

NORTH CAROLINA REGISTER

VOLUME 40 • ISSUE 07 • Pages 592 – 696

October 1, 2025

I. IN ADDITION

Department of Labor – Notice of Fee Schedule	592
License and Theft Bureau – Notices of License Application Submission	593 – 594
Housing Finance Agency - 2026 Low Income Tax Credit Qualification.....	595 – 629

II. PROPOSED RULES

Public Safety, Department of	
Alcoholic Beverage Control Commission	630 – 634
Environmental Quality, Department of	
Coastal Resources Commission	634 – 636
Public Instruction, Department of	
State Board of Education	636 – 639
Occupational Licensing Boards and Commissions	
Chiropractic Examiners, Board of	639 – 650
Licensing Board for General Contractors	650 – 654

III. APPROVED RULES..... 655 – 682

Board of Elections

Elections, State Board of

Insurance, Department of

Department

Labor, Department of

Department

Public Safety, Department of

Private Protective Services Board

Alarm Systems Licensing Board

Environmental Quality, Department of

Public Health, Commission for

State Board of Education

Education, State Board of

Occupational Licensing Boards and Commissions

General Contractors, Licensing Board for

IV. RULES REVIEW COMMISSION 683 – 696

PUBLISHED BY

The Office of Administrative Hearings

Rules Division

1711 New Hope Church Road

Raleigh, NC 27609

Telephone 984-236-1850

Fax 984-236-1947

Melissa Owens Lassiter, Director

Brian Liebman, Codifier of Rules

Julie B. Eddins, Publications Coordinator

Contact List for Rulemaking Questions or Concerns

For questions or concerns regarding the Administrative Procedure Act or any of its components, consult with the agencies below. The bolded headings are typical issues which the given agency can address but are not inclusive.

Rule Notices, Filings, Register, Deadlines, Copies of Proposed Rules, etc.

Office of Administrative Hearings

Rules Division

1711 New Hope Church Road

Raleigh, North Carolina 27609

984-236-1850

984-236-1947 FAX

contact: Brian Liebman, Codifier of Rules

brian.liebman@oah.nc.gov

984-236-1941

Julie B. Eddins, Publications Coordinator

julie.eddins@oah.nc.gov

984-236-1937

Rule Review and Legal Issues

Rules Review Commission

1711 New Hope Church Road

Raleigh, North Carolina 27609

984-236-1850

984-236-1947 FAX

contact: Seth M. Ascher, Commission Counsel

seth.ascher@oah.nc.gov

984-236-1934

Travis Wiggs, Commission Counsel

travis.wiggs@oah.nc.gov

984-236-1929

Christopher S. Miller, Commission Counsel

christopher.miller@oah.nc.gov

984-236-1935

Alexander Burgos, Paralegal

alexander.burgos@oah.nc.gov

984-236-1940

Fiscal Notes & Economic Analysis

Office of State Budget and Management

116 West Jones Street

Raleigh, North Carolina 27603-8005

Contact: Julie Ventaloro, Economic Analyst

osbmruleanalysis@osbm.nc.gov

984-236-0694

Fiscal Research Division

Legislative Office Building

300 N. Salisbury Street, Suites 619 and 400

Raleigh, NC 27603-5925

Contact: Brian Matteson

brian.matteson@ncleg.gov

919-733-4910

NC Association of County Commissioners

919-715-2893

215 North Dawson Street

Raleigh, North Carolina 27603

contact: Amy Bason

amy.bason@ncacc.org

NC League of Municipalities

919-715-2925

424 Fayetteville Street, Suite 1900

Raleigh, North Carolina 27601

contact: Baxter Wells

bwells@nclm.org

Legislative Process Concerning Rulemaking

545 Legislative Office Building

300 North Salisbury Street

Raleigh, North Carolina 27611

919-733-2578

919-715-5460 FAX

Jason Moran-Bates, Staff Attorney

Chris Saunders, Staff Attorney

Aaron McGlothlin, Staff Attorney

NORTH CAROLINA REGISTER
Publication Schedule for January 2025 – December 2025

FILING DEADLINES			NOTICE OF TEXT		PERMANENT RULE			TEMPORARY RULES
Volume & issue number	Issue date	Last day for filing	Earliest date for public hearing	End of required comment Period	Deadline to submit to RRC for review at next meeting	RRC Meeting Date	Earliest Eff. Date of Permanent Rule	270 th day from publication in the Register
39:13	01/02/25	12/06/24	01/17/25	03/03/25	03/20/25	04/24/2025	05/01/25	09/29/25
39:14	01/15/25	12/19/24	01/30/25	03/17/25	03/20/25	04/24/2025	05/01/25	10/12/25
39:15	02/03/25	01/10/25	02/18/25	04/04/25	04/20/25	05/29/2025	06/01/25	10/31/25
39:16	02/17/25	01/27/25	03/04/25	04/21/25	05/20/25	06/26/2025	07/01/25	11/14/25
39:17	03/03/25	02/10/25	03/18/25	05/02/25	05/20/25	06/26/2025	07/01/25	11/28/25
39:18	03/17/25	02/24/25	04/01/25	05/16/25	05/20/25	06/26/2025	07/01/25	12/12/25
39:19	04/01/25	03/11/25	04/16/25	06/02/25	06/20/25	07/30/2025	08/01/25	12/27/25
39:20	04/15/25	03/25/25	04/30/25	06/16/25	06/20/25	07/30/2025	08/01/25	01/10/26
39:21	05/01/25	04/09/25	05/16/25	06/30/25	07/20/25	08/28/2025	09/01/25	01/26/26
39:22	05/15/25	04/24/25	05/30/25	07/14/25	07/20/25	08/28/2025	09/01/25	02/09/26
39:23	06/02/25	05/09/25	06/17/25	08/01/25	08/20/25	09/25/2025	10/01/25	02/27/26
39:24	06/16/25	05/23/25	07/01/25	08/15/25	08/20/25	09/25/2025	10/01/25	03/13/26
40:01	07/01/25	06/10/25	07/16/25	09/02/25	09/20/25	10/30/2025	11/01/25	03/28/26
40:02	07/15/25	06/23/25	07/30/25	09/15/25	09/20/25	10/30/2025	11/01/25	04/11/26
40:03	08/01/25	07/11/25	08/16/25	09/30/25	10/20/25	11/20/2025	12/01/25	04/28/26
40:04	08/15/25	07/25/25	08/30/25	10/14/25	10/20/25	11/20/2025	12/01/25	05/12/26
40:05	09/02/25	08/11/25	09/17/25	11/03/25	11/20/25	12/18/2025	01/01/26	05/30/26
40:06	09/15/25	08/22/25	09/30/25	11/14/25	11/20/25	12/18/2025	01/01/26	06/12/26
40:07	10/01/25	09/10/25	10/16/25	12/01/25	12/20/25	01/29/2026	02/01/26	06/28/26
40:08	10/15/25	09/24/25	10/30/25	12/15/25	12/20/25	01/29/2026	02/01/26	07/12/26
40:09	11/03/25	10/13/25	11/18/25	01/02/26	01/20/26	02/26/2026	03/01/26	07/31/26
40:10	11/17/25	10/24/25	12/02/25	01/16/26	01/20/26	02/26/2026	03/01/26	08/14/26
40:11	12/01/25	11/05/25	12/16/25	01/30/26	02/20/26	03/26/2026	04/01/26	08/28/26
40:12	12/15/25	11/20/25	12/30/25	02/13/26	02/20/26	03/26/2026	04/01/26	09/11/26

EXPLANATION OF THE PUBLICATION SCHEDULE

This Publication Schedule is prepared by the Office of Administrative Hearings as a public service and the computation of time periods are not to be deemed binding or controlling. Time is computed according to 26 NCAC 2C .0302 and the Rules of Civil Procedure, Rule 6.

GENERAL

The North Carolina Register shall be published twice a month and contains the following information submitted for publication by a state agency:

- (1) temporary rules;
- (2) text of proposed rules;
- (3) text of permanent rules approved by the Rules Review Commission;
- (4) emergency rules
- (5) Executive Orders of the Governor;
- (6) final decision letters from the U.S. Attorney General concerning changes in laws affecting voting in a jurisdiction subject of Section 5 of the Voting Rights Act of 1965, as required by G.S. 120-30.9H; and
- (7) other information the Codifier of Rules determines to be helpful to the public.

COMPUTING TIME: In computing time in the schedule, the day of publication of the North Carolina Register is not included. The last day of the period so computed is included, unless it is a Saturday, Sunday, or State holiday, in which event the period runs until the preceding day which is not a Saturday, Sunday, or State holiday.

FILING DEADLINES

ISSUE DATE: The Register is published on the first and fifteen of each month if the first or fifteenth of the month is not a Saturday, Sunday, or State holiday for employees mandated by the State Human Resources Commission. If the first or fifteenth of any month is a Saturday, Sunday, or a holiday for State employees, the North Carolina Register issue for that day will be published on the day of that month after the first or fifteenth that is not a Saturday, Sunday, or holiday for State employees.

LAST DAY FOR FILING: The last day for filing for any issue is 15 days before the issue date excluding Saturdays, Sundays, and holidays for State employees.

NOTICE OF TEXT

EARLIEST DATE FOR PUBLIC HEARING: The hearing date shall be at least 15 days but not later than 60 days after the date a notice of the hearing is published.

END OF REQUIRED COMMENT PERIOD
An agency shall accept comments on the text of a proposed rule for at least 60 days after the text is published.

DEADLINE TO SUBMIT TO THE RULES REVIEW COMMISSION: The Commission shall review a rule submitted to it on or before the twentieth of a month by the last day of the next month.

**NORTH CAROLINA DEPARTMENT OF LABOR
NOTICE OF FEE SCHEDULE ENACTED BY SESSION LAW 2025-63**

Session Law 2026-63 repealed G.S. §§ 95-110.5(20), 95-111.4(19), and 95-120(9), the Department's authority to set fees in its rules. Pursuant to G.S. 150B-21.7, the Department filed, and the Codifier approved, the repeal and removal of fees promulgated pursuant to these repealed statutes from the North Carolina Administrative Code.

The following fees were enacted by Session Law 2026-63 and became effective July 1, 2025:

Elevator Safety Act

Special Inspection Fee – Expedited	\$1,000
Temporary Limited Certificate for Construction Use Only; Less than 10 Floors	\$200.00
Temporary Limited Certificate for Construction Use Only; 10 or More Floors	\$300.00
Reinspection Fee of Failed New and Repair/Alteration Inspections	\$1,000
Routine/Annual Elevator Inspections; Less than 10 Floors	\$200.00
Routine/Annual Elevator Inspections; 10 or More Floors	\$300.00
Routine/Annual Wheelchair Lift and Dumbwaiter Inspections	\$100.00
Routine/Annual Escalator and Moving Walk Inspections	\$500.00

Upon application to the Department for a new or alteration construction permit for a device subject to this section, an applicant shall submit a permit application fee. The amount of the permit application fee shall be the greater of (i) two hundred dollars (\$200.00) or (ii) one percent (1%) of the contract price for the alteration or installation of the device being permitted.

