 14I – Investments:

- Expands allowed investments, including the following:
    - Changes the aggregate amount allowed to be invested from 25% of reserve fund allocations to 12.5% of the credit union's net worth.
    - Small businesses involved in the development or exploitation of fintech products, in an aggregate amount not exceeding 1% of the credit union's net worth.
    - Common trust or mutual funds whose investment portfolios consist of securities otherwise permitted for credit unions.
    - Stock, securities, obligations, or other instruments approved by the Administrator.
- Eliminates mandatory divestment if the status or form of a credit union's investment changes during the life of the investment.
- Allows a credit union to make an otherwise impermissible investment to fund the credit union's employee benefit plan, subject to rules by the Administrator.
- Makes technical and clarifying changes.

Conforming Changes:

- Removes the old appeals process language.
- Inserts references to the new Hearings and Appeals section.
- Makes technical and clarifying changes.

Organization Procedure:

- Lowers the number of residents needed to organize a credit union from 12 to 7.

Duties of Administrator:

- Allows the Administrator to approve a form and adopt rules for blanket surety bond requirements.
- Makes technical and clarifying changes.

Minors:

- Allows the credit union to act on an account held by a minor as if the minor were of full legal age and legal capacity.
- Expands services to minors by allowing a credit union to offer safe deposit box services to a minor and deals with the minor as if the minor had full legal age and legal capacity.
- Makes technical and clarifying changes.

This Part became effective July 1, 2026.

Protection of Disabled and Older Adults from Financial Exploitation and Savings Bank Updates – Various Revenue Laws Changes.

SL 2026-31 (S595), Part XIII

Part XIII of S.L. 2026-31 (Senate Bill 595) does the following with respect to establishing protections from financial exploitation for disabled adults (any person over the age of 18 or a lawfully emancipated minor who is physically or mentally incapacitated) and older adults (any person over the age of 65):

- Prevents a financial institution, and its officers, employees, and agents from being compelled to identify the existence or contents of a suspicious activity report filed pursuant to the requirements of federal law.
- Authorizes a financial institution to delay or refuse a transaction from an account of a disabled or older adult, or an account where the disabled or older adult is a beneficiary or beneficial owner, if certain conditions are met, including that the financial institution believes financial exploitation may have occurred or was attempted based on observation or received information, and authorizes a financial institution to do any of the following if the requirements for delaying or refusing a transaction are met:
    - Delay or refuse one or more transactions.
    - Delay or refuse to permit the withdrawal or disbursement of funds.
    - Prevent a change in ownership of the account.
    - Prevent a transfer of funds to an account owned wholly or partially by another person.

    - Refuse to comply with instructions given by an agent or person acting for or with an agent under the power of attorney or purported to have been signed by an older adult or disabled adult.
    - Prevent the designation or change in the designation of beneficiaries to receive any property, benefit, or contract rights for an older adult or disabled adult at death.
- Provides that the authority to delay a transaction expires upon the earlier of one of the following, though the authority to delay a transaction can be extended by an additional 30 business days based on reasonable belief that the financial exploitation can continue unless prohibited by a court order:
    - 30 business days after the date on which the depository institution acted under the authority in this section.
    - When the depository institution is satisfied in its discretion that the transaction will not result in financial exploitation of the older adult or disabled adult.
    - Upon an order of a court directing the release of funds.
- Creates procedures for review of a delay or refusal of a transaction, recordkeeping obligations, and training requirements for employees of financial institutions.
- Provides that a financial institution acting in good faith and exercising reasonable care is immune from civil, criminal, or administrative liability related to the delay in a disbursement or transaction resulting from suspected financial exploitation of an older adult or disabled adult.
- Provides financial institutions the discretion whether to notify trusted contacts if the financial institution believes financial exploitation may have occurred or is being attempted.

Part XIII of S.L. 2026-31 (Senate Bill 595) makes the following changes with respect to State savings banks:

- Creates a new process for a State savings bank to establish one or more branches in this State or other states through making an application to the Commissioner of Banks, requiring public notice and a period of public comment, and allowing the Commissioner of Banks to evaluate the application based on specific factors and circumstances.
- Creates a new process for a State savings bank to relocate a branch or principal office through making an application to the Commissioner of Banks, requiring public notice and a period of public comment, and establishing circumstances in which the Commissioner must approve the relocation.
- Unifies the rules for confidential information held by the Commissioner of Banks.
- Clarifies the role, authority, and size of a State savings bank's board of directors.
- Repeals G.S. 54C-102, which requires the bylaws and any amendments be certified by the appropriate corporate official and submitted to the Commissioner of Banks for approval before becoming effective.
- Directs the Commissioner of Banks to review Chapter 54C of the General Statutes and form a drafting group to prepare updates, revisions, or recommendations on more fully integrating it into Chapter 53C of the General Statutes, and to prepare a report to be

presented to the Joint Legislative Commission on Governmental Operations by July 2, 2027.

This Part became effective July 2, 2026.

Rounding of Cash Transactions Due to Penny Elimination – Various Revenue Laws Changes.

SL 2026-31 (S595), Part XIV

Part XIV of S.L. 2026-31 (Senate Bill 595) provides retailers, including ABC stores and government entities when acting as retailers, with rounding procedures for cash transactions following the U.S. Treasury's announcement to cease production of the penny. Under this provision, a retailer is not required to round a cash transaction, except for ABC stores as described below, but if the retailer opts to do so, it must follow the methodology outlined in the statute.

For transactions ending in 1, 2, 6, or 7, the final digit must be rounded down to the nearest five cent interval. For transactions ending in 3, 4, 8, or 9, the final digit must be rounded up to the nearest five cent interval. The rounding adjustment does not apply to transactions ending in 0 or 5 or for which payment is made with any non-cash method. The rounding adjustment does not alter the sales price, the amount of tax owed or collected, or any surcharges, assessments, or fees imposed on the sale. Retailers are not authorized to round the amount of sales tax due and are not relieved from the duty to calculate and remit to the Department of Revenue the exact amount of sales tax shown on an invoice or receipt.

