

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**HOUSE BILL 926**

Short Title: Regulatory Reform Act of 2025. (Public)

Sponsors: Representatives Riddell, Zenger, and Chesser (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Regulatory Reform, if favorable, Rules, Calendar, and Operations of the House

April 14, 2025

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH  
CAROLINA.

The General Assembly of North Carolina enacts:

**PART I. HEALTH AND WELLNESS**

**EXEMPT CERTIFIED REFLEXOLOGISTS FROM OVERSIGHT FROM THE NORTH  
CAROLINA BOARD OF MASSAGE AND BODYWORK THERAPY**

**SECTION 1.(a)** G.S. 90-624 reads as rewritten:

**"§ 90-624. Activities not requiring a license to practice.**

Nothing in this Article shall be construed to prohibit or affect:

...

(9) A nationally certified reflexologist engaged in the practice of reflexology, who has a current certification from the American Reflexology Certification Board (ARCB) or its successor entity, or an individual who is a reflexology student working to obtain certification from the ARCB or its successor entity under the supervision of an ARCB-certified reflexologist. Provided, however, that this exemption shall only apply to reflexology students who obtain certification within 12 months of beginning the certification process. For the purposes of this subdivision, "reflexology" means a protocol of manual techniques, including thumb- and finger-walking, hook and backup, and rotating-on-a-point, that are applied to specific reflex areas predominantly on the feet and hands and that stimulate the complex neural pathways linking body systems and support the body's efforts to function optimally.

**SECTION 1.(b)** This section becomes effective October 1, 2025.

**ALLOW PHYSICAL THERAPISTS TO EVALUATE STUDENT ATHLETE HEAD  
INJURIES DURING ATHLETIC ACTIVITIES**

**SECTION 2.** G.S. 115C-407.57(b)(2) reads as rewritten:

"(2) If a student participating in an interscholastic athletic activity exhibits signs or symptoms consistent with a concussion, the student shall be removed from the activity at that time and shall not be allowed to return to play or practice that day. The student shall not return to play or practice on a subsequent day



until the student is evaluated by and receives written clearance for such participation from one of the following:

...

f. A physical therapist, licensed under Article 18E of Chapter 90 of the General Statutes."

**ESTABLISH SUDEP AWARENESS WEEK AND RECOMMEND AWARENESS TRAINING FOR SCHOOL PERSONNEL RESPONSIBLE FOR STUDENTS WITH EPILEPSY OR OTHERWISE PREDISPOSED TO SEIZURES**

**SECTION 3.(a)** Chapter 103 of the General Statutes is amended by adding a new section to read:

**"§ 103-19. SUDEP Awareness Week.**

The week beginning on the second Sunday in November of each year is designated as Sudden Unexpected Death in Epilepsy (SUDEP) Awareness Week in North Carolina."

**SECTION 3.(b)** Article 25A of Chapter 115C of the General Statutes is amended by adding a new section to read:

**"§ 115C-375.7. Seizure awareness training for school personnel.**

(a) This section shall be known and may be cited as the "Shannon Leigh Adcock, Steven Anthony Christos, and Samantha Davis Memorial Act."

(b) It is the goal of the General Assembly to encourage local boards of education to develop and provide seizure awareness training for all teachers and other school personnel who may be responsible for students with epilepsy or students that are otherwise predisposed to seizures."

**PART II. OCCUPATIONAL LICENSING AND ACCREDITATION**

**EXEMPT LEGISLATORS FROM GENERAL CONTRACTOR CONTINUING EDUCATION REQUIREMENTS**

**SECTION 4.** G.S. 87-10.2 reads as rewritten:

**"§ 87-10.2. Continuing education.**

(a) As a condition of license renewal, at least one qualifier or qualifying party of a licensee holding a building contractor, residential contractor, or unclassified contractor license classification shall complete, on an annual basis, eight hours of continuing education approved in accordance with this section. Where an entity holding a building contractor, residential contractor, or unclassified contractor license classification has multiple qualifiers or qualifying parties, at least one qualifier or qualifying party of the licensee shall complete this requirement for the license to remain valid.