Amusement Device Safety Act

Advance Location Notice (ALN) Application Fee	\$25.00
Special Inspection Fee – Expedited	\$1,000
Amusement Major Ride Inspections	\$250.00
Amusement Return Trip Inspections	\$500.00
Holiday/Weekend Inspections	\$500.00
Kiddie Ride Inspections	\$100.00
Go Kart Inspections (per cart)	\$50.00
Go Kart Track Inspections	\$200.00
Amusement Rock Wall Inspections	\$100.00
Roller Coaster (permanent and portable) Inspections	\$500.00
Simulators	\$100.00
Bungee Trampoline Inspections	\$100.00
Water Slide Inspections	\$300.00
Train Inspections	\$250.00

Passenger Tramway Safety Act

Gondolas, Chairlifts, Inclined Railroad Inspections	\$500.00
J or T Bars and Conveyors Inspections	\$300.00
Rope Tow Inspections	\$200.00

North Carolina License and Theft Bureau

PUBLIC NOTICE

This serves as a notice pursuant to G.S. § 20-288 of a license application submission by a manufacturer, factory branch, factory representative, distributor, distributor branch, or distributor representative that has not been previously issued a license by the Division.

Applicant's Name: CHAMPION HOME BUILDERS INC

Applicant's Address: 349 E RAILROAD ST, PEMBROKE, NC 28372

Application Date: 8/26/2025

Names and titles of any individual listed on the application as an owner, partner, member or officer of the applicant: TIMOTHY LARSON, PRES/CEO; LAURIE HOUGH, CFO/TREASURER; LAUREL KRUEGER, SVP/GC/ SECRETARY; CHAMPION HOMES INC

North Carolina License and Theft Bureau

PUBLIC NOTICE

This serves as a notice pursuant to G.S. § 20-288 of a license application submission by a manufacturer, factory branch, factory representative, distributor, distributor branch, or distributor representative that has not been previously issued a license by the Division.

Applicant's Name: INTERSTATE TRAILERS, INC

Applicant's Address: 1101 HERITAGE PKWY., MANSFIELD, TX 76063

Application Date: 08/25/2025

Names and titles of any individual listed on the application as an owner, partner, member or officer of the applicant:

MATT LAWS, PRESIDENT/OFFICER

JOSH FLOWERS, VP/OFFICER

STEVEN FLOWERS, CEO/OFFICER

BRIAN SCHRODER, COO/OFFICER

SEAN HUTCHERSON, CFO/OFFICER

**The ~~2025~~2026 Low-Income Housing Tax Credit Qualified Allocation Plan
For the State of North Carolina**

I.	INTRODUCTION.....	4
II.	SET-ASIDES, AWARD LIMITATIONS, AND COUNTY DESIGNATIONS.....	5
A.	REHABILITATION SET-ASIDE.....	5
B.	NEW CONSTRUCTION SET-ASIDES	5
1.	GEOGRAPHIC REGIONS	5
2.	REDEVELOPMENT PROJECTS	5
3.	DISASTER RECOVERY	6
C.	USDA RURAL DEVELOPMENT.....	76
D.	NONPROFIT AND CHDO SET-ASIDES, NATIONAL HOUSING TRUST FUND, AND CHOICE NEIGHBORHOODS IMPLEMENTATION SET-ASIDE	76
1.	SET-ASIDES AND NATIONAL HOUSING TRUST FUND.....	76
(a)	Nonprofit Set-Aside.....	87
(b)	CHDO Set-Aside	87
2.	CHOICE NEIGHBORHOODS IMPLEMENTATION SET-ASIDE	87
E.	PRINCIPAL AND PROJECT AWARD LIMITS	87
1.	PRINCIPAL LIMITS	87
2.	PROJECT LIMIT	98
3.	AGENCY-DESIGNATED BASIS BOOST	98
F.	COUNTY AWARD LIMITS AND INCOME DESIGNATIONS	98
1.	AWARD LIMITS.....	98
(a)	Rehabilitation and East, Central, and West Regions	98
(b)	Metro Region.....	98
2.	INCOME DESIGNATIONS	98
G.	OTHER AWARDS AND RETURNED ALLOCATIONS	109
III.	DEADLINES, APPLICATION AND FEES.....	109
A.	APPLICATION AND AWARD SCHEDULE.....	109
B.	APPLICATION, ALLOCATION, MONITORING, AND PENALTY FEES.....	1140
C.	APPLICATION PROCESS AND REQUIREMENTS.....	1140
IV.	SELECTION CRITERIA AND THRESHOLD REQUIREMENTS.....	1244
A.	SITE AND MARKET EVALUATION.....	1244
1.	SITE EVALUATION (MAXIMUM 6874 POINTS)	1244
(a)	General Site Requirements:	1244
(b)	Criteria for Site Score Evaluation:.....	1344
(i)	NEIGHBORHOOD CHARACTERISTICS (MAXIMUM 10 POINTS)	1344
(ii)	AMENITIES (MAXIMUM 49 POINTS).....	1342
(iii)	SITE SUITABILITY (MAXIMUM 12 POINTS)	1644
(iv)	SITE NEGATIVE POINTS (NEGATIVE 3 POINTS).....	1745
2.	MARKET ANALYSIS	1745
B.	RENT AFFORDABILITY	1846

1. FEDERAL RENTAL ASSISTANCE	1846
2. TENANT RENT LEVELS AND RPP (MAXIMUM 2 POINTS).....	1846
3. INCOME AVERAGING	1947
C. PROJECT DEVELOPMENT COSTS, RPP LIMITATIONS, AND WHLP	1947
1. MAXIMUM PROJECT DEVELOPMENT COSTS (NEGATIVE 10 POINTS).....	1947
2. RESTRICTIONS ON RPP AWARDS.....	1948
3. WORKFORCE HOUSING LOAN PROGRAM (Subject to appropriation).....	2049
4. GOLDEN LEAF AFFORDABLE WORKFORCE HOUSING INITIATIVE	2149
D. CAPABILITY OF THE PROJECT TEAM.....	2220
1. DEVELOPMENT EXPERIENCE	2220
2. MANAGEMENT EXPERIENCE.....	2220
3. PROJECT TEAM DISQUALIFICATIONS	2321
E. UNIT MIX AND PROJECT SIZE	2321
F. SPECIAL CRITERIA AND TIEBREAKERS	2422
1. ENERGY STAR CERTIFICATION	2422
2. APPLICANT BONUS POINTS (MAXIMUM 2 POINTS)	24
3. UNITS FOR THE MOBILITY IMPAIRED.....	2422
4. TARGETING PROGRAM	2422
5. OLMSTEAD SETTLEMENT INITIATIVE (MAXIMUM 4 POINTS).....	2523
6. SECTION 1602 EXCHANGE PROJECTS (NEGATIVE 40 POINTS)	2523
7. TIEBREAKER CRITERIA.....	2523
G. DESIGN STANDARDS.....	2624
1. THRESHOLD REQUIREMENTS	2624
2. CRITERIA FOR SCORE EVALUATION (MAXIMUM 30 POINTS).....	2624
(a) Site Layout.....	2624
(b) Quality of Design and Construction	2624
(c) Adaptive Re-Use.....	2624
H. CRITERIA FOR SELECTION OF REHABILITATION PROJECTS	2724
1. GENERAL THRESHOLD REQUIREMENTS.....	2724
2. THRESHOLD DESIGN REQUIREMENTS	2725
3. EVALUATION CRITERIA.....	2825
V. ALLOCATION OF BOND CAP	2826
A. ORDER OF PRIORITY	2826
B. ELIGIBILITY FOR AWARD.....	2926
VI. GENERAL REQUIREMENTS.....	2927
A. GENERAL THRESHOLD REQUIREMENTS FOR PROJECT PROPOSALS	2927
1. PROJECTS WITH HISTORIC TAX CREDITS	2927
2. NONPROFIT SET-ASIDE	2927
3. REQUIRED REPORTS	3027
4. APPRAISALS	3028
5. CONCENTRATION	3028
6. DISPLACEMENT.....	3028
7. FEASIBILITY.....	3128
8. SMOKE-FREE HOUSING.....	3128
B. UNDERWRITING THRESHOLD REQUIREMENTS.....	3128

1. LOAN UNDERWRITING STANDARDS	3129
2. OPERATING EXPENSES	3129
3. EQUITY PRICING	3129
4. RESERVES	3229
5. DEFERRED DEVELOPER FEES (NEGATIVE 2 POINTS)	3230
6. FINANCING COMMITMENT	3230
7. DEVELOPER FEES	3331
8. CONSULTING FEES	3331
9. ARCHITECTS' FEES	3331
10. INVESTOR SERVICES FEES	3331
11. PROJECT CONTINGENCY FUNDING	3331
12. PROJECT OWNERSHIP	3431
13. SECTION 8 PROJECT-BASED RENTAL ASSISTANCE	3431
14. WATER, SEWER, AND TAP FEES	3431
VII. POST-AWARD PROCESSES AND REQUIREMENTS	3431
A. ALLOCATION TERMS AND REVOCATION	3431
B. COMPLIANCE MONITORING	3633
VIII. DEFINITIONS	3634

I. INTRODUCTION

The ~~2025~~2026 Qualified Allocation Plan (the Plan) has been developed by the North Carolina Housing Finance Agency (the Agency) as administrative agent for the North Carolina Federal Tax Reform Allocation Committee (the Committee) in compliance with Section 42 of the Internal Revenue Code of 1986, as amended (the Code). For purposes of the Plan, the term “Agency” shall mean the Agency acting on behalf of the Committee, unless otherwise provided.

The Plan was reviewed in one public hearing and met the other legal requirements prior to final adoption by the Committee. The staff of the Agency was present at the hearing to take comments and answer questions.

The Agency will only allocate low-income housing tax credits in compliance with the Plan. The Code requires the Plan contain certain elements. These elements, and others added by the Committee, are listed below.

A. Selection criteria to be used in determining the allocation of tax credits:

- Project location and site suitability.
- Market demand and local housing needs.
- Serving the lowest income tenants.
- Serving qualified tenants for the longest periods.
- Design and quality of construction.
- Financial structure and long-term viability.
- Use of federal project-based rental assistance.
- Use of mortgage subsidies.
- Experience of development team and management agent(s).
- Serving persons with disabilities and persons who are homeless.
- Willingness to solicit referrals from public housing waiting lists.
- Tenant populations of individuals with children.
- Projects intended for eventual tenant ownership.
- Projects that are part of a community redevelopment effort.
- Energy efficiency.
- Historic nature of the buildings.

B. Threshold, underwriting and process requirements.

C. Description of the Agency’s compliance monitoring program, including procedures to notify the Internal Revenue Service of noncompliance with the requirements of the program.

In the process of administering the tax credit, Rental Production Program (RPP) and Workforce Housing Loan Program (WHLP), the Agency will make decisions and interpretations regarding project applications and the Plan. RPP and WHLP are state investments dedicated to making rental developments financially feasible and more affordable for working families and seniors. Unless otherwise stated, the Agency is entitled to the full discretion allowed by law in making all such decisions and interpretations. The Agency reserves the right to amend, modify, or withdraw provisions contained in the Plan that are inconsistent or in conflict with state or federal laws or regulations. In the event of a major:

- natural disaster
- pandemic / epidemic,
- disruption in the financial markets, or
- reduction in subsidy resources available, including tax credits, RPP, and WHLP funding

The Agency may disregard any section of the Plan, including point scoring and evaluation criteria, that interferes with an appropriate response.