For ABC stores specifically:

- Rounding will be required for cash transactions beginning July 1, 2027.
- Any additional revenues due from rounding adjustments are to be included in "gross receipts" but are not to affect the calculation of the required statutory distributions.

Since property taxes are permitted to be paid in cash, the provision provides that for cash transactions, a taxing unit must round down to the nearest five-cent interval and treat the tax as fully paid.

Finally, the Part provides the following protections for retailers that round in accordance with the statutory provision:

- Declares it a reasonable business practice for sales tax purposes.
- Declares it is not an unfair and deceptive trade practice.
- Declares it is not a violation of the Weights and Measures Act of 1975.
- Declares that it cannot serve as the basis for a civil action.

This Part became effective July 2, 2026.

Consumer Protections for Entertainment Event Ticket Sales and Resales – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 5.8

Section 5.8 of S.L. 2026-41 (Senate Bill 257) does the following:

- Establishes additional requirements for listing a ticket for sale or resale including the following:
    - Listings must clearly and conspicuously disclose the location of the seat corresponding to the ticket, including the row and section number, or if there is no assigned seat, the general admission area; and, whether it is an initial sale or resale of a ticket. If the ticket is being resold, then the following information must be clearly and conspicuously disclosed:
        - That the ticket is being resold through a secondary ticket exchange that is not the ticket issuer, if needed, and an active link and website address for the issuer must be provided.
        - If the secondary ticket exchange is also the ticket issuer, that the consumer is participating in the resale process on each page or interface.
- Prohibits a reseller or secondary ticket exchange from:
    - Selling or offering to sell speculative tickets, which is defined as a ticket not in the reseller's possession at the time of the listing, sale, or advertisement.
    - Reselling more than one copy of the same ticket to an entertainment event.
    - Purchasing, selling, or reselling a ticket through a fan club ticket presale or fan club program unless authorized by the fan club.
- Prohibits a ticket issuer, reseller, or secondary ticket exchange from reselling a ticket before it has been made available to the public through the ticket's initial sale, unless authorized by an entertainer, venue, or event organizer.
- Prohibits a reseller, secondary ticket exchange, and operator of a ticketing link website from engaging in any of the following with regard to advertisements, promotional materials, or online content:
    - Using the name, graphic, logo, image, trademark, trade dress, or any other intellectual property of an entertainer, venue, or event organizer without prior authorization.
    - Resembling the branding of or otherwise visually implying a connection to an entertainer, venue, or event organizer, if the resemblance was intentionally designed to create the false appearance of an agent, affiliate, or other relationship with an entertainer, venue, or event organizer when no such relationship exists.
    - Stating or implying an affiliation with or endorsement by an entertainer, venue, or event organizer when no relationship or endorsement exists.
- Prohibits a person from using or creating a bot, defined as any machine, device, computer program, or computer software that can bypass security measures or access control systems on a retail ticket purchasing platform, to do any of the following:
    - Purchase tickets for any single internet ticket sale.

- Use multiple Internet Protocol addresses, purchaser accounts, or email addresses to purchase tickets for a single internet ticket sale in excess of the purchase limit imposed by the ticket issuer or eight tickets, whichever is less.
- Circumvent or disable an electronic queue, waiting period, presale code, or other sales volume limitation system associated with an internet ticket sale.
- Circumvent or disable a security measure, access control system, or any other control or measure used to facilitate authorized entry to an event.

Any violation of these provisions is an unfair trade practice, and additional monetary penalties can be imposed as follows:

- $15,000 per day that a violation has occurred and the greater of $1,000 or 5 times the total ticket price.
- For willful violations, an additional penalty of $10,000 per ticket sold or resold in violation of these provisions.

The Attorney General must ensure that consumers can report violations of these provisions on the Department of Justice website and by telephone. The Attorney General is also required to report on the number and types of enforcement actions taken pursuant to these provisions to the Joint Legislative Oversight Committee on Justice and Public Safety by August 1 of each year. This report must also be available on the Department of Justice website.

This section becomes effective October 1, 2026, and applies to tickets sold or resold on or after that date.

Hotel Safety Act Modifications – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 5A.17

Section 5A.17 of S.L. 2026-41 (Senate Bill 257) requires innkeepers to provide suitable lodging accommodations for persons who are accepted as guests in an "emergency or disaster declared occupancy."

The section defines "emergency or disaster declared occupancy" as the rental of an accommodation such as an apartment, inn, hotel, motel, recreational vehicle park, campground, or similar lodging to the same guest or occupant who meets all of the following criteria:

- The guest or occupant is renting the accommodation because of one of the following:
  - An emergency declared by the Governor or the General Assembly.
  - A disaster declared by the Governor.
  - A major disaster declared by the President of the United States.
- The guest or occupant is a recipient of Community Development Block Grant-Disaster Recovery assistance and is renting the accommodation during the repair or reconstruction of the guest's or occupant's home through a program administered by the Department of Commerce.

This section became effective July 1, 2026.

Community Development Block Grants – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.1

Section 11.1 of S.L. 2026-41 (Senate Bill 257) allocates the federal block grant funds appropriated for the fiscal year ending June 30, 2027, for State Administration, Neighborhood Revitalization, Economic Development, Infrastructure, and Rural Community Development.

The Department of Commerce must report on the prior year use of these funds by September 1 annually to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources; the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; the chairs of the Joint Legislative Economic Development and Global Engagement Oversight Committee; and the Fiscal Research Division. The report must include information on categories of funding, application numbers and total dollar requests in each category, and a list of grant recipients by name, county, category, amount awarded, and project description.

This section became effective July 1, 2026.

Commerce Nonprofits/Reporting Requirements – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.2

Section 11.2 of S.L. 2026-41 (Senate Bill 257) requires North Carolina Biotechnology Center, High Point Market Authority, and RTI International, for each year that State funds are expended, to provide reports by September 1 of each year, and more frequently if requested, to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources; the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources; the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources (collectively, the Committees); and to the Fiscal Research Division. These reports must include information regarding prior State fiscal year program activities, objectives, and accomplishments, and prior State fiscal year itemized expenditures and fund sources. The report must also include a list and description of grants awarded if State funds are used to provide matching funds for competitive grants. Each of these three entities must provide a copy of its annual audited financial statement within 30 days of issuance of that statement to the Committees.