(a1) A member of the General Assembly is exempt from the continuing education requirements imposed by subsection (a) of this section for any calendar year in which the member serves a term or some portion thereof in the General Assembly.

...."

**END DUAL LICENSURE REQUIREMENTS FOR AUDIOLOGISTS**

**SECTION 5.(a)** G.S. 93D-14 reads as rewritten:

**"§ 93D-14. Persons not affected.**

(a) Nothing in this Chapter shall apply to a physician licensed to practice medicine or surgery in the State of North Carolina.

(b) Any person who meets the requirements of ~~having both a doctoral degree in Audiology and~~ holding a valid ~~permanent-unrestricted~~ license as an ~~audiologist-audiologist,~~ audiology assistant, or certified technician under Article 22 of Chapter 90 of the General Statutes of North Carolina is exempt from licensure under this Chapter. ~~A person who does not meet both~~

requirements of having a doctoral degree in Audiology and holding a valid permanent license as an audiologist under Article 22 of Chapter 90 of the General Statutes of North Carolina must become a registered apprentice or be licensed by the Board before fitting or selling hearing aids in the State of North Carolina.

(c) ~~Nothing in this Chapter shall be construed to exempt an audiology assistant or certified technician, working under the supervision of a licensee or a person exempt from licensure under this Chapter, from being subject to the provisions of this Chapter. Such a person, before engaging in fitting or selling hearing aids, as defined in this Chapter, must be registered as an apprentice under a Registered Sponsor or be licensed by the Board.~~

(d) The provisions of this Chapter shall not apply to the activities and services of an audiology student pursuing a course of study in an accredited college or university, if these activities and services constitute a part of such person's course of study."

**SECTION 5.(b)** This section is effective when it becomes law.

## **LOCKED HEARING AID DISCLOSURES FOR HEARING AID FITTERS, DEALERS, AND AUDIOLOGISTS**

**SECTION 6.(a)** Chapter 93D of the General Statutes is amended by adding a new section to read:

### **"§ 93D-7.1. Disclosure of locked hearing aid software; additional disclosures and record keeping.**

(a) Definitions. – The following definitions apply in this section:

- (1) Locked hearing aid. – A hearing aid that uses either proprietary programming software or locked, nonproprietary programming software that restricts programming or servicing of the device to specific facilities or providers.
- (2) Locked, nonproprietary programming software. – Software that any provider or seller can render inaccessible to other hearing aid programmers.
- (3) Proprietary programming software. – Software used to program hearing aids that is supplied by a hearing aid distributor or manufacturer for exclusive use by affiliated providers or sellers. This software is locked and inaccessible to nonaffiliated providers or sellers.

(b) Disclosure of Locked Programming Software. – To the extent not inconsistent with federal law, any person licensed under this Chapter who sells locked hearing aids shall, before consummating the sale of any locked hearing aid, provide the purchaser with a written notice, in 12-point type or larger, stating:

"The hearing aid being purchased uses proprietary or locked programming software and can only be serviced or programmed at specific facilities or locations."

The purchaser shall sign the notice prior to sale completion. The seller shall retain a copy of the signed notice for at least seven years, subject to the conditions of subsection (d) of this section.

(c) Written Receipt of Sale. – Upon consummation of a sale of a locked hearing aid, in addition to complying with G.S. 93D-7, the licensee shall deliver to the purchaser a written receipt signed by or on behalf of the licensee, containing all of the following information:

- (1) The date of consummation of the sale.
- (2) The make, model number, and serial number of the hearing aid sold.
- (3) Whether the hearing aid is new, used, or reconditioned.
- (4) The licensee's name and license number, and the name and license number of any other hearing aid dispenser, apprentice, temporary licensee, or trainee licensee who provided any recommendation or consultation regarding the purchase.
- (5) The address of the principal place of business of the licensee, and the address and office hours at which the licensee shall be available for fitting or post-fitting adjustments and servicing of the hearing aid sold.

(6) The terms of any guarantee or written warranty made to the purchaser with respect to the hearing aid.

If multiple locked hearing aids are sold in a single transaction, a single written notice under subsection (b) of this section and a single written receipt under this subsection may be used to satisfy the requirements of this section, provided that the required information for each hearing aid sold is clearly documented.