II. SET-ASIDES, AWARD LIMITATIONS, AND COUNTY DESIGNATIONS

The Agency will determine whether applications are eligible under Section II(A) or II(B). This Section II only applies to 9% Tax Credit applications.

A. REHABILITATION SET-ASIDE

The Agency will award up to ten percent (10%) of tax credits available after forward commitments to projects proposing rehabilitation of existing housing. The Agency may exceed this limitation to completely fund a project request. In the event eligible requests exceed the amount available, the Agency will determine awards based on the evaluation criteria in Section IV(H)(3). The maximum award under this set-aside to any one Principal will be one project.

The following will be considered new construction under Section II(B) below:

- adaptive re-use projects,
- entirely vacant residential buildings,
- proposals to increase and/or substantially re-configure residential units.

B. NEW CONSTRUCTION SET-ASIDES

1. GEOGRAPHIC REGIONS

The Agency will award tax credits remaining after awards described above to new construction projects, starting with those earning the highest scoring totals within each of the following four geographic set-asides and continuing in descending score order through the last project that can be fully funded. The Agency reserves the right to revise the available credits in each set-aside to award the next highest scoring application statewide under Section II(G)(1).

West 16%		Central 23%		Metro 38%	East 23%	
Alexander	Lincoln	Alamance	Moore	Buncombe	Beaufort	Jones
Alleghany	Macon	Anson	Orange	Cumberland	Bertie	Lenoir
Ashe	Madison	Cabarrus	Person	Durham	Bladen	Martin
Avery	McDowell	Caswell	Randolph	Forsyth	Brunswick	Nash
Burke	Mitchell	Chatham	Richmond	Guilford	Camden	New Hanover
Caldwell	Polk	Davidson	Rockingham	Mecklenburg	Carteret	Northampton
Catawba	Rutherford	Davie	Rowan	Wake	Chowan	Onslow
Cherokee	Surry	Franklin	Scotland		Columbus	Pamlico
Clay	Swain	Granville	Stanly		Craven	Pasquotank
Cleveland	Transylvania	Harnett	Stokes		Currituck	Pender
Gaston	Watauga	Hoke	Union		Dare	Perquimans
Graham	Wilkes	Iredell	Vance		Duplin	Pitt
Haywood	Yadkin	Lee	Warren		Edgecombe	Robeson
Henderson	Yancey	Montgomery			Gates	Sampson
Jackson					Greene	Tyrrell
					Halifax	Washington
					Hertford	Wayne
					Hyde	Wilson
					Johnston	

2. REDEVELOPMENT PROJECTS

- (a) If necessary, the Agency will adjust the awards under the Plan to ensure the overall allocation results in awards for two (2) Redevelopment Projects. Specifically, tax credits that would have been awarded to the lowest ranking project(s) that do(es) not meet the criteria below

receive 1 bonus point. Additional point does not apply to counties listed under section IV(F)(5)(b).

(d) Disaster Recovery Funds

In the event funds are available for the 2026 cycle, any new construction application in the counties (or partial county) designated below agrees to accept CDBG-DR funds as part of a tax credit award. Eligibility for the funds will require, at a minimum, not undertaking any choice-limiting activity prior to successful completion of the U.S. Department of Housing and Urban Development (HUD) environmental clearance review as well as complying with Davis-Bacon wage requirements, Section 3 and other required federal documentation. Terms will be determined by the Agency upon fund availability.

<u>Alexander</u>	<u>Clay</u>	<u>Madison</u>	<u>Transylvania</u>
<u>Alleghany</u>	<u>Cleveland</u>	<u>McDowell</u>	<u>Watauga</u>
<u>Ashe</u>	<u>Gaston</u>	<u>Mecklenburg (zip code 28214)</u>	<u>Wilkes</u>
<u>Avery</u>	<u>Haywood</u>	<u>Mitchell</u>	<u>Yadkin</u>
<u>Buncombe</u>	<u>Henderson</u>	<u>Polk</u>	<u>Yancey</u>
<u>Burke</u>	<u>Jackson</u>	<u>Rutherford</u>	
<u>Caldwell</u>	<u>Lincoln</u>	<u>Surry</u>	
<u>Catawba</u>	<u>Macon</u>	<u>Swain</u>	

C. USDA RURAL DEVELOPMENT

Up to \$750,000 will be awarded to one eligible rehabilitation project with existing U.S. Department of Agriculture, Rural Development (RD) Section 515 financing and project-based rental assistance for at least fifty percent (50%) of the units. This project will count towards the applicable set-asides and limits. Other RD applications will be considered under the applicable set-asides.

D. NONPROFIT AND CHDO SET-ASIDES, NATIONAL HOUSING TRUST FUND, AND CHOICE NEIGHBORHOODS IMPLEMENTATION SET-ASIDE

1. SET-ASIDES AND NATIONAL HOUSING TRUST FUND

If necessary, the Agency will adjust the awards under the Plan to ensure that the overall allocation results in:

- ten percent (10%) of the state's federal tax credit ceiling being awarded to projects involving tax-exempt organizations (nonprofits),
- fifteen percent (15%) of the Agency's HOME funds being awarded to projects involving Community Housing Development Organizations certified by the Agency (CHDOs) and
- all funds available from the National Housing Trust Fund have been awarded.

Specifically, tax credits that would have been awarded to the lowest ranking project(s) that do(es) not fall into one of these categories will be awarded to the next highest ranking project(s) that

do(es) until the overall allocation(s) reach(es) the necessary percentage(s). The Agency may make such adjustment(s) in any set-aside.

(a) Nonprofit Set-Aside

To qualify as a nonprofit application, the project must either:

- not involve any for-profit Principals or
- comply with the material participation requirements of the Code, applicable federal regulations and Section VI(A)(2).

(b) CHDO Set-Aside

To qualify as a CHDO application,

- the project must meet the requirements of subsection (D)(1)(a) above and 24 CFR 92.300(a)(1),
- the Applicant, any Principal, or any affiliate must not undertake any choice-limiting activity prior to successful completion of the U.S. Department of Housing and Urban Development (HUD) environmental clearance review, and
- the project and owner must comply with regulations regarding the federal CHDO set-aside.

The Agency may determine the requirements of the federal CHDO set-aside have been or will be met without implementing subsection (D)(1)(b).

(c) National Housing Trust Fund

To qualify for the National Housing Trust Fund, the project must:

- commit at least twenty-five percent (25%) of qualified low-income units will be affordable to and occupied by households with incomes at or below thirty percent (30%) of area median income. See **Appendix G** for additional information.

2. CHOICE NEIGHBORHOODS IMPLEMENTATION SET-ASIDE

The Agency will make a forward commitment of 2027~~6~~ tax credits for no more than two applications, and no more than one application per housing authority, provided such applications meet all Plan requirements and are not awarded through the regular competition. To be eligible under this set-aside the Agency must have approved the application for submission under this set-aside prior to the preliminary application submission deadline. Any Public Housing Authority involved in more than one application containing CNI funds will be required to indicate their priority project.

E. PRINCIPAL AND PROJECT AWARD LIMITS

1. PRINCIPAL LIMITS

- (a) The maximum awards to any one Principal will be a total of \$2,600,000 in tax credits, including all set-asides. New construction awards will be counted towards this limitation first (in score order), then rehabilitation awards. No Principal can receive more than 2 new construction awards.
- (b) The Agency may further limit awards based on unforeseen circumstances.
- (c) For purposes of the maximum allowed in this subsection (E)(1), the Agency may determine that a person or entity not included in an application is a Principal for the project. Such determination would include consideration of relationships between the parties in previously awarded projects and other common interests. Standard fee for service contract relationships (such as accountants or attorneys) will not be considered.

2. PROJECT LIMIT

The maximum award to any one project will be \$1,300,000.

3. AGENCY-DESIGNATED BASIS BOOST

The Agency can boost the eligible basis of new construction projects committing to the targeting in Section IV(B)(2) or that are located in an Opportunity Zone by up to ten percent (10%). Counties located in ~~Tropical Storm-Hurricane~~ Helene disaster areas are eligible to request up to thirty percent (30%). Projects using the DDA or QCT basis increase are not eligible under this section.

F. COUNTY AWARD LIMITS AND INCOME DESIGNATIONS

1. AWARD LIMITS

(a) Rehabilitation and East, Central, and West Regions

No county will be awarded more than one project under the rehabilitation set-aside. No county will be awarded more than one project under the new construction set-aside

(b) Metro Region

The initial maximum award(s) for a county will be its percent share of the Metro region based on population (see **Appendix K**), unless exceeding this amount is necessary to complete a project request. If any tax credits remain, the Agency will make awards to the next highest scoring application(s). -A county may receive one additional award, even if in excess of its share. See Section II(B)(3)(b) for Buncombe County exception.

2. INCOME DESIGNATIONS

The Agency is responsible for designating each county as High, Moderate or Low Income. The criteria used as a guide in making this determination was HUD's FY ~~2023-2025~~ 2024 Median Family Income.

High		Moderate		Low	
Brunswick	Johnston	Alamance	Jones	Alleghany	Lenoir
Buncombe	Lincoln	Alexander	Lee	Anson	Martin
Cabarrus	Madison	<u>Avery</u>	Macon	Ashe	McDowell
Chatham	Mecklenburg	Beaufort	<u>McDowell</u>	Avery	Montgomery
Currituck	Moore	Burke	Mitchell	Bertie	Northampton
Dare	New Hanover	Caldwell	Nash	Bladen	Richmond
Durham	Orange	Camden	Onslow	Cherokee	Robeson
Franklin	Pender	Carteret	Pamlico	Chowan	Rutherford
Gaston	Union	Caswell	Pasquotank	Clay	Sampson
Henderson	Wake	Catawba	Perquimans	Cleveland	Scotland
Iredell	Watauga	<u>Clay</u>	Person	Columbus	Surry
		Craven	Pitt	Duplin	Tyrrell
		Cumberland	Polk	Graham	Vance
		Davidson	Randolph	Greene	Warren
		Davie	Rockingham	Halifax	Washington
		<u>Duplin</u>	Rowan	Hertford	<u>Wayne</u>
		Edgecombe	<u>Sampson</u>	Hyde	Wilkes
		Forsyth	Stanly	<u>Jones</u>	Wilson
		Gates	Stokes	<u>Lee</u>	
		Granville	<u>Surry</u>		

Guilford	Swain
Harnett	Transylvania
Haywood	Wayne
Hoke	<u>Wilson</u>
Jackson	Yadkin
	Yancey

G. OTHER AWARDS AND RETURNED ALLOCATIONS

1. The Agency may award tax credits remaining from the geographic set-asides to the next highest scoring eligible new construction application(s) in the East, Central, and West regions and/or one or more eligible rehabilitation applications. The Agency may also carry forward any amount of tax credits to the next year.
2. An owner who received an award of 9% tax credits in ~~2023-2024~~ or prior is eligible to receive an allocation of ~~2025~~2026 tax credits equal to or less than the amount of the original tax credits awarded to the project. The Owner must request an allocation of ~~2026~~2025 credits between November 1, 2025~~4~~ and December 31, 2025~~4~~. -The allocation will not count against the ~~2025~~2026 Principal limit. Any Owner that receive an allocation of 2025 credits will be allowed to request an allocation of 2028 credits.
 The following will apply to those owners requesting a new tax credit allocation:
 - Owners will return their allocation for an allocation of ~~2026~~2025 tax credits.
 - Projects must comply with the requirements in the Qualified Allocation Plan for the original allocation and all representations made in the original awarded application (unless otherwise waived by the Agency).
 - Any award of 9% tax credits allocated in ~~2024 or later~~ will be limited to one return of credits for a new allocation.
 - The project's design is the same as approved at full application (other than changes approved by the Agency).
 - Projects seeking additional credits will need to re-apply in the ~~2025~~2026 cycle.
3. The Agency may make a forward commitment of the next year's tax credits in an amount necessary to fully fund project(s) with a partial award or to any project application that was submitted in a prior year if such application meets all the minimum requirements of the Plan. In the event that credits are returned or the state receives credits from the national pool, the Agency may elect to carry such credits forward, make an award to any project application (subject only to the nonprofit set aside), or a combination of both.