This section became effective July 1, 2026.

Film and Entertainment Grant Fund Modifications – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.4

Section 11.4 of S.L. 2026-41 (Senate Bill 257) makes the following modifications to the Film and Entertainment Grant Fund (Fund):

- Includes scripted or non-scripted productions consisting of a series of episodes intended for online distribution as a qualifying expense of a production company for which grants from the Fund can be used.
- Modifies the monetary cap and criteria for which grants from the Fund can be used. Monies from the Fund cannot be used to provide a grant in excess of (i) $20 million for a feature-length film or a single season of a non-scripted production consisting of a series of episodes intended for online distribution or (ii) $25 million for a single season of a scripted production consisting of a series of episodes intended for online distribution or a single season of a television series.
- Clarifies that monies from the Fund cannot be used to provide a grant for a production that is a talk show, recorded concert or other live performance event for theatrical or other release.
- Modifies the definition of a "highly compensated individual" to mean an individual who directly or indirectly receives compensation in excess of $4 million for personal services with respect to a single production.
- Modifies the definition of "production" to include a scripted production intended for online distribution.
- Adds "non-scripted production" to the definition of "production." For a "non-scripted production" that is intended for online distribution, the production must be all of the episodes produced for a single calendar year if there are at least 6 episodes with an average running time of at least 20 minutes.
- Modifies the definition of a "production company" to "a person engaged in the business of making original motion pictures or video contact for theatrical, commercial, advertising, or educational purposes."
- Changes the definition of "qualifying expenses" to be the sum of specified amounts that are spent in this State by a production company in connection with a production, subtracting any amount above $4 million paid to a highly compensated individual. The prior cap for payment to a highly paid individual was $1 million.
- Clarifies that, for game shows and productions that document unscripted real-life situations and do not use professional actors, the following are excluded from the definition of "goods and services":
    - The costs for and the value of prizes awarded.
    - The fair market value of any item in the show intentionally or negligently used or destroyed for entertainment purposes immediately prior to its destruction or use.

- Allows for a bonus for "multi-production." The amount of a grant allowed for the following additional productions must be increased by 5% if the following criteria are met by a production company:

- Making two or more qualifying productions which have an aggregated final verified amount of qualified expenses of at least $80 million.
- Making one or more additional productions within 24 months of the last release of grant funds for the qualifying productions.

This section became effective July 1, 2026, and applies to grants made on or after that date.

Micro-Budget Production Grant Fund – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.5

Section 11.5 of S.L. 2026-41 (Senate Bill 257), as amended by Section 5.8 of S.L. 2026-61, creates the Micro-Budget Production Grant Fund, which provides funds to encourage smaller productions to develop the filmmaking industry within the State. The Department of Commerce must develop and adopt guidelines to administer the program. The guidelines must comply with all of the following:

- A production must have qualifying expenses from $50,000 to $1,499,000 for the production in North Carolina.
- Grant funds cannot be used to provide in excess of (i) a base amount equal to the lesser of 20% of the qualifying expenses for the production or $100,000 plus (ii) any of the following:
  - A bonus of 5% of the base amount, if at least 75% of the compensation and wages paid for the production were paid to North Carolina residents.
  - A bonus equal to 3% if at least 75% of the filming occurred in a Tier Two and Tier One area, or 5% if at least 75% of the filming occurred in a Tier One Area.
- Funds must be reserved for a production for which at least 75% of filming occurred within the State or with a production company headquartered in this State.
- Funds must not be contingent on existence, proof, or guarantee of a distribution agreement.
- Productions are not limited to feature films, television series, or commercials but can include short films, documentaries, or other similar audiovisual works.
- No grant can be awarded that could cause the State's potential liability in a single calendar year, when considered with other grants awarded during that year, to exceed the amount available in the account.

A production that receives a grant award under the Micro-Budget Production Grant Fund is ineligible to receive a grant award under the traditional Film and Entertainment Grant Fund. (Section 5.8 of S.L. 2026-61).

This section became effective July 1, 2026.

Extend Natural Gas Economic Development Infrastructure Sunset – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.6

Section 11.6 of S.L. 2026-41 (Senate Bill 257) extends the expiration of the provisions authorizing natural gas local distribution companies to recover certain costs for natural gas economic development infrastructure created by S.L. 2016-118. As established by S.L. 2016-118, if a business undertaking a project requiring natural gas complied with certain criteria, the natural gas distribution company providing that natural gas service was eligible to recover reasonable and prudent costs, including planning and development costs, construction costs, a revenue retention factor, depreciation, and property taxes, as determined by the Utilities Commission.

These cost-recovery provisions were set to expire on July 1, 2021. This expiration was extended by S.L. 2020-58 to July 1, 2026. This section extends the expiration to July 1, 2036.

This section became effective July 1, 2026.

Job Maintenance and Capital Development Fund Project – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.8

Section 11.8 of S.L. 2026-41 (Senate Bill 257), as amended by Section 4.4 of S.L. 2026-42 (House Bill 56), expands the type of business that is eligible for a grant under the Job Maintenance and Capital Development Fund (Fund) to include businesses that are pharmaceutical manufacturing employers.

A business is a pharmaceutical manufacturing employer eligible for a grant from the Fund if the business meets the following requirements:

- The business operates a manufacturing site within the same county and river basin as the project that is the subject of the agreement.
- The Department of Commerce (DOC) certifies that the business has invested or intends to invest at least $2 billion of private funds in improvements to real property and additions to tangible personal property at the site of the project that is the subject of the agreement over a period of time spanning 24 months before entering the agreement through the term of the agreement.
- The business employed at least 2,000 full-time employees or equivalent full-time contract employees in the State at the time the application for the grant is made and the business agrees to:
    - Maintain at least 2,000 full-time employees or equivalent full-time contract employees in the State for the full term of the grant.
    - Create and maintain at least 500 new full-time jobs in the county in which the project is located over a period of time spanning 24 months before entering the agreement through the term of the agreement.