(d) Record Keeping. – The licensee shall maintain, for a period of at least seven years after the sale, the following records for each hearing aid sold:

(1) A copy of the written notice described in subsection (b) of this section as signed by the purchaser.

(2) A copy of the written receipt described in subsection (c) of this section.

(3) The results of any audiologic tests or measurements performed as part of the fitting and dispensing of the hearing aid or aids.

(4) A copy of any written recommendations prepared as part of the fitting and dispensing of the hearing aid or aids.

These records shall be kept at the licensee's principal place of practice and shall be made available for inspection by the Board."

**SECTION 6.(b)** The North Carolina State Hearing Aid Dealers and Fitters Board may adopt rules to implement subsection (a) of this section.

**SECTION 6.(c)** This section becomes effective October 1, 2025.

**SECTION 7.(a)** Article 22 of Chapter 90 of the General Statutes is amended by adding a new section to read:

**"§ 90-308. Disclosure of locked hearing aid software by audiologists; receipt and record requirements.**

(a) Disclosure of Locked Programming Software. – To the extent not inconsistent with federal law, a licensed audiologist who engages in the fitting or selling of locked hearing aids, as defined in G.S. 93D-7.1(a)(1), shall, before consummating the sale of any locked hearing aid, provide the purchasing patient with a written notice in at least 12-point type stating:

"The hearing aid being purchased uses proprietary or locked programming software and can only be serviced or programmed at specific facilities or locations."

This notice must be signed by the purchasing patient prior to sale completion. The audiologist shall retain a copy of the signed notice in the patient's file in addition to the record requirements of subsection (c) of this section.

(b) Receipt of Sale. – Upon the consummation of a sale of a locked hearing aid, in addition to complying with G.S. 93D-7, the audiologist shall give the purchasing patient a written receipt, signed by or on behalf of the audiologist, containing all of the following information:

(1) The date of consummation of the sale.

(2) The make, model, and serial number of the hearing aid sold.

(3) Whether the hearing aid is new, used, or reconditioned.

(4) The audiologist's name and license number. If any other hearing care professionals licensed under this Article, such as another audiologist or temporary licensee, provided any recommendation or consultation for the purchase, their name and applicable license number shall also be noted.

(5) The address of the principal place of business of the audiologist, and the address and office hours at which the audiologist shall be available for fitting or post-fitting adjustments and servicing of the hearing aid sold.

(6) The terms of any guarantee or written warranty made to the purchasing patient with respect to the hearing aid.

If multiple locked hearing aids are sold in a single transaction, a single written notice under subsection (a) of this section and a single written receipt under this subsection may be used to

satisfy the requirements of this section, provided that the required information for each hearing aid sold is clearly documented.

(c) Record Keeping. – A licensed audiologist shall maintain, for a period of at least seven years after the sale, the following records for each locked hearing aid transaction:

(1) A copy of the written notice described in subsection (a) of this section as signed by the purchasing patient.

(2) A copy of the written receipt described in subsection (b) of this section.

(3) The results of any audiologic tests or measurements performed as part of the fitting and dispensing of the locked hearing aid or aids.

(4) A copy of any written recommendations prepared as part of the fitting and dispensing of the hearing aid or aids.

These records shall be kept at the audiologist's principal place of practice and shall be made available for inspection by the Board."

**SECTION 7.(b)** The North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists may adopt rules to implement subsection (a) of this section.

**SECTION 7.(c)** This section becomes effective October 1, 2025.

## **AUTHORIZE BROKERS TO REGISTER WITH MULTIPLE DEALERS**

**SECTION 8.** G.S. 78A-36 reads as rewritten:

### **"§ 78A-36. Registration requirement.**

(a) It is unlawful for any person to transact business in this State as a dealer or salesman unless he is registered under this Chapter. No dealer shall be eligible for registration under this Chapter, or for renewal of registration hereunder, unless such dealer is at the time registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(b) It is unlawful for any dealer to employ a salesman unless the salesman is registered. The registration of a salesman is not effective during any period when he is not associated with a particular dealer registered under this Chapter. When a salesman begins or terminates those activities which make him a salesman, the salesman as well as the dealer shall promptly notify the Administrator.