III. DEADLINES, APPLICATION AND FEES

A. APPLICATION AND AWARD SCHEDULE

The following schedule will apply to the ~~2025~~2026 application process for 9% Tax Credits and the first round of tax-exempt bond volume and 4% Tax Credits.

January 16 <u>7</u>	Deadline for submission of preliminary applications (12:00 noon)
March 6 <u>4</u>	Market analysts will submit studies to the Agency and Applicants
March 20 <u>4</u>	Notification of final site scores
March 20 <u>4</u>	Deadline for market-related project revisions (5:00 p.m.)
April 3 <u>7</u>	Deadline for the Agency and Applicant to receive the revised market study, if applicable

~~2025~~2026 QUALIFIED ALLOCATION PLAN
10 of 35

May ~~15~~⁹ Deadline for full applications (12:00 noon)

August Notification of tax credit awards

The Agency will also accept tax-exempt bond volume and 4% Tax Credit applications any time between May 1 and October 1 -(5:00 p.m.). When a preliminary application has been submitted in this timeframe, a schedule of milestones will be provided to the Applicant. The preliminary application submission date will determine when those milestones occur which will follow a time frame similar to the 9% Tax Credit round. The Agency will work with the Applicant to determine if the project will receive ~~2025~~²⁰²⁶ or 2027~~6~~ volume cap. Full applications can be submitted no later than January ~~8~~⁹, 2027~~6~~.

The Agency reserves the right to change the schedule to accommodate unforeseen circumstances.

B. APPLICATION, ALLOCATION, MONITORING, AND PENALTY FEES

1. All Applicants are required to pay a nonrefundable fee of \$6,~~200~~⁴⁸⁰ at the submission of the preliminary application. This fee covers the cost of the market study or physical needs assessment and a \$1,~~500~~⁴⁸⁰ preliminary application processing fee (which will be assessed for every electronic application submitted). The Agency may charge additional fee(s) to cover the cost of direct contracting with other providers (such as appraisers).
2. All Applicants are required to pay a nonrefundable processing fee of \$1,~~500~~⁴⁸⁰ upon submission of the full application.
3. Entities receiving tax credit awards, including those involving tax-exempt bond volume, are required to pay a nonrefundable allocation fee equal to 0.9~~6~~⁴% of the project's total eligible ~~qualified~~ basis.
4. The allocation fee will be due at the time of either the carryover allocation or bond volume award. Failure to return the required documentation and fee by the date specified may result in cancellation of the allocation. The Agency may assess other fees for additional monitoring responsibilities.
5. Owners must pay a monitoring fee of \$1,3~~200~~⁰⁰ per unit (includes all units, qualified, unrestricted, and employee) prior to issuance of the project's IRS Form 8609. Any project utilizing income averaging or for which the Agency is the bond issuer must pay an additional monitoring fee of \$300 per unit.
6. If expenses for legal services are incurred by the Committee or Agency to correct mistakes of the owner which jeopardize use of the tax credits, such legal costs will be paid by the owner in the amount charged to the Committee or Agency.
7. The Agency may assess Applicants or owners a fee of up to \$2,000 for each instance of failure to comply with a written requirement, whether or not such requirement is in the Plan. The Agency will not process applications or other documentation relating to any Principal who has an outstanding balance of fees owed; such a delay in processing may result in disqualification of application(s).

C. APPLICATION PROCESS AND REQUIREMENTS

1. The Agency may require Applicants to submit any information, letter, or representation relating to Plan requirements or point scoring as part of the application process.
2. Any failure to comply with an Agency request under subsection (C)(1) above or any misrepresentation, false information or omission in any application document may result in disqualification of that application and any other involving the same owner(s), Principal(s),

~~2025~~²⁰²⁶ QUALIFIED ALLOCATION PLAN

11 of 35

consultant(s) and/or application preparer(s). Any misrepresentation, false information or omission in the application document may also result in a revocation of a tax credit allocation.

3. Only one active application can be submitted per site (new construction or rehabilitation).
4. For any rehabilitation application proposing to combine multiple existing properties into one property, the properties must be adjacent or not separated by more than one like parcel, or by more than a road, street, stream, or other similar property.
5. No Principal or Applicant can be in the ownership entity of more than five (5) new construction 9% Tax Credit preliminary or full applications.
6. The Agency will notify the appropriate unit of government about the project after submission of the full application.
7. For each application one individual or validly existing entity must be identified as the Applicant and execute the preliminary and full applications. An entity may be one of the following:
 - (a) corporation, including nonprofits,
 - (b) limited partnership, or
 - (c) limited liability company.

Only the identified Applicant will have the ability to make decisions with regard to that application and be considered under Section IV(D)(1). The Applicant may enter into joint venture or other agreements but the Agency will not be responsible for evaluating those documents to determine the relative rights of the parties. If the application receives an award the Applicant must become a managing member or general partner of the ownership entity.

IV. SELECTION CRITERIA AND THRESHOLD REQUIREMENTS

Applications must meet all applicable threshold requirements to be considered for award and funding. Scoring and threshold determinations made in prior years are not binding on the Agency for the ~~2025~~2026 cycle.

A. SITE AND MARKET EVALUATION

The Agency will not accept a full application where the preliminary application does not meet all site and market threshold requirements.

1. SITE EVALUATION (MAXIMUM 68 POINTS)

- (a) General Site Requirements:
 - (i) Sites must be sized to accommodate the number and type of units proposed. The Applicant or a Principal must have site control by the preliminary application deadline as evidenced by an option, contract or deed. The documentation of site control must include a plot plan.
 - (ii) Required zoning must be in place by the full application deadline, including special/conditional use permits, and any other discretionary land use approval required (includes all legislative or quasi-judicial decisions).
 - (iii) Water and sewer must be available with adequate capacity to serve the site. Sites should be accessed directly by existing paved, publicly maintained roads. If not, it will be the owner's responsibility to extend utilities and roads to the site. In such cases, the Applicant must explain and budget for such plans and document the right to perform such work.

- (iv) ~~All To be eligible for RPP funds, the preliminary applications must contain the Agency's "Notice of Real Property Acquisition" form. The form must be executed by all parties before or at the same time as the option or contract.~~

(b) Criteria for Site Score Evaluation:

Site scores will be based on the following factors. Each will also serve as a threshold requirement; the Agency may remove an application from consideration if the site is sufficiently inadequate in one of the categories. An application must have a minimum total score of 50 points.

(i) NEIGHBORHOOD CHARACTERISTICS (MAXIMUM 10 POINTS)

Good: 10 points if structures within a Half Mile are well maintained or the site qualifies as a Redevelopment Project (see Section II(B)(2)(b))

Fair: 5 points if structures within a Half Mile are not well maintained and there are visible signs of deterioration

Poor: 0 points if structures within a Half Mile are Blighted or have physical security modifications (e.g. barbed wire fencing or bars on windows)

Half Mile: The half mile radius from the approximate center of the site (does not apply to Amenities below).

Blighted: A structure that is abandoned, deteriorated substantially beyond normal wear and tear, a public nuisance, or appears to violate minimum health and safety standards.

(ii) AMENITIES (MAXIMUM 46 POINTS)

Other than applications with tribally-appropriated funds or near bus/transit stops (described at the end of this subsection), points will be determined according to the matrix below. For an amenity to be eligible for points, the application must include documentation required by the Agency of meeting the applicable criteria. In all cases, the chosen amenity must be open to the general public, have a physical location that offers in-person services, and operating as of the preliminary application deadline with no announced closing prior to the notification of final site scores.

~~In all cases the establishment must be open to the general public and operating as of the preliminary application deadline with no announced closing prior to the notification of final site scores.~~

	<u>Driving Distance in Miles</u>			
<i>Primary Amenities</i> (maximum 26 points)	≤ 21.5	≤ 2.5	≤ 32.5	≤ 43.5
Grocery	12pts.	10 pts.	8 pts.	6 pts.
Shopping	7 pts.	6 pts.	5 pts.	4 pts.
Pharmacy	7 pts.	6 pts.	5 pts.	4 pts.
<i>Secondary Amenities</i> (maximum 20 points)	≤ 21.5	≤ 2.5	≤ 32.5	≤ 43.5
Other Primary Amenity	5 pts.	4 pts.	3 pts.	2 pts.
Service	3 pts.	2 pts.	1 pt.	0 pts.
Healthcare	3 pts.	2 pts.	1 pt.	0 pts.
Public Facility	3 pts.	2 pts.	1 pt.	0 pts.
Public School	3 pts.	2 pts.	1 pt.	0 pts.

Other Retail	3 pts.	2 pts.	1 pt.	0 pts.
--------------	--------	--------	-------	--------

	Driving Distance in Miles, Small Town*			
<i>Primary Amenities (maximum 26 points)</i>	≤ 3.5 2.5	≤ 4	≤ 4.5 3.5	≤ 5.5 4.5
Grocery	12 pts.	10 pts.	8 pts.	6 pts.
Shopping	7 pts.	6 pts.	5 pts.	4 pts.
Pharmacy	7 pts.	6 pts.	5 pts.	4 pts.
<i>Secondary Amenities (maximum 20 points)</i>	≤ 3.5 2.5	≤ 4	≤ 4.5 3.5	≤ 5.5 4.5
Other Primary Amenity	5 pts.	4 pts.	3 pts.	2 pts.
Service	3 pts.	2 pts.	1 pt.	0 pts.
Healthcare	3 pts.	2 pts.	1 pt.	0 pts.
Public Facility	3 pts.	2 pts.	1 pt.	0 pts.
Public School	3 pts.	2 pts.	1 pt.	0 pts.
Other Retail	3 pts.	2 pts.	1 pt.	0 pts.

* A Small Town is a municipality with a population of less than 10,000 people. The list of town sizes can be found on the Office of State Budget and Management website at

<https://demography.osbm.nc.gov/explore/dataset/2023-certified-population-estimates>.

The Certified 2023 Population Estimates, Municipal Estimates – Alphabetically by municipality will be used to determine a town’s population. -For municipalities listed in multiple counties, the combined population will be used. -A site is not required to be within the town limits to qualify but must have an address of a Small Town. -Any application in an unincorporated town not appearing on the Small Town list but recognized as a community must have Agency approval to be considered a Small Town prior to the preliminary application deadline.

Only one establishment will count for each row under Primary and Secondary Amenities. For example, an application for a site with a public park and library between ~~two point five (2.5)~~ miles and ~~two point five milestwo (2.52)~~ miles will receive only 2 points under Public Facility.

