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## Editors Note

*This will be the last weekly Bulletin of the 2025 legislative long session. Barring any breaking legislative news, we will publish a monthly Bulletin on the first Friday of each month. The next publication is planned for Friday, September 5.*

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## Legislators Return to Raleigh

Legislators returned to Raleigh on Tuesday for the first of many monthly sessions before next year's "short session" commences. While the primary focus for the two-day session was overriding bills vetoed by Governor Josh Stein, both chambers considered other items, including a comprehensive adjournment resolution and a "mini-budget" proposal.

As of early July, Governor Stein had issued [vetoes on fourteen bills](#) sent to him by the General Assembly on topics ranging from immigration and guns to DEI, charter schools, and the powers of Council of State agencies and rulemaking bodies. On Tuesday, legislators considered overriding the vetoes on twelve of those bills, with eight of those being successfully overridden by both chambers. The list of overridden bills is below, and while the Senate successfully overrode the Governor's veto of [SB 50 Freedom to Carry NC](#), [SB 153 North Carolina Border Protection Act](#), [SB 227 Eliminating "DEI" in Public Education](#), and [SB 558 Eliminating "DEI" in Public Higher Ed](#), the

House did not consider them. More discussion of the DEI bills is included later in this Bulletin.

[HB 318 The Criminal Illegal Alien Enforcement Act](#)  
[HB 402 Limit Rules with Substantial Financial Costs](#)  
[SB 254 Charter School Changes](#)  
[SB 266 The Power Bill Reduction Act](#)  
[HB 549 Clarify Powers of State Auditor](#)  
[HB 805 Prevent Sexual Exploitation/Women and Minors](#)  
[SB 416 Personal Privacy Protection Act](#)  
[HB 193 Firearm Law Revisions](#)

During this week's meetings, legislators also considered a "mini budget" to provide monies to support various state government programs and salaries. [HB 125 Continuing Budget Operations](#) allocates funds to programs, including disaster relief funding, public education, community colleges, health and human services, economic development, justice and public safety, the Division of Motor Vehicles, and salaries for state employees and public school teachers. The bill also included provisions creating a Division of Accountability, Value, and Efficiency within the Department of the State Auditor to review state agency programs and positions, and provide a report to the General Assembly by December 31, 2025, with recommendations. Both chambers approved HB 125 with veto-proof majorities (House: 91 to 23; Senate: 47-2), and the bill has been sent to the Governor for consideration.

Legislators also approved [HB 87 Educational Choice for Children Act \(ECCA\)](#) giving state authorization for a tax credit program included in H.R. 1 One Big Beautiful Bill Act allowing for tax credit for contributions to authorized educational organizations, and [SB 55 Expedited Removal of Unauthorized Persons](#), a bill creating an alternative remedy for the expedited removal of unauthorized persons from private property by a law enforcement agency. SB 55 mirrored [HB 96 Expedited Removal of Unauthorized Persons](#), which Governor Stein had vetoed due to the inclusion of language prohibiting local governments from regulating pet stores that raised concerns about the possible allowance of "puppy mills." Both bills have been sent to the Governor for his consideration, and he has signaled that he would be willing to sign SB 55 due to the removal of the outlined pet shop provision.

Finally, after significant negotiations, legislators agreed to [SJR 772 Adjournment Resolution](#) outlining the legislative calendar for the months leading up to April 21, 2026, when the legislative short session convenes.

Legislators are generally scheduled to return to Raleigh once a month for one-to four-day sessions, depending on the month, with restrictions on the topics that can be considered. Those restrictions limit the items that can be considered to mainly perfunctory actions by the General Assembly, such as review of appointments, legal actions, veto messages from the Governor, and others. One exception to those restrictions is during September's four-day session (September 22-25), any bill that passed the crossover deadline (i.e., was approved by the originating chamber by May 8) will be eligible for consideration. That includes a variety of bills being followed by the NCLM Government Affairs team. Time will tell what will be considered during that session, and more information will be provided once it becomes available.

## **General Assembly Announces Local Bill Deadlines for 2026**

This week, the House and Senate approved an adjournment resolution, [SJR 772 \(Resolution 2025-8\)](#), marking the conclusion of regular legislative business and the transition to interim work. The resolution sets forth dates for when the legislature may reconvene to address outstanding priorities, including the state budget.

Of particular importance for cities and towns are the deadlines for local bills in the upcoming 2026 Legislative Short Session. While the Short Session is scheduled to begin on April 21, 2026, local bills must be submitted to the legislative bill drafting division by April 13, 2026, and filed no later than May 5, 2026. If your municipality is considering a local bill, we encourage you to work with your legislative delegation now to ensure you are prepared to meet these deadlines.