The Administrator may by rule or order require the return of a salesman's license upon the termination of those activities which make him a salesman or, if such return is impossible, require a bond or evidence satisfactory to the Administrator of such impossibility. No salesman may be registered with more than one ~~dealer-dealer~~ unless each of the dealers which employs or associates with the salesman is under common ownership or control, or the registration is otherwise allowed by a rule or order of the Administrator.

(c) Every registration expires on the thirty-first day of March of each year (or such other date not more than one year from its effective date as the Administrator may by rule or order provide) unless renewed."

## **PART III. BUSINESS REFORMS**

### **PROPOSED CONSTITUTIONAL AMENDMENT REGARDING EMINENT DOMAIN AND ADDITIONAL EMINENT DOMAIN STATUTORY CHANGES**

**SECTION 9.(a)** Article I of the North Carolina Constitution is amended by adding a new section to read:

#### **"Sec. 39. Eminent domain.**

Private property shall not be taken by eminent domain except for a public use. Just compensation shall be paid and shall be determined by a jury at the request of any party."

**SECTION 9.(b)** The amendment set out in subsection (a) of this section shall be submitted to the qualified voters of the State at the general election in 2026, which election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or

both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

"[ ] FOR [ ] AGAINST

Constitutional amendment to prohibit condemnation of private property except for a public use and to provide for the payment of just compensation with right of trial by jury in all condemnation cases."

**SECTION 9.(c)** If a majority of votes cast on the question are in favor of the amendment set out in subsection (a) of this section, the State Board of Elections shall certify the amendment to the Secretary of State. The Secretary of State shall enroll the amendment so certified among the permanent records of that office. The amendment set out in subsection (a) of this section becomes effective upon certification and applies to takings after that date.

**SECTION 9.(d)** G.S. 40A-3 reads as rewritten:

**"§ 40A-3. By whom right may be exercised.**

(a) Private Condemnors. – For the public ~~use or benefit, use,~~ the persons or organizations listed below shall have the power of eminent domain and may acquire by purchase or condemnation property for the stated purposes and other works which are authorized by ~~law-law:~~

(1) Corporations, bodies politic or persons have the power of eminent domain for the construction of railroads, power generating facilities, substations, switching stations, microwave towers, roads, alleys, access railroads, turnpikes, street railroads, plank roads, tramroads, canals, ~~telegraphs, telephones,~~ communication facilities, electric power lines, electric lights, public water supplies, public sewerage systems, flumes, bridges, facilities related to the distribution of natural gas, and pipelines or mains for the transportation of petroleum products, coal, natural gas, limestone or minerals. Land condemned for any liquid pipelines ~~shall:shall~~ meet both of the following requirements:

a. Not be less than 50 feet nor more than 100 feet in ~~width; and~~ width.

b. Comply with the provisions of G.S. 62-190(b).

The width of land condemned for any natural gas pipelines shall not be more than 100 feet.

...

(b) Local Public Condemnors – Standard Provision. – For the public ~~use or benefit, use,~~ the governing body of each municipality or county shall possess the power of eminent domain and may acquire by purchase, gift or condemnation any property, either inside or outside its boundaries, for the following purposes:

...

(b1) Local Public Condemnors – Modified Provision for Certain Localities. – For the public ~~use or benefit, use,~~ the governing body of each municipality or county shall possess the power of eminent domain and may acquire by purchase, gift or condemnation any property or interest therein, either inside or outside its boundaries, for the following purposes:

...

(c) Other Public Condemnors. – For the public ~~use or benefit, use,~~ the following political entities shall possess the power of eminent domain and may acquire property by purchase, gift, or condemnation for the stated ~~purposes:~~ purposes:

...

(d) Connection of Customers. – For the public use, private condemnors, local public condemnors, and other public condemnors in subsections (a), (b), (b1), and (c) of this section shall possess the power of eminent domain and may acquire by purchase, gift, or condemnation any property for the connection of any customer or customers."

**SECTION 9.(e)** Except as otherwise provided, this section is effective when it becomes law and applies to takings occurring on or after that date.

