# Utilities

**See full summary documents for additional detail**

## Liquid Petroleum Gas Enforcement Authority. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 12

Section 12 of S.L. 2026-11 (Senate Bill 401) supplements the Commissioner of Agriculture's liquified petroleum (LP) inspection authority by giving the Commissioner of Agriculture and the Commissioner's authorized agents the specific authority to:

- Access premises where LP products are stored to conduct an inspection or examine documentation.
- Issue stop-sale, hold, and removal orders for LP gas equipment that violates the statutes or rules governing LP gas.
- Recall for inspection a vehicle used for the delivery of LP gas.

This section became effective June 22, 2026.

## Propane Assessment Amendments – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 18

Section 18 of S.L. 2026-11 (Senate Bill 401) increases the amount of the propane assessment by the North Carolina Propane Education & Research Foundation (Foundation) that raises funds for the purposes of promoting the common good, welfare, and advancement of the propane industry, from $.002 to $.003 per gallon and increases the vote share required to approve the assessment from 50% to 75%. This section also allows the Foundation to use the proceeds of the assessment for workforce development.

The portion of the section pertaining to the amount and its approval becomes effective January 1, 2027, and applies to referenda conducted on or after that date. The remainder of the section became effective June 22, 2026.

## Modification of Subsistence Allowance for Members of the Utilities Commission. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.12

Section 11.12 of S.L. 2026-41 (Senate Bill 257) requires payment of a daily per diem of $180 to members of the Utilities Commission, in addition to their regular salary, for each day an overnight stay is required to conduct official Commission business, not to exceed 10 overnight stays per calendar month.

This section became effective July 1, 2026.

## Allow Utilities Commission Court Reporters 10 Days for Transcripts – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 11.14

Section 11.14 of S.L. 2026-41 (Senate Bill 257) eliminates references to daily transcripts of evidence in hearings before the Utilities Commission and allows court reporters to provide transcripts of evidence and testimony in rate cases by the tenth business day after the taking of the evidence and testimony, rather than the third business day, and on the tenth business day in a hearing on an application for a certificate of public convenience and necessity for the construction of a facility for the generation of electricity, rather than the second business day.

This section became effective July 1, 2026.

## North Carolina Utilities Commission Water/Wastewater Revolving Loan Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.4

Section 12.4 of S.L. 2026-41 (Senate Bill 257), as amended by Section 5.12 of S.L. 2026-61 (House Bill 268), establishes the North Carolina Utilities Commission (NCUC) Emergency Reserve account within the Water Infrastructure Fund. The Department of Environmental Quality (DEQ) is directed to administer loans for private systems projects for which the NCUC has approved an emergency operator.

The DEQ and NCUC are authorized to jointly develop rules and criteria for the loans that at least include:

- Provisions limiting funds to private system projects for which an emergency operator has been appointed.
- Loan applications must include detailed estimates of the total costs to address the emergency conditions that must be reviewed and approved by the agencies before fund disbursal.
- Clawback provisions for all loan agreements.
- Provisions permitting application amendment for additional funding if unforeseen conditions arise that necessitate additional funding.

Loans and grants under this program cannot exceed the emergency operator's original estimate unless approved by the agencies, and any approved increase cannot exceed 25% of the original estimate. The section caps interest rates for loans at 3%.

This section of the act became effective July 1, 2026, and applies to loans made on or after that date.

## Department of Environmental Quality Fixing America's Surface Transportation-41 Permitting Process for Critical Energy Infrastructure. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.7

Section 12.7 of S.L. 2026-41 (Senate Bill 257) enacts a new statute that requires the Department of Environmental Quality (DEQ) to participate in the federal environmental review and authorization coordination process under the Fix America's Surface Transportation Act, known as FAST-41, upon written request from the project sponsor of any critical energy infrastructure project. For purposes of the section, the term "critical energy infrastructure" means:

- A nuclear energy generation facility, including any associated nuclear facility, electric transmission facility, and water supply or wastewater infrastructure.
- A natural gas-fired electric generation facility, including any associated electric transmission facility and water supply or wastewater infrastructure.
- A natural gas pipeline, including any associated compressor station and water supply or wastewater infrastructure.

DEQ must do all of the following with respect to a FAST-41 project:

- Designate a DEQ employee to serve as the single point of contact within five business days after receiving the project sponsor's written request.
- Identify each DEQ authorization that can be required for the project within 15 business days after receiving the project sponsor's written request.
- Participate in all meetings, consultations, coordination calls, schedule setting discussions, and other activities requested by the project sponsor, the Federal Permitting Improvement Steering Council, the facilitating or lead federal agency, as applicable, or any other federal agency involved in the FAST-41 process.
- Provide proposed target dates, intermediate milestones, and final decision deadlines for each DEQ authorization, for purposes of inclusion in any coordinated project plan, permitting timetable, federal permitting dashboard entry, memorandum of understanding, or other FAST-41 coordination document.
- Agree to the inclusion of DEQ authorization milestones in the FAST-41 permitting timetable or federal permitting dashboard to the maximum extent allowed by State and federal law.
- Conduct DEQ review concurrently with federal environmental review and authorization processes, except when otherwise prohibited by State or federal law.
- Coordinate with federal agencies to use shared application materials, technical studies, environmental documents, public comments, and agency analyses to avoid duplicative review.
- Complete review of each complete application for a DEQ authorization consistent with the applicable FAST-41 permitting timetable.