- The business ensures that the project will supply at least 60% of the total aggregate water and wastewater needs required by a manufacturing site, phase, facility, or expansion of the business that is located in the same county as the project.
- The agreement with a pharmaceutical manufacturing employer can provide that the grant paid out over the term of the agreement be in amounts lower than equal annual payments and in amounts deviating from the factors considered for other eligible businesses for any individual annual payment with the remaining balance paid in the final year of the agreement term.

This section makes further modifications generally to Fund requirements by allowing DOC to enter into nine agreements for grants from this Fund rather than just eight agreements. The total aggregate cost of all agreements for grants from this Fund cannot exceed $209 million and the total annual cost of an individual agreement for grants under this Fund cannot exceed $11 million except for the variation allowed for an agreement with a business that is a pharmaceutical manufacturing employer.

This section became effective July 1, 2026.

Selectsite Readiness Program Modification – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.9

Section 11.9 of S.L. 2026-41 (Senate Bill 257) modifies the Selectsite Readiness Program administered by the North Carolina Department of Commerce in conjunction with the Economic Development Partnership of North Carolina. Selectsites are parcels of contiguous property consisting of less than 1,000 acres that are viable for industrial development. This section adds a new requirement that funds appropriated for the identification and evaluation of additional selectsites must be used for engaging a national site selection firm through a competitive bid process to produce a report identifying and evaluating additional sites for inclusion into the program for preferred marketing and site development.

This section became effective July 1, 2026, and applies to funds appropriated for the identification and evaluation of additional selectsites on or after that date.

Motorsports Industry Study – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.10

Section 11.10 of S.L. 2026-41 (Senate Bill 257) requires the Sanford Holshouser Business Development Group (the Group) to update a previous study on the motorsport industry. The updated study must address the potential for North Carolina to secure events for all levels of motorsports racing including professional, sportsman, and club racing, motorsports research and development, motorsports manufacturing, and motorsports testing facilities. The Group, in consultation with the Department of Commerce, must submit a report to the chairs of the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the

Fiscal Research Division by April 15, 2027. This section also appropriates funds to update the study.

This section became effective July 1, 2026.

North Carolina - India Trade Commission – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.16

Section 11.16 of S.L. 2026-41 (Senate Bill 257) establishes the North Carolina-India Trade Commission (Commission). The Commission is administratively located in the North Carolina Department of Commerce but exercises its duties independently of the Secretary of Commerce.

The Commission consists of nine members as follows:

- The President Pro Tempore of the Senate (PPT), or the President Pro Tempore's designee and the Speaker of the House of Representatives (Speaker), or the Speaker's designee.
- Two members of the Senate, one from each political party, to be appointed by the PPT and two members of the House of Representatives, one from each political party, to be appointed by the Speaker.
- An individual who is active in Indian American cultural and civic affairs, with preference for an individual with a history of cooperation in the legislative process, to be appointed by the PPT.
- An individual who is active in Indian American cultural and civic affairs, with preference for an individual with a history of cooperation in the legislative process, to be appointed by the Speaker.
- An individual recognized for the individual's achievements and experience in international business, to be appointed by the Governor.

Members of the Commission serve three-year terms and are eligible for reappointment. The Commission must meet at least twice per year.

The duties of the Commission are as follows:

- Encourage bilateral trade between North Carolina and India, including coordinating and hosting summits and other meetings that encourage commercial relations and encourage mutual investment in North Carolina and India, especially in infrastructure and employment.
- Promote business, educational, and cultural exchanges between North Carolina and India and recommend joint action to North Carolina and India on policy issues of mutual agreement between the State and India.
- Submit an annual report to the General Assembly that includes the following: (i) the number meetings the Commission had during the preceding year, (ii) the minutes from those meetings, and (iii) any recommendations or requests that may assist the Commission's work.
- Consider any other related issues, as determined necessary by the Commission.

The Commission must submit its first annual report to the General Assembly by October 1, 2027.

This section becomes effective October 1, 2026.

North Carolina - Ireland Trade Commission – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.17

Section 11.17 of S.L. 2026-41 (Senate Bill 257) creates the North Carolina – Ireland Trade Commission (Commission), a nine-member independent Commission located in the Department of Commerce, to explore and encourage trade, promote business, educational and cultural exchanges, and recommend joint action on policies of mutual agreement between North Carolina and Ireland. Members serve three-year terms and are eligible for reappointment. Members of the Commission are as follows:

- The President Pro Tempore of the Senate, or his or her designee.
- The Speaker of the House of Representatives, or his or her designee.
- Two members of the Senate, one from each political party, appointed by the President Pro Tempore.
- Two members of the House of Representatives, one from each political party, appointed by the Speaker of the House of Representatives.
- An individual active in Irish-American cultural and civic affairs, appointed by the President Pro Tempore.
- An individual active in public higher education who has an interest in North Carolina-Ireland trade relations, appointed by the Speaker of the House of Representatives.
- An individual recognized for their achievements and experience in international business, appointed by the Governor.

The Commission must submit annual reports to the General Assembly with the first annual report due by October 1, 2027.

This section becomes effective October 1, 2026.

Securities Salesman Dual Registration Fees – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 37.1

Section 37.1 of S.L. 2026-41 (Senate Bill 257) authorizes, in addition to the $125 filing fee of a securities salesman who is seeking to be registered in this state, an additional $125 filing fee for each securities dealer that the securities salesman (or dealer acting on behalf of a salesman) applies to be registered or renewed with, in accordance with the North Carolina Securities Act. This fee is due upon registration. The new additional fee is paid to the State Treasurer to go into the General Fund.

This section became effective July 1, 2026.

Virtual Currency Kiosk Consumer Protection Act.