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## **Legislative Efforts on DEI Remain Stalled**

Legislative efforts to override gubernatorial vetoes on a trio of diversity, equity and inclusion (DEI) measures stalled during this week's state legislative voting sessions. Buoyed by presidential Executive Orders seeking to remove DEI policies across the federal government and those entities doing business with the federal government, earlier in the session,

legislators introduced multiple bills focused on addressing these programs across state and local governments, as well as educational institutions.

House leaders calendared [HB 171 Equality in State Agencies/Prohibition on DEI](#) which directly impacts municipal operations, for a veto override that failed to materialize. Therefore, they moved the bill to the voting calendar for the next day they plan to reconvene, Aug. 26. HB 171 would prohibit the use of public funds to support DEI programs in state and local government, including awarding contracts, maintaining dedicated staff positions or offices, offering training, and implementing hiring processes. The prohibition extends to the receipt of funds that require compliance with DEI mandates or policies and would require local government to terminate existing programs with such requirements unless participation is explicitly required by federal law. The legislation also imposes civil penalties for noncompliance and establishes a private right of action, allowing citizens to sue a local government for violating this measure.

The Governor [vetoed](#) HB 171, and it was not considered by either chamber during this week's session. Though HB 171 passed the House along generally partisan lines in late April, after changes in the Senate, the vote became narrower when it returned to the House for concurrence, calling into question the prospects for a veto override in the House, where Republicans need all of their caucus plus one Democrat to achieve the threshold required.

On the education front, [SB 227 Eliminating "DEI" in Public Education](#) and [SB 558 Eliminating "DEI" in Public Higher Ed](#), were both also passed along partisan lines and would prohibit public education units and public higher educational institutions (UNC system schools and community colleges) from engaging in or advocating for discriminatory or "divisive concepts." These bills were vetoed by the Governor ([SB 227](#) and [SB 558](#)), and while the Senate overrode both vetoes on Tuesday, neither was taken up by the House.

It is unclear if these veto overrides will be considered later in the year, but by the rules outlined in the adjournment resolution, they remain eligible.

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## Senate Regulatory Reform Bill Pauses as Legislators Leave

# Raleigh

The annual regulatory reform omnibus package advanced out of the [Senate Regulatory Reform Committee](#) this week but Senators hit pause on the measure in the [Senate Rules Committee](#) as lawmakers adjourned. [HB 926 Regulatory Reform Act of 2025](#), which the House previously passed in June, was amended by the Senate to include a few provisions affecting municipal operations statewide. Key provisions of interest to cities and towns include:

- Building Inspection Cancellation Fees – Prohibits inspection departments from collecting fees if an inspection is canceled more than one business day in advance.
- Municipal Street Standards – Bars cities and towns from adopting street design and construction standards that exceed those required by the NC Department of Transportation (NCDOT).
- Infrastructure Acceptance in ETJs – Requires municipalities to accept and maintain sidewalks and street improvements located in extraterritorial jurisdictions (ETJs) if they were required as part of a development project.
- Development Application Refiling Periods – Prevents local governments from imposing a waiting period on resubmittal of development applications that have been denied or withdrawn.

The bill now remains in the Senate Rules Committee awaiting further action.

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## Deannexation Bill One Step Closer to Becoming Law

This week, House legislators approved a measure to remove properties from the municipal boundaries of a few cities and towns. [HB 214 Various Local Boundaries](#) would deannex several specific properties in Southport, Yadkinville, and Kannapolis. Southport officials have voiced strong opposition to these removals, citing concerns from residents about ongoing efforts to override local decision-making and the potential impact on the community's future.

An article, from earlier this year, by the [Port City Daily of Wilmington](#) highlights the ongoing debate among Southport residents, city officials, and legislators. The bill now moves to the Senate for a concurrence vote. If approved, it will become law without requiring the Governor's signature.

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## NC BEMO Gathers in Greensboro for Annual Conference

Last weekend, members of the North Carolina Black Elected Municipal Officials (BEMO) gathered at the O. Henry Hotel for their annual conference. Over the two-day event, attendees visited the International Museum of Civil Rights and heard a legislative panel featuring U.S. Congresswoman Valerie Foushee, state Senator Gladys Robinson, and state Representative Ray Jeffers. They also participated in a "Commit To Civility" presentation by NCLM Director of Learning and Development Vickie Miller and were given a Legislative Update by NCLM Director of Government Affairs Erin Wynia and Senior Government Affairs Associate Derrek Applewhite.



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