**ALLOWING THE USE OF UNGRADED LUMBER IN CERTAIN CIRCUMSTANCES**

**SECTION 10.(a)** Definitions. – For purposes of this section, the following definitions apply:

- (1) Dimension lumber. – Lumber that has not been grade-stamped under the authority of a lumber grading bureau.
- (2) Small mill. – A sawmill that mills less than 1,000,000 board feet of lumber per year.

**SECTION 10.(b)** The North Carolina Residential Code Council shall amend the North Carolina Residential Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of the sawmill that milled the lumber to the owner of the dwelling to be constructed or that person's authorized representative.
- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the dwelling to ensure that it meets the requirements of the North Carolina Residential Code in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.
- (5) The sawmill provides to the purchaser a certificate containing all of the following information:
  - a. A statement of the species of wood, quantity milled, and address where the lumber will be used.
  - b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
  - c. A certification that the lumber meets or exceeds the requirements of the North Carolina Residential Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
  - d. The date of sale of the lumber.

**SECTION 10.(c)** The North Carolina Residential Code Council shall amend the North Carolina Residential Code and the North Carolina Building Code Council shall amend the North Carolina Building Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings and structures classified as Residential Group R-2 or R-3, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of a small mill or a mobile sawmill that milled the lumber to the owner of the structure to be constructed or that person's authorized representative.

- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the small mill or mobile sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the structure to ensure that it meets the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.
- (5) The small mill or mobile sawmill provides to the purchaser a certificate containing all of the following:
- A statement of the species of wood, quantity milled, and address where the lumber will be used.
  - The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
  - A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
  - The date of sale of the lumber.

**SECTION 10.(d)** The Residential Code Council and Building Code Council shall adopt temporary rules to implement the requirements of this section no later than 180 days after the effective date of this section. The Residential Code Council and Building Code Council shall also adopt permanent rules to replace the temporary rules.

**SECTION 11.(a)** Article 9 of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-138.2. Lumber grading training program.**

(a) The North Carolina Cooperative Extension Service shall establish a basic lumber grading training program for individuals and establish the general requirements for successfully completing the training program, including requirements for initial certification and for recertification. The North Carolina Cooperative Extension Service shall offer the training program at least annually. The Extension Forestry staff, in cooperation with the staff of the North Carolina Forest Service, shall develop and establish the content of the training program, determine the certification requirements for instructors teaching the training program, and determine the criteria for determining successful completion of the training program. Instructors shall be approved by the North Carolina Cooperative Extension Service.

(b) The North Carolina Cooperative Extension Service may, in its discretion, authorize one or more private lumber grading training programs, provided that the content of the private programs and certification requirements for instructors and criteria for successful completion of the training program are at least as stringent as the program offered by the North Carolina Cooperative Extension Service. An authorized private training program may issue initial certifications and recertifications.



(c) An individual holding an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state who mills lumber in this State shall be recertified under the training program every five years.

(d) An individual who holds an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state shall register with the North Carolina Forest Service before selling lumber that has not been grade-stamped under the authority of a lumber grading bureau directly to the owner of a structure for use in construction of the structure."

**SECTION 11.(b)** The North Carolina Cooperative Extension Service shall establish the basic lumber grading training program no later than 180 days after the effective date of this section.

**SECTION 12.** G.S. 160D-1110 is amended by adding a new subsection to read:

"(b1) For a structure constructed with lumber that has not been grade-stamped under the authority of a lumber grading bureau, a building permit applicant shall submit with the building permit application all of the following:

(1) A statement of the species of wood, quantity, and address where the lumber will be used.

(2) The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.

(3) A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.

(4) The date of sale of the lumber."

**SECTION 13.** Section 10 of this act is effective when it becomes law and expires when the Residential Code Council and Building Code Council have issued permanent rules substantially similar to Sections 10(b) and 10(c) of this act and notified the Codifier of Statutes that it has done so. Section 12 of this act becomes effective on the date that the temporary rules required to be adopted by the Residential Code Council and Building Code Council by Section 10 of this act become effective.