SL 2026-45 (H920)

S.L. 2026-45 (House Bill 920) creates the Virtual Currency Kiosk Consumer Protection Act, which requires any virtual currency kiosk operator in North Carolina to be licensed under the Money Transmitters Act and be subject to the supervision of the Office of the Commissioner of Banks.

This act creates a regulatory framework for the virtual currency kiosk industry and does the following:

- Creates definitions, including the following:
  - Existing virtual currency customer – A person whose first transaction with a licensee to transmit virtual currency occurred more than 30 days ago.
  - New virtual currency customer – A person that has no previous transactions with a licensee to transmit virtual currency or a person whose first transaction with a licensee to transmit virtual currency occurs within the past 30 days.
  - Virtual currency – Any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology.
  - Virtual currency kiosk – Any fully automated electronic machine owned, operated, or used by a virtual currency kiosk operator that enables the owner or operator to facilitate the transfer of fiat currency to a public key that is recorded on the blockchain, as directed by the customer.
- Makes all information or records obtained by the Commissioner of Banks (Commissioner) during an examination, investigation, or report of a virtual currency kiosk operator confidential and subject to confidential treatment under certain conditions.
- Requires a virtual currency kiosk operator to provide the Commissioner with all records reasonably required to ensure compliance with this act.
- Requires virtual currency kiosk operators to make a risk disclosure, prior to entering into an initial transaction for a customer, of all material risks associated with its products, services and activities and with virtual currency generally.
- Requires virtual currency kiosk operators to make a terms and conditions disclosure of all relevant terms and conditions associated with its products, services and activities and virtual currency generally when opening an account and prior to an initial transaction,
- Requires virtual currency kiosk operators to make a warning disclosure, prior to entering into a transaction with a customer, about scams and fraud.
- Requires virtual currency kiosks to display an interactive fraud-screen requirement that restates the warning disclosure and asks the customer whether the warning applies to their situation. If the customer selects that the warning does apply, the kiosk must immediately terminate the transaction. This fraud screening cannot be bypassed by the customer.
- Requires virtual currency kiosk operators to make certain disclosures before each transaction in a clear and conspicuous manner that include all fees and expenses associated with the transaction, the exchange rates, the spread, and any customer liability.

- Prohibits kiosk operators from implementing any QR-code, barcode, or other scan-based login mechanism.
- Provides permitted authentication customer authentication methods at virtual currency kiosks.
- Requires receipts from transactions at a virtual currency kiosk to include specific details, such as the name and contact information for the owner of the virtual currency kiosk or kiosk operator, the customer's name, the unique identifier of the virtual currency kiosk operator, and any tax collected. The receipt must be in physical written form, unless the customer requests to receive it electronically.
- Requires virtual currency kiosk operators to provide, at a minimum, live customer service at all times that the operator's virtual currency kiosks are available for public use via a toll-free number, which must be displayed on the kiosk or its screen.
- Mandates each virtual currency kiosk operator establishes and maintains written anti-fraud policies and compliance policies and procedures.
- Makes the virtual currency kiosk operator designate and employ a qualified, full-time compliance officer and a qualified, full-time consumer protection officer, neither of whom can own more than 20% of the virtual currency kiosk operator business.
- Mandates that virtual currency kiosk operations submit detailed quarterly reports to the Commissioner detailing the location of each virtual currency kiosk located within the State.
- Requires any virtual currency kiosk operator who owns, operates, solicits, markets, advertises, or facilitates virtual currency kiosks in the State to have a money transmitter license under the Money Transmitters Act.
- Sets daily transaction limits:
    - $2,000 for a new virtual currency customer.
    - $5,000 for an existing virtual currency customer.
- Allows full refunds for a customer if the following conditions are met:
    - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
    - The Commissioner determined that the transaction was fraudulent.
    - The person was a new virtual currency customer at the time of the transaction.
- Allows refunds of fees imposed by the operator if the following conditions are met:
    - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
    - The Commissioner determined that the transaction was fraudulent.
    - The person was an existing virtual currency customer at the time of the transaction.
- Allows the cancellation of a transaction, with a full and immediate refund, if cancelled before the transaction is complete. A receipt of the cancelled transaction must be provided.
- Prohibits the aggregate fees and charges to a customer from exceeding 12% of the dollar equivalent of the virtual currency involved in the transaction or series of transactions.
- Requires a virtual kiosk operator to impose a 48-hour hold on all transactions initiated by a customer whose first transaction occurred within the past 7 days. During the hold period, the virtual kiosk operator must do the following:

    - Accept the transaction request and record all required information.
    - Not allow any virtual currency to be transmitted, transferred, or made available to the customer.
    - Display a notice informing the customer that the transaction will not be completed until the expiration of the 48-hour hold.
- Makes any violation of this act an unfair trade practice.
- Allows the Commissioner to impose a civil penalty on a virtual currency kiosk operator that violates that violates the provisions of this act.
- Makes it a Class 1 misdemeanor to facilitate or induce a fraudulent virtual currency kiosk transaction.
- Allows local governments the ability to regulate virtual currency kiosks in their jurisdictions through zoning, land-use controls, development regulations, or other ordinances as long as they do not conflict with the provisions of this act.
- Allows the administrative authority and enforcement provisions of the Money Transmitters Act to apply to virtual currency kiosks.

This act contains a severability clause that provides that if any provision of the act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can given effect without the invalid provision or application.

Finally, this act directs the Commissioner must adopt procedures for determining when a virtual currency transaction is fraudulent and rules to implement the provisions of this act by January 1, 2027.

The portion of the act that directs the Commissioner to adopt procedures for fraud determination and rules to implement the provisions of this act became effective July 7, 2026. The remainder of this act becomes effective January 1, 2027 and applies to offenses committed on or after that date.

Fee Adjustment and Commission Contractor Clarifications – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 7

Section 7 of S.L. 2026-46 (House Bill 1094) clarifies that the repeal of the one-day title fee and its recodification were effective simultaneously on July 1, 2024, and it was the intent of the General Assembly that it would continue to be subject to the quadrennial adjustment for inflation that occurred on July 1, 2024. The Division of Motor Vehicles (DMV) is directed to adjust the fee accordingly.