The driving distance will be the mileage as calculated by Google Maps and must be a drivable route as of the preliminary application deadline. -The drivable route must be shown in satellite view map format (written directions optional). -A photo of each amenity must also be provided. The measurement will be:

- the point closest to the site entrance to or from
- the point closest to the amenity entrance.

Driveways, access easements, and other distances in excess of 500 feet between the nearest residential building of the proposed project and road shown on Google Maps will be included in the driving distance. -For scattered site projects, the measurement will be from the location with the longest driving distance(s). -Scattered site is defined as buildings on separate parcels, not connected by internal drive, and with separate entrances. -A scattered site cannot have parcels separated by more than one like parcel, or by more than a road, street, stream, or other similar property.

The following establishments qualify as a Grocery:

Aldi	The Fresh Market Galaxy Food Centers	Lowes Foods	Walmart Neighborhood Market
Bestway Grocery	Galaxy Food Centers		
Bi-Lo	The Fresh Market	Piggly Wiggly	Walmart Supercenter
Bo's Food Stores	Harris Teeter	Publix	Weaver Street Market
Compare Foods	Hopey & Company	Red & White	Wegmans
Earth Fare	IGA	Sav-Mor	Whole Foods
Fairvalue	Ingle's Market	Save-A-Lot	
Family Foods	Just Save	Sprouts	
Food Lion	Kroger	Super Target	
Food Matters Market	Lidl	Trader Joe's	

The following establishments qualify as Shopping:

Big Lots	Maxway	Super Target
Dollar General/DGX	Ollie's Bargain Outlet	Walmart
Dollar Tree	Roses	Walmart Supercenter
Family Dollar	Roses Express	
Fred's Super Dollar	Target	

To qualify as a Pharmacy, the establishment must have non-medical general merchandise items for sale (not including pharmacies within hospitals, specialty or compounding only pharmacies).

To qualify as a Secondary Amenity, the establishment must meet the applicable requirement(s) below.

Other Primary Amenity: second Grocery, Shopping or Pharmacy (not used as Primary Amenity)

Service: restaurant, bank/credit union, or gas station with convenience store

Healthcare: hospital, urgent care business, general/family practice, or general dentist (not to include orthodontist); does not include medical specialists or clinics within pharmacies.

Public Facility (any of the following):

- public park owned and maintained by a local government containing, at a minimum, playground equipment and/or walking/bike trails and listed on a map, website, or other official means; a greenway or trailhead will qualify with dedicated parking
- library operated by a local government open at least five days a week
- Senior Center, Recreation Center or Community Center: with scheduled activities operated by a local government

Public School: non-alternative elementary, middle- or high school (charter and magnet public schools are eligible)

Other Retail: any Grocery or Shopping not listed as a Primary or Other Primary Amenity; any strip shopping center or commercial hub located in the central business district center - with a minimum of 4 operating establishments within a block and/or strip center; any grocery or general merchandise establishment

A commitment of at least \$250,000 in tribally-appropriated funds (including through the Native American Housing Assistance and Self Determination Act) qualifies for 6 points, not to exceed the total for subsection (ii). The commitment must meet the requirements of Section VI(B)(6)(b) and be submitted as part of the preliminary application.

A bus/transit stop qualifies for 6 points, not to exceed the total for subsection (ii), if it is:

- in service as of the preliminary application date,
- at a fixed location and has a covered waiting area,
- served by a public transportation system six days a week, including for 10 consecutive hours on weekdays, and
- within 0.25 miles walking distance of the proposed project site entrance using existing continuous sidewalks (excluding the proposed project site) and crosswalks.

A bus/transit stop qualifies for 2 points, not to exceed the total for subsection (ii), if all of the above criteria are met except for a covered waiting area.

(iii) SITE SUITABILITY (MAXIMUM 12 POINTS)

3 points if there is no Incompatible Use, which includes the following activities, conditions, or uses within the distance ranges specified:

Half Mile

- airports
- chemical or hazardous materials storage/disposal
- industrial or agricultural activities with environmental concerns (such as odors or pollution)
- commercial junk or salvage yards
- landfills currently in operation
- sources of excessive noise
- wastewater treatment facilities

A parcel or right of way within 500 feet containing any of the following:

- adult entertainment establishment
- distribution facility
- factory or similar operation
- jail or prison
- large swamp

Any of the following within 250 feet of a proposed project building:

- electrical utility substation, whether active or not
- frequently used railroad tracks (not to include passenger light rail)
- high traffic corridor roads with a posted speed limit of 55 mph or greater (500 feet for an interstate)
- power transmission lines and tower

3 points if there are no negative features, design challenges, physical barriers, or other unusual and problematic circumstances that would impede project construction or

adversely affect future tenants, including but not limited to: power transmission lines and towers, flood hazards, steep slopes, large boulders, ravines, year-round streams, wetlands, and other similar features (for adaptive re-use projects: suitability for residential use and difficulties posed by the building(s), such as limited parking, environmental problems or the need for excessive demolition)

3 points if the project would be visible to potential tenants using normal travel patterns and is within 500 feet of a building that is currently in use for residential, commercial, educational, or governmental purposes (excluding Blighted structures or Incompatible Uses)

3 points if traffic controls allow for safe access to the site; for example limited sight distance (blind curve) or having to cross three or more lanes of traffic going the same direction when exiting the site would not receive points.

(iv) SITE NEGATIVE POINTS (NEGATIVE 3 POINTS)

Up to 3 points will be deducted from a site deemed to be unsuitable for housing. This determination recognizes a site may meet all site evaluation scoring criteria but not be suitable for housing regardless of having required zoning or local government support.

2. MARKET ANALYSIS

The Agency will administer the market study process based on this Section and the terms of **Appendix A** (incorporated herein by reference).

- (a) The Agency will contract directly with market analysts to perform studies. Applicants may interact with market analysts and will have an opportunity to revise their project (unit mix, targeting). Any revisions must be submitted in writing to both the market analyst and to the Agency, following the schedule in Section III(A), and will be binding on the Applicant for the full application. Only one request for revisions by the Applicant will be allowed.
- (b) The Agency will limit the number of projects awarded in the same application round to those that it determines can be supported in the market.
- (c) The following four criteria are threshold requirements for new construction applications:
 - (i) the project's capture rate,
 - (ii) the project's absorption rate,
 - (iii) the vacancy rate at comparable properties (what qualifies as a comparable will vary based on the circumstances), and
 - (iv) the project's effect on existing or awarded properties with 9% Tax Credits or Agency loans.
- (d) Applicants may not increase the total number of units after submission of the preliminary application. Unless ~~2025~~2026 rent and income limits are released by the 9% preliminary application deadline, 2025~~4~~ rent and income limits must be used for the preliminary application, market study, and any market study revision. Preliminary applications submitted during the open bond cycle may use the current rent and income limits. After the deadline for completing market-related project revisions Applicants may not increase:
 - (i) rents, irrespective of a decrease in utility allowances,
 - (ii) the number of income targeted units in any bedroom type, or
 - (iii) the number of units in any bedroom type.
- (e) The Agency is not bound by the conclusions or recommendations of the market analyst(s), and will use its discretion in evaluating the criteria listed in this subsection (A)(2).

- (f) Projects may not give preferences to potential tenants based on:
 - (i) residing in the jurisdiction of a particular local government,
 - (ii) having a particular disability, or
 - (iii) being part of a specific occupational group (e.g. artists).
- (g) Age-restricted (senior) projects may not contain three or more bedroom units.
- (h) No project can have more than four (4) income bands consisting of: 20%, 30%, 40%, 50%, 60%, 70%, 80% of area median income, and market rate.

B. RENT AFFORDABILITY

1. FEDERAL RENTAL ASSISTANCE

Applicants proposing to convert tenant-based Housing Choice Vouchers (Section 8) to a project-based subsidy (pursuant to 24 CFR Part 983) must submit a letter from the issuing authority in a form approved by the Agency. Conversion of vouchers will be treated similar to a funding source under Section VI(B)(6)(e); a project will be ineligible for an allocation if it does not meet requirements set by the Agency as part of the application and award process. Such requirements may involve the public housing authority's (PHA's) Annual Plan, selection policy, and approval for advertising.

2. TENANT RENT LEVELS AND RPP (MAXIMUM 2 POINTS)

An application may earn points under one of the following scenarios:

- (a) If the project is in a High Income county:
 - 2 points will be awarded if at least twenty-five percent (25%) of qualified low-income units will be affordable to and occupied by households with incomes at or below thirty percent (30%) of area median income.
 - 1 point will be awarded if at least fifteen percent (15%) of qualified low-income units will be affordable to and occupied by households with incomes at or below thirty percent (30%) of area median income.
- (b) If the project is in a Moderate Income county:
 - 2 points will be awarded if at least twenty-five percent (25%) of qualified low-income units will be affordable to and occupied by households with incomes at or below forty percent (40%) of area median income.
 - 1 point will be awarded if at least fifteen percent (15%) of qualified low-income units will be affordable to and occupied by households with incomes at or below forty percent (40%) of area median income.
- (c) If the project is in a Low Income county:
 - 2 points will be awarded if at least twenty-five percent (25%) of qualified low-income units will be affordable to and occupied by households with incomes at or below fifty percent (50%) of area median income.
 - 1 point will be awarded if at least fifteen percent (15%) of qualified low-income units will be affordable to and occupied by households with incomes at or below fifty percent (50%) of area median income.

To qualify for an RPP loan, at least forty percent (40%) of qualified low-income units in a project will be affordable to and occupied by households with incomes at or below fifty percent (50%) of area median income. Targeting in subsection (a), (b) or (c) above counts towards this requirement. For additional information about the RPP, refer to Appendix G (Rental Production Program Guidelines).

3. INCOME AVERAGING

Only new construction projects and rehabilitation projects not subject to an existing Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits are eligible to utilize income averaging. Applicants electing to use income averaging must comply with the following:

- (a) The income average for the property cannot exceed 60% of area median income,
- (b) The income average for any bedroom type cannot exceed 60% of area median income,
- (c) At least ten percent (10%) of qualified low-income units will be affordable to and occupied by households with incomes at or below thirty percent (30%) of area median income.
- (d) Market rate units are prohibited, and
- (e) For projects with more than one building, Owners must select that each building is part of a multiple building set-aside on line 8b in Part II of IRS Form 8609.

C. PROJECT DEVELOPMENT COSTS, RPP LIMITATIONS, AND WHLP

1. MAXIMUM PROJECT DEVELOPMENT COSTS (NEGATIVE 10 POINTS)

- (a) The Agency will assess negative points to applications listing more than the following in lines 5 and 6 of the Project Development Costs (PDC) description, as outlined in Chart A below. The point structure in Chart B will apply to the following:
 - all units are detached single family houses or duplexes,
 - serving persons with severe mobility impairments,
 - development challenges resulting from being within or adjacent to a central business district,
 - public housing redevelopment projects, or
 - building(s) with both steel and concrete construction and at least four stories of housing.

The per-unit amount calculation includes all items covered by the construction contract, ENERGY STAR, certifications for green programs, and any other costs not unique to the specific proposal.

Chart A	Chart B
\$130,000 -10	\$145,000 -10

- (b) Total replacement costs must not exceed \$280,000 per unit.

