



October 2025 | [nclm.org](https://nclm.org)



**October marks the first of two semiannual disbursements of Powell Bill road funding to cities. The League's advocacy to establish this program over 75 years ago culminated in the passage of the law in 1951. Back then, League leaders called the achievement "the doggonest legislative battle in the history of the League."**

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## End of Session Bulletin

The NCLM Government Affairs team is pleased to present the End-of-Session Bulletin for the legislative long session. This comprehensive document provides a detailed review of legislation affecting municipalities considered so far in the 2025 legislative session. While legislators are expected to return to Raleigh for monthly sessions over the coming months before convening their formal short session in April 2026, this bulletin covers a broad array of key bills heard in the General Assembly over the past ten months. It also includes an examination of **Legislative Goal** achievements and an assessment of our defensive efforts to protect municipal authority.

We hope that you find this information helpful as a reference guide to legislation affecting your city or town, as well as policies that impact municipalities throughout the state. We may provide further updates to this document if the General Assembly considers additional legislation before the end of the calendar year, so stay tuned.

END OF SESSION BULLETIN

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# What Does a Federal Government Shutdown Mean for Local Governments

At 12:01 on Wednesday, October 1, the federal government entered a shutdown after Congressional leaders were unable to pass a funding bill to continue government operations. While the duration of this shutdown remains unclear, please continue to monitor for further updates from NCLM or the National League of Cities (NLC) as the shutdown progresses.

NLC has publicly expressed opposition to federal government shutdowns due to their compounding impacts on local government operations and services. They have also compiled a [checklist](#) for local governments to consider during the shutdown.

- While in most cases, the operations of federal agencies cease during a shutdown, the President and his administration have significant flexibility in determining what remains active. Each agency has developed a unique response plan; please refer to that agency's website or contact your designated points of contact for further information.
- Several federal programs have lapsed, including the National Flood Insurance Program (NFIP), Temporary Assistance for Needy Families (TANF), Medicare Health Extenders, and portions of the Farm Bill. Because statutory authorization expired for these programs on September 30 and was not extended by a continuing resolution, they cannot continue into the new fiscal year. In the case of NFIP, this means that the federal government cannot issue new policies, renew expiring ones, or increase coverage on existing policies. Only claims on currently active policies will be processed. This lapse leaves homeowners, prospective buyers, and local governments facing significant uncertainty until Congress acts to reauthorize the program.
- For grant programs, like CDBG, grantees should be able to continue accessing their funds if they have already been obligated. However, this might also be turned off with little to no notice if the shutdown becomes lengthy.

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## EMC Adopts PFAS Groundwater Standards

On September 11, the North Carolina Environmental Management Commission (NC EMC) adopted groundwater standards for three types of toxic chemicals commonly known as PFAS. The standards were years in the making, and the process to reach these standards included highly emotional public hearings, particularly in the Cape Fear River communities where DuPont's Chemours company released PFAS and GenX.

While a significant step forward, the regulations were narrowed and limited in two important ways during the process. First, the standards only address three chemicals rather than the eight that the Department of Environmental Quality initially proposed. Second, the jurisdictional limit of the federally delegated program was narrowed by the U.S. Supreme Court's ruling, which limited the definition of wetlands. These adopted rules will now be submitted to the Rules Review Commission for administrative review. The General Assembly may subsequently review them before being submitted to the Environmental Protection Agency (EPA) for further review and approval.

These regulations are part of a larger debate about addressing PFAS in ground and surface waters. Earlier this year, the NC House passed **HB 569 PFAS Pollution and Polluter Liability**, which grants additional authority to the Secretary of DEQ to recover costs from responsible polluters. The Senate did not take up the bill before the General Assembly adjourned in July.

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## DEQ Announces \$86 Million for Water Infrastructure Projects

On September 18, Gov. Stein **announced** that the State Water Infrastructure Authority (SWIA) approved \$86 million in funding for 14 drinking water and wastewater infrastructure projects as part of the recovery efforts in communities impacted by Hurricane Helene. These projects were the first approved in the nation under the Environmental Protection Agency's (EPA) Helene recovery program.

The projects will enhance the resilience of drinking water and wastewater infrastructure against flooding in the future and replace infrastructure damaged by floodwaters and shifting stream or river banks. The funding came from the federal Supplemental Appropriations for Hurricanes Helene and Milton and Hawaii wildfires, and was directed through the State Revolving Fund.

SWIA will continue to accept applications for future funding rounds through March 2026.

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## Mayors Association Gathers in Asheville



September 17 and 18 saw mayors from every corner of North Carolina converge on Asheville for the Fall Meeting of the NC Mayors Association. Over the two-day event, the more than 80 attendees heard from state leaders like Lieutenant Governor Rachel Hunt, NC Department of Commerce Chief Deputy Secretary Kenny Flowers, NC Senator Kevin Corbin, and NC Representative Lindsey Prather, as well as an outstanding panel of City of Asheville leaders on the ongoing recovery from Hurricane Helene. Attendees also heard updates from NCLM staff and had ample opportunities to connect with their fellow mayors and share updates from their communities. Check out the event photo album using the link below.

#### PHOTO ALBUM



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