This section further clarifies that the DMV may not require a business entity applying for a commission contract to contract as an individual, and if a commission contractor has been required by the DMV to apply for or renew a contract as an individual, the contractor must be provided an opportunity to amend the application or contract. This section also clarifies that

upon sale of a commission contractor's business operation, all contractual rights transfer to the new commission contractor.

This section became effective July 7, 2026.

Require Private Entity to Administer Tourist-Oriented Directional Sign Program – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 22

Section 22 of S.L. 2026-46 (House Bill 1094) directs the Department of Transportation (DOT) to contract with a private vendor to administer the tourist-oriented directional signs program and implement market-based fees for signs in the same manner as was done for the logo sign program.

This section became effective July 7, 2026.

Winter Sports Safety and Accidents.

SL 2026-49 (S648)

S.L. 2026-49 (Senate Bill 648) does the following:

- Defines "inherent risks of skiing," "season pass," and "ski pass."
- Adds additional duties and responsibilities for skiers, as follows:
    - Remain onsite when the skier collides with another individual, unless leaving is necessary to obtain medical help, or when remaining at the scene of the collision places the skier or others at significant risk of injury.
    - After a collision, provide name and current address to ski patrol, ski area employee, or to each person involved in the collision.
    - No skiing off or outside of boundaries.
    - Load and unload properly from a tramway and use any passenger restraining devices on tramway in accordance with intended purpose, posted instructions, and verbal instructions from the ski area operator.
    - No skiing on a slope that is closed or during a time outside of slope operational hours.
    - Stay clear of snow-grooming equipment, vehicles, lift towers, signs, and any other equipment on ski slopes and ski trails.
    - Heed all information and warnings and refrain from acting in a way that could cause injury.
    - Yield the right-of-way to the downhill skier when approaching or overtaking another skier.
    - When a skier younger than 14 years old is participating in winter sports activities, a parent or guardian must properly supervise the skier.
- Provides additional locations where ski area operators can post signs giving reasonable notice of slope and trial conditions, including at ticket kiosks or online.

- Allows assumption of the risk of the inherent risks of skiing to be an affirmative defense for ski area operators.
- Creates Class 1 misdemeanors for (i) misuse of ski passes and season passes, (ii) unauthorized access to or use of a ski area, and (iii) hit and run ski collision.
- Creates a civil action to recover damages from a skier who (i) misuses a ski pass or season pass or (ii) accesses or uses a ski area without authorization.
- Provides limited immunity for the employee or agent of a ski area operator related to an individual's detention or arrest for misuse of a ski pass.
- Establishes that waivers of liability executed in conjunction with winter sports are enforceable.
- Exempts bona fide volunteers at a ski area, including qualified youth under 18 years old, from minimum wage, overtime, youth employment, and recordkeeping requirements.

This act becomes effective October 1, 2026, and applies to causes of action arising on or after that date and offenses committed on or after that date.

Modify Limitations on Mergers and Sales of Assets – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part I

Part I of S.L. 2026-52 (House Bill 517) authorizes a merger between a charitable or religious corporation and either of the following:

- A limited liability company if (i) the limited liability company has a 501(c)(3) nonprofit corporation as its sole member and (ii) would be eligible for a 501(c)(3) exemption if it were not disregarded for income tax purposes.
- An unincorporated association consisting of two or more members joined by mutual consent for a common, nonprofit purpose (excluding organizations created by a trust and limited liability companies).

This Part becomes effective October 1, 2026, and applies to plans of mergers adopted on or after that date.

Require Annual Reports to the Secretary of State – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part II

Part II of S.L. 2026-52 (House Bill 517) requires domestic and foreign nonprofit corporations authorized to conduct affairs in this State to submit paper or electronic annual reports to the Secretary of State. There is a filing fee of $25 for paper reports and $18 for electronic reports. The annual reports must include specified information, such as the state or country under whose law the corporation is incorporated, address of the registered office, and basic information about principal officers. If the Secretary of State does not receive the report within 60 days of the due

date, the report would be presumed delinquent and could be grounds for administrative dissolution of the corporation.

Charitable organizations and sponsors are deemed to have met the reporting requirement if certain criteria are met. The Secretary of State is authorized to waive the reinstatement fee of a corporation seeking reinstatement following administrative dissolution due to delinquent filing until January 1, 2029.

This Part becomes effective January 1, 2027, and applies to annual reports due on or after that date.

Authorize Domestication – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part III

Part III of S.L. 2026-52 (House Bill 517) creates a new Article Chapter 55A of the North Carolina General Statutes that establishes domestication procedures for the following:

- A foreign nonprofit corporation to become a domestic nonprofit corporation if the domestication is permitted by the law of the jurisdiction of the foreign corporation.
- A domestic nonprofit corporation to become a foreign nonprofit corporation under a plan of domestication if the domestication is permitted by the law of the jurisdiction of the foreign corporation.

A domestic nonprofit corporation can become a foreign nonprofit corporation by approving a plan of domestication that contains all of the required information, including the terms and conditions of the domestication. This Part sets out the following:

- The requirements for eligibility for domestication.
- The requirements for plans of domestication.
- Procedures for approving and adopting a plan of domestication.
- The procedure for amending and abandoning a plan of domestication.
- Effects of being a domesticated nonprofit corporation.

This Part modifies the Secretary of State's fee schedule to add filing fees for Articles of Domestication ($25) and Articles of Abandonment of Domestication ($10) and makes other conforming changes.

Additionally, this Part clarifies that if a protected agreement of a domestic domesticating nonprofit corporation that is in effect immediately before the domestication has become effective both (i) contains a provision applying to a merger of the corporation and (ii) does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation as if the domestication were a merger until the provision is first amended after October 1, 2026.