#### **DELAY PHASED-IN MANDATORY COMMERCIAL AND RECREATIONAL REPORTING OF CERTAIN FISH HARVESTS, AS ENACTED BY S.L. 2023-137**

**SECTION 14.** Section 6(f) of S.L. 2023-137 reads as rewritten:

**"SECTION 6.(f)** Subsection (a) of this section becomes effective December 1, 2024, and applies to violations committed on or after that date. Subsection (b) of this section becomes effective ~~December 1, 2025, December 1, 2026,~~ and applies to violations committed on or after that date. Subsection (c) of this section becomes effective ~~December 1, 2026, December 1, 2027,~~ and applies to violations committed on or after that date. The remainder of this section is effective when it becomes law."

#### **PART IV. ADMINISTRATIVE PROCEDURE ACT AMENDMENTS**

##### **EXTEND NOTICE REQUIRED BEFORE CONTESTED CASE HEARINGS**

**SECTION 15.(a)** G.S. 150B-23(b) reads as rewritten:

**"(b)** The parties to a contested case shall be given a notice of hearing not less than ~~15 days~~ 45 days before the hearing by the Office of Administrative Hearings. If prehearing statements have been filed in the case, the notice shall state the date, hour, and place of the hearing. If prehearing statements have not been filed in the case, the notice shall state the date, hour, place,

and nature of the hearing, shall list the particular sections of the statutes and rules involved, and shall give a short and plain statement of the factual allegations."

**SECTION 15.(b)** G.S. 150B-38 reads as rewritten:

**"§ 150B-38. Scope; hearing required; notice; venue.**

(a) The provisions of this Article shall apply to:

- (1) Occupational licensing agencies.
- (2) The State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce.
- (3) The Department of Insurance and the Commissioner of Insurance.
- (4) The State Chief Information Officer in the administration of the provisions of Article 15 of Chapter 143B of the General Statutes.
- (5) The North Carolina State Building Code Council.
- (5a) The Office of the State Fire Marshal and the State Fire Marshal.
- (6) Repealed by Session Laws 2018-146, s. 4.4(b), effective December 27, 2018.

(b) Prior to any agency action in a contested case, the agency shall give the parties in the case an opportunity for a hearing without undue delay and notice not less than ~~15 days~~ 45 days before the hearing. Notice to the parties shall include all of the following:

- (1) A statement of the date, hour, place, and nature of the hearing.
- (2) A reference to the particular sections of the statutes and rules involved.
- (3) A short and plain statement of the facts alleged.

...."

## **REQUIRE AGENCY ATTORNEYS TO COMPLY WITH RULE 4.2 OF THE RULES OF PROFESSIONAL CONDUCT IN CONTESTED CASES**

**SECTION 16.(a)** Article 3 of Chapter 150B of the General Statutes is amended by adding a new section to read:

**"§ 150B-35.1. Agency communications with person represented by counsel.**

(a) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy.

(b) A lawyer who violates this section shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

**SECTION 16.(b)** G.S. 150B-40 is amended by adding a new subsection to read:

"(d1) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy. A lawyer who violates this subsection shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

## **ENCOURAGE ARTICLE 3A AGENCIES TO NEGOTIATE INFORMALLY**

**SECTION 17.** G.S. 150B-22 reads as rewritten:

**"§ 150B-22. Settlement; contested case.**

(a) It is the policy of this State that any dispute between an agency and another person that involves the person's rights, duties, or privileges, including licensing or the levy of a monetary penalty, should be settled through informal procedures. In trying to reach a settlement

1 through informal procedures, the agency may not conduct a proceeding at which sworn testimony  
2 is taken and witnesses may be cross-examined.

3 (b) If the agency and the other person do not agree to a resolution of the dispute through  
4 informal procedures, either the agency or the person may commence an administrative  
5 proceeding to determine the person's rights, duties, or privileges, at which time the dispute  
6 becomes a "contested case." A party or person aggrieved shall not be required to petition an  
7 agency for rule making or to seek or obtain a declaratory ruling before commencing a contested  
8 case pursuant to G.S. 150B-23.

9 (c) This section applies to agencies covered under both this Article and Article 3A of this  
10 Chapter."

11  
12 **PART V. EFFECTIVE DATE**

13 **SECTION 18.** Except as otherwise provided, this act is effective when it becomes  
14 law.