If DEQ misses a final decision deadline for a DEQ authorization included in a FAST-41 permitting timetable by more than 30 days, the Secretary of Environmental Quality must submit a written

report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources. The report must identify the critical energy infrastructure project, the missed deadline, the reason for the delay, any actions taken by DEQ to resolve the delay, and the expected date of final agency action.

This section became effective July 7, 2026, and applies to requests from project sponsors received by DEQ on or after that date.

## Violations Reporting To Utilities Commission – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.8

Section 12.8 of S.L. 2026-41 (Senate Bill 257) requires the Department of Environmental Quality (DEQ) to report to the Utilities Commission (Commission) whenever a water or wastewater public utility has three or more violations within a 12-month period of either an environmental permit or a law administered by DEQ. DEQ must collaborate with the Commission in developing and maintaining an online reporting system that contains up-to-date information about each water or wastewater public utility's compliance with any applicable environmental permits or laws. This section also gives the Commission authority to investigate and inspect a water or wastewater public utility in violation of any environmental permit or law and order any remedial actions necessary to reasonably and adequately serve the public convenience and necessity.

This section became effective July 1, 2026.

## Repeal Sales Tax Exemption on Electricity for Datacenters – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 44.4

Section 44.4 of S.L. 2026-41 (Senate Bill 257), as amended by Section 11.3(a) of S.L. 2026-42 (House Bill 56), repeals the sales and use tax exemption for electricity used in datacenters and holds cities harmless with respect to the portion of tax proceeds distributed to cities. To effectuate the hold harmless, the Department of Revenue must identify the amount of tax proceeds that are derived from sales of electricity to datacenters. Therefore, the provision requires purchasers of electricity for use at a datacenter to report within 30 days of the end of each quarter to the Secretary the amount of tax paid on electricity.

This section became effective July 7, 2026, and applies to the first billing period that starts on or after that date and is at least 30 days after that date.

## Electric Membership Corporation and Municipally Owned Electric Enterprise Utility Relocation Costs. – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 25

Section 25 of S.L. 2026-46 (House Bill 1094) provides a statutory requirement for the Department of Transportation (DOT) to reimburse an electric membership corporation or a municipally owned electric enterprise for the non-betterment costs of utility relocation when DOT requires relocation of equipment located outside of existing DOT right-of-way if the corporation or enterprise demonstrates a compensable property interest, which can include an easement, a property right taken by a condemnor, or any other property interest recognized by law.

This section became effective July 7, 2026.

## Increase Civil Penalty for Water Theft. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 18

Section 18 of S.L. 2026-59 (Senate Bill 445) amends a statute that prohibits any person from willfully making any connection with, interfering with, or turning on or off the gas mains, water pipes, services pipes, or wires of another without the person's written permission, to do both of the following:

- Add a definition for "water pipes" to include "fire hydrants, flushing assemblies, blow-offs, sampling stations, and all other appurtenances connected to a water distribution system, whether above or below ground."
- For any person who is found in a civil action to have unlawfully made connection or reconnection with any water pipe, increase the cap on liability to the water supplier to triple the amount of losses and damages or $10,000, whichever is greater, plus attorneys' fees (from triple the amount of losses and damages or $5,000, whichever is greater).

This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

## Expand Alternate Inspection Method for Components or Elements to Include Home Power Installations. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 51

Section 51 of S.L. 2026-59 (Senate Bill 445) requires local governments to accept home power installations designed, inspected, and certified by licensed architects or engineers. This section also extends that authority to include wiring of home power installations, conducted in accordance with statutory requirements. This section defines a "home power installation" as an electric generating or energy storage system, standby system, or associated equipment,

connected at 600 volts or less, intended to provide electrical power to a building or structure subject to the North Carolina Residential Code that requires a building permit or other approval.

The Residential Code Council must develop a home power installation work certification no later than July 1, 2027, and may adopt or amend rules, with effective dates of July 1, 2027, to implement the provisions enacted by this section.

This section becomes effective July 1, 2027, except that the sections directing the Residential Code Council to develop the certification and adopt rules became effective August 11, 2026.

## Authority for Landlords of Mobile Home Parks Sited Prior to 1989 to Bill Tenants for Master-Metered Water Service. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 52

Section 52 of S.L. 2026-59 (Senate Bill 445) authorizes a landlord of a leased mobile home located within a mobile home park sited prior to 1989 to allocate the cost for water and sewer service to the tenant using equipment that measures the lessee's hot water usage, if the landlord determines that the measurement of the lessee's total water usage is impractical or not economical. Prior to this change only landlords of contiguous dwellings built prior to 1989 were authorized to allocate the cost of water and sewer service in this manner.

In addition, the section authorizes the use of a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs for both leased premises that are contiguous dwellings built prior to 1989 and leased mobile homes located within a mobile home park sited prior to 1989.

This section became effective August 11, 2026.

## North Carolina Utilities Commission Emergency Loan Program – Rulemaking Modification. – 2026 Budget Technical Corrections - II.

SL 2026-61 (H268), Sec. 5.12

Section 5.12 of S.L. 2026-61 (House Bill 268) modifies the North Carolina Utilities Commission Emergency Loan program, as enacted by Section 12.4 of S.L. 2026-41 (Senate Bill 257), to give the Department of Environmental Quality permissive rulemaking authority regarding disbursement of loan proceeds.

This section of the act became effective July 1, 2026.