A protected agreement is any of the following in effect immediately before October 1, 2026:

- A document evidencing indebtedness of a domestic nonprofit corporation and any related agreement.
- An agreement that is binding on a domestic nonprofit corporation.
- The articles of incorporation or bylaws of a domestic nonprofit corporation.
- An agreement that is binding on any of the interest holders or directors of a domestic nonprofit corporation in their capacities as interest holders or directors.

The statutory changes in this Part become effective October 1, 2026, while the remainder of the Part became law on July 7, 2026.

Modify Required Number of Directors – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part IV

Part IV of S.L. 2026-52 (House Bill 517) requires the board of directors of a private foundation to be made up of one or more natural persons. Additionally, with the exception of private foundations, this Part expands the minimum number of natural persons required to be on a board of directors for a nonprofit corporation from one to three. A board of directors could still lawfully have fewer than three members due to a vacancy until the vacancies are filled.

This Part becomes effective October 1, 2026, and applies to corporations organized on or after that date.

Modify the Requirement for Establishing Committees of the Board of Directors – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part V

Part V of S.L. 2026-52 (House Bill 517) clarifies, for nonprofit organizations, that the majority of directors or the number of directors required by the articles of incorporation or bylaws, whichever is greater, can create a committee and appoint committee members unless otherwise provided by the articles of incorporation or bylaws.

This section becomes effective October 1, 2026, and applies to committees created on or after that date.

Further Authorize and Clarify Conversion – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part VI

Part VI of S.L. 2026-52 (House Bill 517) authorizes business entities that are not domestic nonprofit corporations to convert to domestic nonprofit corporations if the following conditions are met:

- The conversion is allowed by the laws of the state or country governing the organization and internal affairs of the converting business entity.
- The converting business entity is in compliance with the State's statutory requirements.

Converting business entities must approve a written plan of conversion that includes specified information, including the name of the converting business entity, its type of business entity, and the state or country whose laws govern its organization and internal affairs. The plan of conversion must be approved in accordance with the laws of the state or country governing the organization and internal affairs of the converting business entity. Articles of conversion must be filed with the North Carolina Secretary of State.

The following apply once the conversion to a domestic nonprofit corporation occurs:

- The converting business entity ceases its prior form of organization and continues in existence as the resulting domestic nonprofit corporation.
- The title to all real estate and other property owned by the converting business entity continues vested in the resulting domestic nonprofit corporation without transfer, reversion, or impairment.
- All rights, privileges, immunities, powers, and purposes of the converting business entity remain vested in the resulting domestic nonprofit corporation.
- All debts, obligations, and other liabilities of the converting business entity continue as debts, obligations, and other liabilities of the resulting domestic nonprofit corporation.
- A proceeding pending by or against the converting business entity can be continued as if the conversion did not occur. The name of the resulting domestic nonprofit corporation can be substituted for the name of the converting business entity in any pending action or proceeding.
- The interests and obligations in the converting business entity are converted to eligible interests or other securities, rights to acquire interests or other securities, obligations, cash, or other property of the resulting domestic corporation in accordance with the plan of conversion.
- All of the following apply to the resulting domestic nonprofit corporation: (i) it is incorporated under and subject to the North Carolina Nonprofit Corporation Act; (ii) it converts from the converting business entity into its new form of organization without interruption; and (iii) it is deemed to have been incorporated on the date that the converting entity was originally incorporated or organized.

Additionally, this Part adds requirements to the plan of conversion that charitable or religious organizations must approve to convert to domestic limited liability companies, including that the plan be approved by the board of directors, voting members, and other parties, if applicable.

This Part becomes effective October 1, 2026, and applies to plans of conversion approved on or after that date.

Align State and Federal Disclosure Requirements for Charitable Organizations – Modify Nonprofit Corporations Act/Charitable Organization.

SL 2026-52 (H517), Part VII

Part VII of S.L. 2026-52 (House Bill 517) provides that a written acknowledgement that includes the information in section 170(f)(8) of the Internal Revenue Code satisfies the disclosure requirements for charitable organizations or sponsors soliciting in North Carolina. This information includes: (i) the amount of cash and a description (but not value) of any property other than cash contributed; (ii) whether the donee organization provided any goods or services in consideration, in whole or in part, for any property; and (iii) a description and good faith estimate of the value of any goods or services referred to in clause (ii) or, if such goods or services consist solely of intangible religious benefits, a statement to that effect.

This Part became effective July 7, 2026.

Modification of Emergency Video Sunsets – Modify Nonprofit Corporations Act/Charitable Organizations.

SL 2026-52 (H517), Part VII-A

Part VII-A of S.L. 2026-52 (House Bill 517) extends the sunset on the statutory authorization for emergency video notarization and emergency video witnessing to make this authorization expire upon the earlier of 12:01 a.m. July 1, 2027, or the date the Secretary of State issues the first license to an electronic notarization platform.

This section became effective July 1, 2026.

Ordinance Exemption for Certain Nonconforming On-Premises Signs. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 2

Current law provides that a local government can require the removal of a lawfully erected on-premises advertising sign pursuant to local development regulations only if the local government compensates the owner for the removal. This law became effective July 9, 2024, but applies to any on-premises signs removed on or after October 1, 2021.

Section 2 of S.L. 2026-59 (Senate Bill 445) exempts from that requirement any lawfully adopted local government ordinances regulating on-premises signs that included:

- an amortization period of 10 or more years during which a nonconforming sign was allowed to remain in place before it was required to be either removed or brought into compliance
- the date of compliance under the amortization period expired on or prior to July 1, 2024.

This section became effective August 11, 2026.

Clarify Exemption for Stretching Services at Massage and Bodywork Therapy Establishments. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 8

Section 8 of S.L. 2026-59 (Senate Bill 445) defines "stretching services" and clarifies that a person who provides only stretching services, including a person who is employed by or contracts with a massage and bodywork therapy establishment, is not required to be licensed by the North Carolina Board of Massage and Bodywork Therapy.

This section became effective August 11, 2026.