(c) The Agency will review proposed costs for historic adaptive re-use projects and approve the amount during the full application review process.

See Section VI(B) for other cost restrictions.

2. RESTRICTIONS ON RPP AWARDS

- (a) Projects requesting RPP funds must submit the Agency's "Notice of Real Property Acquisition" form with the preliminary application and may not:
 - (i) request RPP funds in excess of the following amounts per unit: \$15,000 in High Income counties; \$20,000 in Moderate Income counties; \$25,000 in Low Income counties,
 - (ii) include market-rate units,

- (iii) request less than \$150,000 or more than \$1,600,000 per project,
- (iv) have a commitment of funds from a local government under terms that will result in more repayment than determined under subsection (C)(2)(b) below,
- (v) have a federally insured loan or one which would require the RPP loan to have a term of more than 20 years or limits repayment, or
- (vi) have a Principal or General Contractor listed on SAM.gov as being ineligible to receive federal funds.

The maximum award of RPP funds to any one Principal will be a total of \$3,200,000. Requesting an RPP loan may result in an application being ineligible under Section VI(B)(6)(e) if the Agency has inadequate funds.

- (b) Projects may only request an RPP loan if the principal and interest payments for RPP and any local government financing will be equal to the anticipated net operating income divided by 1.15, less conventional debt service:

Repayment of RPP and local government loans = $(NOI / 1.15) - \text{conventional debt service}$.

The amount of repayment will be split between the RPP loan and local government lenders based on their relative percentage of loan amounts. For example:

RPP Loan = \$400,000

Local government loan = \$200,000

	Year 1	Year 2	Year 3	Year 4
Anticipated amount available for repayment	\$10,000	\$8,000	\$6,000	\$4,000
RPP principal and interest payments	\$6,667	\$5,333	\$4,000	\$2,667
Local government P&I payments	\$3,333	\$2,667	\$2,000	\$1,333

Lien position will be determined by loan amount: the larger loan will have the higher lien position. For equal loan amounts, the local government will have the higher lien position.

- (c) Loan payments made to the Applicant, any Principal, member or partner of the ownership entity, or any affiliate thereof, will be taken out of cash flow remaining after RPP payments.
- (d) An application may be ineligible for RPP funds due to one or more of the listed parties (including but not limited to members/partners, general contractor, and management agent) having failed to comply with the Agency's requirements on a prior loan.

3. WORKFORCE HOUSING LOAN PROGRAM (Subject to appropriation)

- (a) Projects with 9% Tax Credits which meet the Agency's loan criteria are eligible for WHLP. As required under the legislation, these criteria support the financing of projects similar to those created under G.S. 105-129.42.
- (b) A loan will not be closed until the outstanding balance on the first-tier construction financing exceeds the principal amount and the entire loan must be used to pay down a portion of the then existing construction debt.

- (c) The terms will be zero percent (0%) interest, thirty year balloon (no payments). The Agency will take all eligible sources into consideration in setting the amount. ~~The following percent of eligible basis will be the calculated loan amount.~~ In no event will the loan amount exceed the statutory maximum.

County Income Designation	StatutoryMaximum
High	\$500,000
Moderate	\$2,000,000
Low	\$3,000,000

Requesting a WHLP loan may result in an application being ineligible under Section VI(B)(6)(c) if the Agency has inadequate funds. The maximum award of WHLP funds to any one Principal will be a total of \$3,000,000.

4. ~~GOLDEN LEAF AFFORDABLE WORKFORCE HOUSING INITIATIVE~~

~~The Golden LEAF (Long term Economic Advancement Foundation), Inc., a 501(c)(3) organization, promotes the social welfare and lessens the burdens of government by providing economic impact assistance to economically affected or tobacco dependent regions of North Carolina. In collaboration with the Agency, Golden LEAF has created the Affordable Workforce Housing Initiative and will provide \$2,000,000 in financing the development of federal low income housing tax credit projects located in the following designated counties:~~

Bladen	Jones
	Lenoir
Caswell	Martin
Columbus	Nash
	Northampton
Duplin	Onslow
Edgecombe	
Greene	
Halifax	
Hoke	Rockingham

~~Any 9% new construction family application in these designated counties that elects the income averaging option may be awarded under the Initiative, subject to funding availability. The terms will be zero percent (0%) interest, up to 30 years, payment deferred, until the end of the loan term. Applicants will not request these funds as part of their application. Loan amounts will be determined by the Agency and may be used to reduce tax credit, RPP and/or WHLP requests (if applicable).~~

D. CAPABILITY OF THE PROJECT TEAM

1. DEVELOPMENT EXPERIENCE

- (a) To be eligible for an award of 9% Tax Credits, at least one Principal must have successfully developed, operated and maintained in compliance either one (1) 9% Tax Credit project in North Carolina or six (6) separate 9% Tax Credit projects totaling in excess of 200 units. The project(s) must have been placed in service between January 1, 201~~7~~⁶ and January 1, 202~~5~~⁴. Such Principal must:
 - (i) be identified in the preliminary application as the Applicant under Section III(C)(7),
 - (ii) become a general partner or managing member of the ownership entity, and
 - (iii) remain responsible for overseeing the project and operation of the project for a period of at least two (2) years after placed in service. The Agency will determine what qualifies as successful and who can be considered as involved in a particular project.
- (b) All owners and Principals must disclose all previous participation in the low-income housing tax credit program. Additionally, owners and Principals that have participated in an out of state tax credit allocation may be required to complete an Authorization for Release of Information form.
- (c) The Agency reserves the right to determine that a particular development team does not meet the threshold requirement of subsection (D)(1)(a) due to differences between its prior work and the proposed project. Particularly important in this evaluation is the type of subsidy program used in the previous experience (such as tax-exempt bonds, RD).

2. MANAGEMENT EXPERIENCE

The management agent must be eligible to be on the Approved Management Company List. To be Approved, the management agent must:

- (a) have at least one similar tax credit project in their current portfolio,
- (b) have a valid North Carolina real estate license and be registered with the North Carolina Secretary of State as of the full application deadline (excluding public housing authorities),
- (c) be requesting Key assistance timely and accurately (if applicable),
- (d) be reporting in the Agency's Rental Compliance Reporting System (RCRS) timely and accurately (if applicable),
- (e) have at least one staff person in a supervisory capacity with regard to the project who has attended at least three Agency sponsored trainings within the past 12 months (currently named Compliance 101, Advanced Compliance and DHHS Targeting and Key) as of the full application. This requirement will only be reviewed at the end of the calendar year and
- (f) have at least one staff person serving in a supervisory capacity with regard to the project who has been certified as a tax credit compliance specialist.

Such certification must be from an organization approved by the Agency (see **Appendix C**). None of the persons or entities serving as management agent may have in their portfolio a project with material or uncorrected noncompliance beyond the cure period unless there is a plan of action to address the issue(s). Any management agent found to have implemented a rent increase on an existing tax credit property without the required Agency approval may be prohibited from serving as management agent for an application. Should a management agent be removed from the Approved Management Company list for failure to comply with the above requirements, and the issue is not resolved following an opportunity to cure, the management agent will remain off of the Approved Management list for a period of no less than one year. The management agent

listed on the application must be retained by the ownership entity for at least two (2) years after project completion, unless the Agency approves a change.

3. PROJECT TEAM DISQUALIFICATIONS

The Agency may disqualify any owner, Principal or management agent, who:

- (a) has been debarred or received a limited denial of participation in the past ten years by any federal or state agency from participating in any development program;
- (b) within the past ten years has been in a bankruptcy; an adverse fair housing settlement, judgment or administrative determination; an adverse civil rights settlement, judgment or administrative determination; or an adverse federal, state or local government proceeding and settlement, judgment or administrative determination;
- (c) has been in a mortgage default or arrearage of three months or more within the last five years on any publicly subsidized project;
- (d) has been involved within the past ten years in a project which previously received an allocation of tax credits but failed to meet standards or requirements of the tax credit allocation or failed to fulfill one of the representations contained in an application for tax credits;
- (e) has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by the Agency or any other state allocating agency;
- (f) interferes with a tax credit application for which it is not an owner or Principal at a public hearing or other official meeting;
- (g) has outstanding flags in HUD's national 2530 National Participation system;
- (h) has been involved in any project awarded tax credits after 2000 where there has been a change in general partners or managing members during the last five years that the Agency did not approve in writing beforehand;
- (i) would be removed from the ownership of a project that is the subject of an application under the rehabilitation set-aside in the current cycle;
- (j) requested a qualified contract for a North Carolina tax credit property; or
- (k) is not in good standing with the Agency.

A disqualification under this subsection (D)(3) will result in the individual or entity involved not being allowed to participate in the ~~2025~~2026 cycle and removing from consideration any application where they are identified.

E. UNIT MIX AND PROJECT SIZE

1. Ten (-10) points will be subtracted from any full application that includes market-rate units. This penalty will not apply where either
 - the rents for all market rate units are at least five percent (5%) higher than the maximum allowed for a unit at 80% AMI and the market study indicates that such rents are feasible, or
 - there is a commitment for a grant or no-payment financing equal to at least the amount of foregone federal tax credit equity.
2. New construction 9% Tax Credit projects may not exceed the following:
 - Metro Region - one hundred and twenty (120) units

- Central, East, and West Regions - eighty-four (84) units.

3. New construction tax-exempt bond projects may not exceed two hundred (200) units unless approved by the Agency prior to the preliminary application submission.
4. All new construction projects must have at least twenty-four (24) qualified low-income units.

The Agency reserves the right to waive the penalties and limitations in this Section IV(E) for proposals that reduce low-income and minority concentration, including public housing projects, and subsection (E)(2) for proposals that are within a transit station area as defined by the Charlotte Region Transit Station Area Joint Development Principles and Policy Guidelines or adaptive re-use projects where made necessary by the building(s) physical structure.

F. SPECIAL CRITERIA AND TIEBREAKERS

1. ENERGY STAR CERTIFICATION

New construction residential buildings must achieve ENERGY STAR Multifamily New Construction Program certification and comply with all energy efficiency standards as defined in **Appendix B** (incorporated herein by reference). Adaptive re-use and rehabilitation projects must comply to the extent doing so is economically feasible and as allowed by historic preservation rules.

2. APPLICANT BONUS POINTS (MAXIMUM 2 POINTS)

An Applicant is entitled to two bonus points -as part of the full application submission. No application can receive more than one bonus point. -No Principal or Applicant is entitled to more than two bonus points for all applications in which they may be involved. -Should an Applicant or Principal use more than 2 bonus points, the Agency will determine which application, if any, receives the bonus point(s).

3. ~~UNITS FOR THE MOBILITY IMPAIRED~~ (Requirement outlined in Appendix B)

~~Five percent (5%) of all units in new construction projects must meet the accessibility standards as defined in Appendix B (incorporated herein by reference). THESE UNITS ARE IN ADDITION TO MOBILITY IMPAIRED UNITS REQUIRED BY FEDERAL AND STATE LAW (INCLUDING BUILDING CODES). If laws or codes do not require mobility impaired units for a project, a total of ten percent (10%) of the units must be fully accessible. Units for the mobility impaired should be available to all tenants who would benefit from their design and are not necessarily reserved under the Targeting Program requirements of subsection (F)(4).~~

4. TARGETING PROGRAM

All projects will be required to target ten percent (10%) of the total units to persons with disabilities and persons who are homeless. Projects with federal project-based rental assistance must target at least five (5) units regardless of size. Projects that have targeted units under this subsection are not required to provide onsite supportive services or a service coordinator.

Owners must submit the following documents, all of which are fully described in **Appendix D** (incorporated herein by reference).

- (a) Targeting Unit Agreement
- (b) Owner Agreement to Participate (if applicable)
- (c) Section 811 PRA Rental Assistance Contract (if applicable)
- (d) Property Profile

- (e) Tenant Selection Plan
- (f) Affirmative Fair Housing Marketing Plan
- (g) Language Access Plan (if applicable)

These documents must be submitted to the Agency no later than the times specified in **Appendix D** but in no case later than six months prior to the project's placed in service date. The Agency may set additional requirements, as needed. The requirements of this subsection (F)(4) may be fully or partially waived to the extent the Agency determines they are not feasible.

5. OLMSTEAD SETTLEMENT INITIATIVE (MAXIMUM 4 POINTS)

- (a) Projects proposing 1 bedroom units as a percentage of the total project units will be awarded points based on the following:

7.5% of total units	1 point
10% of total units	2 points
15% of total units	3 points

Tax-exempt bond projects must contain 1 bedroom units totaling a minimum of 10% of total project units.

- (b) Projects proposed in the following DHHS priority counties will be awarded 1 point.

Alamance	Gaston	Orange
Buncombe	Guilford*	Pitt
Burke	Henderson	Robeson
Cabarrus	Iredell	Wake*
Cumberland*	Mecklenburg*	Wayne
Durham*	New Hanover	Wilson
Forsyth*		

*These counties will no longer be listed as DHHS priority counties after the 2026 QAP cycle.

6. SECTION 1602 EXCHANGE PROJECTS (NEGATIVE 40 POINTS)

The Agency may deduct up to forty (-40) points from any application if the Applicant, any owner, Principal or affiliate thereof is also involved in a Section 1602 Exchange project with uncorrected material noncompliance.

7. TIEBREAKER CRITERIA

The following will be used to award tax credits in the event that the final scores of more than one project are identical.

- (a) First Tiebreaker: The county with the highest cost burden low income renters per 9% tax credit unit funded over the last 5 years (see **Appendix L**).
- (b) Second Tiebreaker: The project with the highest number of total units at time of full application submission. ~~percentage of non-Agency awarded and non-related party funding (excluding federal equity and bank loans) as a percentage of total replacement costs at time of full application submission. The total non-Agency awards must exceed \$50,000.~~

- (c) **Third Tiebreaker:** The project with the lowest average income targeting at time of preliminary application submission. Overall targeting may not increase more than five percent (5%) as of the full application.
- (d) **Fourth Tiebreaker: Tenants with Children:** Projects that can serve tenant populations with children. Projects will qualify for this designation if at least twenty-five (25%) of the units are three or four bedrooms. This tiebreaker will only apply where the market study shows a clear demand for this population (as determined by the Agency).
- (e) **Fifth Tiebreaker: Tenant Ownership:** Projects that are intended for eventual tenant ownership. Such projects must utilize a detached single family site plan and building design and have a business plan describing how the project will convert to tenant ownership at the end of the 30-year compliance period.

In the event that a tie remains after considering the above tiebreakers, the project requesting the least amount of federal tax credits will be awarded.

G. DESIGN STANDARDS

All proposed measures must be shown in the application to receive points.

1. THRESHOLD REQUIREMENTS

The minimum threshold requirements for design are found in **Appendix B** (incorporated herein by reference) and must be used for all projects receiving tax credits or RPP funding.

2. CRITERIA FOR SCORE EVALUATION (MAXIMUM 30 POINTS)

The Agency will determine points based on the following criteria as applied to the site drawings submitted with the full application.

(a) Site Layout

The Agency will award up to 5 points based on its evaluation of the site layout. The following characteristics will be considered.

- (i) The location of residential buildings in relation to parking, site amenities, community building, postal facilities and trash collection areas.
- (ii) The degree to which site layout ensures a low, controlled traffic speed through the project.

(b) Quality of Design and Construction

(The points in this subsection are mutually exclusive with Section IV(G)(2)(c) below.)

The Agency will award up to 25 points for new construction projects based on its evaluation of the quality of the building design, and the materials and finishes specified. The following characteristics will be considered:

- (i) The extent to which the design uses multiple roof lines, gables, dormers and similar elements to break up large roof sections.
- (ii) The extent to which the design uses multiple types, styles, and colors of siding and brick veneer to add visual appeal to the building elevations.
- (iii) The level of detail that is achieved through the use of porches, railings, and other exterior features.
- (iv) Use of brick veneer or masonry products on building exteriors.

(c) Adaptive Re-Use

(The points in this subsection are mutually exclusive with Section IV(G)(2)(b) above.)

The Agency will award up to 25 points based on the following characteristics:

- (i) The extent to which the building(s) fit with surrounding streetscape after adaptation or have problems with orientation, sightlines, bulk and scale.
- (ii) Aesthetics after adaptation.
- (iii) Presence of special design elements or architectural features that may not be physically or financially available if new construction was introduced on the same site.

H. CRITERIA FOR SELECTION OF REHABILITATION PROJECTS

1. GENERAL THRESHOLD REQUIREMENTS

To be eligible for an allocation under Section II(A), a project must:

- (a) have either (i) received a tax credit allocation and be in the extended use period or (ii) federal project-based rental assistance for at least thirty percent (30%) of the total units,
- (b) have been placed in service on or before December 31, 2010~~09~~,
- (c) require rehabilitation expenses in excess of \$ 50,000 per unit (as supported by a physical needs assessment conducted or approved by the Agency),
- (d) not have an acquisition cost in excess of sixty percent (60%) of the total replacement costs,
- (e) not be feasible using tax-exempt bonds (as determined by the Agency),
- (f) not have received an Agency loan in the last five years,
- (g) not be deteriorated to the point of requiring demolition,
- (h) not have begun or completed a full debt restructuring under the Mark to Market process (or any similar HUD program) within the last five years, and
- (i) have total replacement costs of less than \$190,000 per unit, including all Agency-required rehabilitation work.

Rehabilitation expenses include hard construction costs directly attributable to the project, excluding costs for a new community building, as calculated using lines 2 through 7 (less line 6) in the PDC description.

2. THRESHOLD DESIGN REQUIREMENTS

In addition to the relevant sections of **Appendix B** (incorporated herein by reference), the Agency will require owners to complete the following as appropriate for their project.

- (a) Improve site amenities and common areas by upgrading or adding a freestanding community building, making repairs and additions to landscaping, adding new site amenities such as playgrounds, and repairing parking areas.
- (b) Improve building exteriors by replacing deteriorated siding, replacing aged roofing, adding gutters and downspouts, and adding new architectural features to improve appearance.
- (c) Upgrade unit interiors by replacing flooring, installing new cabinets and countertops, replacing damaged interior doors, replacing light fixtures, and repainting units.
- (d) Replace and upgrade mechanical systems and appliances including HVAC systems, water heaters and plumbing fixtures, electrical panels, refrigerators, and ranges.
- (e) Improve energy efficiency by replacing inefficient doors and windows, adding additional insulation in attics, and upgrading the efficiency of mechanical systems and appliances.

- (f) Improve site and unit accessibility for persons with disabilities by making necessary alterations at common areas, alterations at single story ground floor units, adding or improving handicapped parking areas, and repairing or replacing sidewalks along accessible routes.

3. EVALUATION CRITERIA

The Agency will evaluate applications under Section II(A) based on the following criteria, which are listed in order of importance. Each one will serve both to determine awards and as a threshold requirement; the Agency may remove an application from consideration if the proposal is sufficiently inadequate in any of the categories. For purposes of making awards, the Agency will not consider subsections (d) through (f) below if the outcome is determined by the criteria in subsections (a) through (c).

- (a) The Agency will give the highest priority to applications proposing to rehabilitate the most distressed housing with a tax credit allocation, particularly buildings with accessibility or life, health and safety problems.
- (b) Applications will have a reduced likelihood of receiving an award of tax credits if the Agency determines the property has not been properly maintained and any current owner will remain part of the new ownership.
- (c) Applications will have a reduced likelihood of being awarded tax credits to the extent that the purpose is to subsidize an ownership transfer.
- (d) Shortcomings in the above criteria will be mitigated to the extent that a tax credit allocation is necessary to prevent (i) conversion of units to market rate rents or (ii) loss of government resources (including past, present and future investments).
- (e) The Agency will give priority to applications that have mortgage subsidy resources committed as part of the application.
- (f) Applications will have priority to the extent that the rehabilitation improvements are a part of a community revitalization plan or will benefit the surrounding community. However, projects in severely distressed areas will have a reduced likelihood of being awarded tax credits.
- (g) Applications will have a reduced likelihood of being awarded tax credits based on the number of tenants that would be permanently relocated (including market-rate).
- (h) While the rehabilitation set-aside is not subject to any regional set-aside, the Agency will consider the geographic distribution of this resource and will attempt to avoid a concentration of awards in any one area of the state.

V. ALLOCATION OF BOND CAP

A. ORDER OF PRIORITY

The Committee will allocate the multifamily portion of the state's tax-exempt bond authority in the following order of priority:

- 1. Projects that serve as a component of an overall public housing revitalization effort.
- 2. Rehabilitation of existing rent restricted housing.
- 3. Rehabilitation of projects consisting of entirely market-rate units.
- 4. Adaptive re-use projects.

5. Other new construction projects.

Applications will only be allocated bond authority if there is enough remaining after awarding all eligible applications in higher priority levels. Within each category, applications seeking the least amount of authority per low-income unit will have priority.

B. ELIGIBILITY FOR AWARD

Except as otherwise indicated, owners of projects with tax-exempt bonds and 4% Tax Credits must meet all requirements of the Plan. Even with an allocation of bond authority, projects must meet the threshold requirements to be eligible for tax credits.

1. All projects must meet the requirements under Section IV(F)(4).

2. Rehabilitation applications must:

- (a) have been placed in service on or before December 31, 2010~~09~~,
- (b) require rehabilitation expenses in excess of \$30,000 per unit,
- (c) not have an acquisition cost in excess of seventy percent (70%) of the total replacement costs,
- (d) not have begun or completed a full debt restructuring under the Mark to Market process (or any similar HUD program) within the last five years, and
- (e) not be deteriorated to the point of requiring demolition.

3. The inducement resolution must be submitted with the full application.

4. To be eligible for an award of tax-exempt bond volume, at least one Principal must have successfully developed, operated and maintained in compliance either one 9% Tax Credit project in North Carolina or one tax-exempt bond project in any state. The project must have been placed in service between January 1, 2017~~6~~ and January 1, 2025~~4~~. Such Principal must:

- be identified in the preliminary application as the Applicant under Section III(C)(7),
- become a general partner or managing member of the ownership entity, and
- remain responsible for overseeing the project and operation of the project for a period of two (2) years after placed in service.

The Agency will determine what qualifies as successful and who can be considered as involved in a particular project.