Extend Annual Reporting Requirements for Business Entities Owned by Deployed Members of The Armed Forces. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Secs. 12-17

Sections 12 through 14 of S.L. 2026-59 (Senate Bill 445) amend the Business Corporation Act, Limited Liability Company Act (LLC), and Registered Limited Liability Partnerships (LLP) Chapters of the General Statutes by a waiving business entity's filing fees for annual reports and extending the deadline to report, so long as the business is (i) more than 50% owned by deployed members, defined under the provision as those removed from their county of residence under an official order of deployment, and (ii) prior to deployment, the business entity files an affidavit of deployment with the Secretary of State. If deployment is extended beyond the end date in the affidavit of deployment, the business entity must file an affidavit of extended deployment with the Secretary of State.

The annual reports of those business entities are deemed timely if submitted to the Secretary of State 90 business days after the end of the deployment period for LLPs and corporations or by April 15 of the year immediately following the end of the deployment period for LLCs. If the deployment is extended, the due date is 180 days after the end date of the extended deployment for all entities.

Section 15 exempts from disclosure under the public records laws any information contained in an affidavit of deployment or affidavit of extended deployment filed with the Secretary of State.

Section 16 directs the Secretary of State to make available any forms needed for the affidavit of deployment or affidavit of extended deployment and to take any other action necessary to allow business entities to begin filing pursuant to this act on October 1, 2026.

These sections become effective October 1, 2026.

Prohibit Telephone Solicitors from Misrepresenting Call Origins. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 20

Section 20 of S.L. 2026-59 (Senate Bill 445) expands the prohibition on telephone solicitors transmitting misleading information to anyone using caller ID to provide that telephone solicitors cannot use any alteration to the origin of the telephone solicitation that displays on caller ID to give the perception that the call originated from any other telephone number than that of the telephone solicitor.

Further, this section prohibits telephone carriers from knowingly or intentionally transmitting, selling, or otherwise providing the numbers of telephone subscribers to any entity the telephone carrier knows will violate the restrictions on telephone solicitation, has previously used telephone subscriber information to violate the restrictions on telephone solicitation, or has provided information to another entity that has violated the restrictions on telephone solicitation. A telephone subscriber who receives a telephone solicitation in violation of the expanded prohibition enacted by this section is entitled to bring a civil action to recover $10,000 for each violation.

This section becomes effective December 1, 2026, and applies to phone calls placed on or after that date.

Sports Championship Events Incentive – 2026 Budget Technical Corrections - II.

SL 2026-61 (H268), Sec. 5.3

Section 5.3 of S.L. 2026-61 (House Bill 268) provides that the Piedmont Triad Charitable Foundation (Foundation) will receive $10 million in nonrecurring funds for the 2026-2027 fiscal year as a directed grant from the Department of Commerce (Department) if the Foundation enters into (i) an agreement with the Department that meets certain requirements and (ii) an agreement with PGA TOUR, Inc. (PGA). The Department will receive funds from the Economic Development Project Reserve for the directed grant to the Foundation for securing the required qualifying events.

A "qualifying event" means a PGA Tour Championship Series Event that is held for the highest tier ranking of professional golfers who qualify through PGA qualifications from the previous year, that is held in the City of Greensboro, and that is in addition to any event meeting the same criteria held in the same year in the State.

The Department and the Foundation must enter into a binding agreement, which constitutes a continuing contractual obligation of the State and the Foundation, for hosting at least four annual, consecutive qualifying events. The PGA must also enter into a binding agreement with the Foundation requiring the PGA to hold at least four annual, consecutive qualifying events. All qualifying events must be held after January 1, 2028, and before December 31, 2031.

The agreement between the Department and Foundation must do the following:

- Include the performance criteria, remedies, and other safeguards required by the Department to secure the State's benefit derived from holding the required qualifying events.
- Require the Foundation to repay a proportionate amount of the directed grant if the Foundation fails to meet and maintain the applicable performance criteria on which the directed grant was based.

If the requirements of the agreement continue to be met, the section states that it is the intent of the General Assembly to appropriate additional funds in future acts of the General Assembly in the amount of $30 million over an additional three fiscal years to continue holding qualifying events.

The Foundation must report to the Department annually on June 1 of each year following the year the agreement is entered into on the qualifying events that have been fulfilled. This report can cease in the year after the year in which the Foundation reports all such qualifying event requirements have been fulfilled.

On September 1 of each year that requirements set forth in the agreement remain unfulfilled, the Department must report to the committees or subcommittees responsible for appropriations for natural and economic resources in both the House of Representatives and the Senate, to the Joint Legislative Economic Development and Global Engagement Oversight Committee, and to the Fiscal Research Division. The report must include an executive summary of the performance criteria, remedies, and safeguards required by the Department, a description of the current status of the project, the amount of grant paid under the agreement, and the number and classification of events required and held in this State.

This section became effective July 1, 2026.

Military World Games Funding – 2026 Budget Technical Corrections - II.

SL 2026-61 (H268), Sec. 5.7

Section 5.7 of S.L. 2026-61 (House Bill 268) appropriates $25 million in nonrecurring funds for the 2026-2027 fiscal year from the General Fund to the Department of Commerce (Department) to support the 2027 Military World Games in North Carolina (Games). It also requires the Department to report to the Joint Legislative Commission on Governmental Operations on the use of those funds by October 1 of each year following the fiscal year in which funds are expended or encumbered. Funds appropriated under this section do not revert at the end of the 2026-2027

fiscal year, but if the appropriated funds have not been expended or encumbered by June 30, 2028, they revert to the General Fund.

The allocation and expenditure of $17.5 million is contingent upon the local organizing committee for the Games (i) securing commitments by August 1, 2026, for participation in the Games from at least 50 countries with a minimum of 7,500 total participants and (ii) receiving a Special Event Assessment Rating Level 1 or Level 2 designation from the United States Department of Homeland Security prior to June 25, 2027. The remaining $7.5 million appropriated under this section must be used by the Department to reserve facilities at the University of North Carolina at Charlotte for hosting the Games and must be disbursed from the Department to the University as soon as practicable after this section becomes effective.

This section became effective July 1, 2026.