VI. GENERAL REQUIREMENTS

A. GENERAL THRESHOLD REQUIREMENTS FOR PROJECT PROPOSALS

1. PROJECTS WITH HISTORIC TAX CREDITS

Buildings either must be on the National Register of Historic Places or approved for the State Historic Preservation Office's study list at the time of the full application. Evidence of meeting this requirement should be provided.

2. NONPROFIT SET-ASIDE

For purposes of being considered as a nonprofit sponsored application under Section II(D)(1)(a), at least one nonprofit entity (or, where applicable, its qualified corporation) involved in a project must:

- (a) be qualified under Section 501(c)(3) or (4) of the Code,
- (b) materially participate, as defined under federal law, in the acquisition, development, ownership, and ongoing operation of the property for the entire compliance period,

- (c) have as one of its exempt purposes the fostering of low-income housing,
- (d) be a managing member or general partner of the ownership entity.

The Agency reserves the right to make a determination that the nonprofit owner is not affiliated with or controlled by a for-profit entity or entities other than a qualified corporation. There can be no identity of interest between any nonprofit owner and for-profit entity, other than a qualified corporation.

3. REQUIRED REPORTS

All projects involving use of existing structures must submit the following:

- (a) For projects built prior to 1978, a hazardous material report which provides the results of testing for asbestos containing materials, lead based paint, Polychlorinated Biphenyls (PCBs), underground storage tanks, petroleum bulk storage tanks, Chlorofluorocarbons (CFCs), and other hazardous materials. The testing must be performed by professionals licensed to do hazardous materials testing. A report written by an architect or building contractor or developer will not suffice. A plan and projected costs for removal of hazardous materials must also be included.
- (b) A report assessing the structural integrity of the building(s) being renovated from an architect or engineer. Report must be dated no more than six (6) months from the full application deadline.
- (c) A current termite inspection report. Report must be dated no more than six (6) months from the full application deadline.

4. APPRAISALS

The Agency will not allow the project budget to include more for land or lease costs than the lesser of its appraised market value or the purchase or lease price. Applicants must submit with the full application a real estate "as is" appraisal that is a) dated no more than six (6) months from the full application deadline, b) prepared by an independent, state certified appraiser and c) complies with the Uniform Standards of Professional Appraisal Practice. The appraisal must encompass all parcels that comprise the project. Comparable properties used in the appraisal must be in reasonable proximity to the project. The Agency may order an additional appraisal with costs to be paid by the Applicant. Appraisals for rehabilitation and adaptive re-use projects must break out the land and building values from the total value.

5. CONCENTRATION

Projects cannot be in areas of minority and low-income concentration (measured by comparing the percentage of minority and low-income households in the site's census tract with the community overall). The Agency may make an exception for projects in economically distressed areas which have community revitalization plans with public funds committed to support the effort.

6. DISPLACEMENT

For rehabilitation projects and in every other instance of tenant displacement, including temporary, the Applicant must supply with the full application a plan describing how displaced persons will be relocated, including a description of the costs of relocation. The owner is responsible for all relocation expenses, which must be included in the project's development budget. Owners must also comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as revised in 49 C.F.R. Part 24.

7. FEASIBILITY

The Agency will not allocate tax credits or RPP funding to applications that may have difficulty being completed or operated for the compliance period. Examples include projects that may not secure an equity investment or a Principal that has inadequate capacity to successfully carry out the development process.

8. SMOKE-FREE HOUSING

Owners must prohibit smoking in all indoor common areas, individual living areas (including patios and balconies), and within 25 feet of building entries or ventilation intakes. A non-smoking clause must be included in the lease for each household.

B. UNDERWRITING THRESHOLD REQUIREMENTS

The following minimum financial underwriting requirements apply to all projects. Projects that cannot meet these minimum requirements, as determined by the Agency, will not receive tax credits or RPP funding. Any documentation required as part of the application must be dated and be within 6 months of the application deadline, unless otherwise stated.

1. LOAN UNDERWRITING STANDARDS

- (a) Projects applying for tax credits only will be underwritten with rents escalating at two percent (2%) and operating expenses escalating at three percent (3%).
- (b) All projects will be underwritten assuming a constant seven percent (7%) vacancy and must reflect a 1.15 Debt Coverage Ratio (DCR) for twenty (20) years.
- (c) Applications requesting RPP funds must use current Low HOME rents for fifteen percent (15%) of the total units (spread proportionally through all bedroom types) and may be required to comply with HOME program requirements, including 42 U.S.C. 12701 et seq., 24 C.F.R. Part 92 and all relevant administrative guidance. Projects awarded RPP funds must also comply with the RPP Guidelines in **Appendix G** (incorporated herein by reference).
- (d) The Agency may determine that the interest rate on a loan must be reduced where an application shows an excessive amount accruing towards a balloon payment.

2. OPERATING EXPENSES

- (a) New construction (excluding adaptive re-use): minimum of \$4,200 per unit per year not including taxes, reserves and resident support services.
- (b) Renovation (includes rehabilitation and adaptive re-use): minimum of \$4,400 per unit per year not including taxes, reserves and resident support services. For projects with RD loans, the operating expenses will be based upon the current RD approved operating budget.

3. EQUITY PRICING

- (a) Projects will be underwritten using Applicants proposed equity pricing. Pricing above \$0.8387 will require a commitment letter from a syndicator or investor with as much detail as is possible. At a minimum, the letter should include the equity pricing, total capital contribution amount, estimated pay-in schedule and any reserve requirements. Should an Applicant receive an allocation of tax credits and fail to receive equity pricing at least equal to the pricing used in the awarded application, any equity shortfall will be the responsibility of the Applicant. The Agency will not approve an increase of the rents stated in the awarded application to support additional debt to cover the equity shortfall.

- (b) Equity should be calculated net of any syndication fees. Bridge loan interest typically incurred by the syndicator to enable an up front payment of equity should not be charged to the project directly, but be reflected in the net payment of equity. Equity should be based on tax credits to be used by the investor(s), excluding those allocated to the Principals unless these entities are making an equity contribution in exchange for the tax credits.

4. RESERVES

- (a) Operating Reserve: Required for all projects except those receiving loan funds from RD. The operating reserve will be the greater of a) \$1,500 per unit or b) six month's debt service and operating expenses (four months for tax-exempt bond projects), and must be maintained for the duration of the extended use period.

The operating reserve can be funded by deferring the developer fees of the project. If this method is utilized, the deferred amounts owed to the developer can only be repaid from cash flow if all required replacement reserve deposits have been made. For tax credit projects where no RPP loan applies, the operating reserve can be capitalized by an equity pay in up to one year after certificate of occupancy is received. This will be monitored by the Agency. This reserve must stay with the project at the time of investor exit.

- (b) Replacement Reserve: All new construction projects must budget replacement reserves of \$250 per unit per year. Rehabilitation and adaptive re-use projects must budget replacement reserves of \$350 per unit per year. The replacement reserve must be capitalized from the project's operations, escalating by four percent (4%) annually. This reserve must stay with the project at the time of investor exit.

In both types of renovation projects mentioned above, the Agency reserves the right to increase the required amount of annual replacement reserves if the Agency determines such an increase is warranted after a detailed review of the project's physical needs assessment.

For those projects receiving RD loan funds, the required funding of the replacement reserve will be established, administered and approved by RD.

5. DEFERRED DEVELOPER FEES ~~(NEGATIVE 2 POINTS)~~

Developer fees can be deferred to cover a gap in funding sources as long as:

- (a) the entire amount will be paid within fifteen years and meets the standards required by the IRS to stay in basis,
- (b) the deferred portion does not exceed fifty percent (50%) of the total amount as of the full application, and
- (c) payment projections do not negatively impact the operation of the project.

Each of these will be determined by the Agency. Nonprofit organizations must include a resolution from the Board of Directors allowing such a deferred payment obligation to the project. The developer may not charge interest on the deferred amount in excess of the long term AFR.

~~Deferral of more than twenty-five (25%) of the total developer fee will result in a deduction of 2 points.~~

6. FINANCING COMMITMENT

- (a) For all projects proposing private permanent financing, a letter of intent is required (see Appendix E). This letter must be on lender's letterhead, must clearly state the term of the permanent loan is at least fifteen (15) years, how the interest rate will be indexed and the current rate at the time of the letter, the amortization period, any prepayment penalties,

anticipated security interest in the property, and lien position. The interest rate must be fixed and no balloon payments may be due for fifteen years.

- (b) For all projects proposing public permanent financing, binding commitments on lender's letterhead are required to be submitted by the full application deadline (see **Appendix E**). Local governments also must identify the source of funding (e.g. HOME, trust fund). All loans must have a fixed interest rate and no balloon payments for at least fifteen (15) years after project completion. A binding commitment is defined as a letter, resolution or binding contract from a unit of government. The same terms described for the letter of intent (using the format approved by the Agency) from a private lender must be included in the commitment.
- (c) The Agency may request a letter from a construction lender documenting the loan amount, interest rate, and any origination fees.
- (d) Any Owner Investment listed as a source cannot exceed \$10,000.
- (e) Applications may only include one set of proposed funding sources; the Agency will not consider multiple financial scenarios. A project will be ineligible for allocation if any of the listed funding sources will not be available in an amount or under the terms described in the application. The Agency may waive this limitation if the project otherwise demonstrates financial feasibility. Project cash flow may not be used as a source of funds.

7. DEVELOPER FEES

- (a) Developer fees shall be up to ~~\$24,000~~ \$23,000 per unit for new construction projects and twenty-eight point five percent (28.5%) of PDC line item 4 for rehabilitation projects, both being set at award.
- (b) Contractor general requirements shall be limited to six percent (6%) of hard costs.
- (c) Contractor profit and overhead shall be limited to ten percent (10%) (8% profit, 2% overhead) of total hard costs, including general requirements.
- (d) Where an identity of interest exists between the owner and contractor, the contractor profit and overhead shall be limited to eight percent (8%) (6% profit, 2% overhead).

8. CONSULTING FEES

The total amount of any consulting fees and developer fees shall be no more than the maximum developer fee allowed to that project.

9. ARCHITECTS' FEES

The architects' fees, including design and inspection fees, shall be limited to three percent (3%) of the total hard costs plus general requirements, overhead, profit and construction contingency (total of lines 2 through 10 on the PDC description). This amount does not include engineering costs.

10. INVESTOR SERVICES FEES

Investor services fees must be paid from net cash flow and not be calculated into the minimum debt coverage ratio.

11. PROJECT CONTINGENCY FUNDING

All new construction projects shall have a hard cost contingency line item of five percent (5%) of total hard costs, including general requirements, contractor profit and overhead. Rehabilitation and adaptive re-use projects shall include a hard cost contingency line item of ten percent (10%) of total hard costs.

12. PROJECT OWNERSHIP

There must be common ownership between all units and buildings within a single project for the duration of the compliance period.

13. SECTION 8 PROJECT-BASED RENTAL ASSISTANCE

For all new construction projects that propose to utilize Section 8 project-based rental assistance, the Agency will underwrite the rents according to the tax credit and HOME limits, unless the Applicant can provide the HUD approved contract or a letter of commitment outlining payment standards and terms for the project set forth by the governing body of the issuing agent. These limits are based on data published annually by HUD

14. WATER, SEWER, AND TAP FEES

Any water, sewer, and tap fees charged to the project must be entered on a separate line item of the PDC description. Applications must provide letters from local provider(s) documenting either the amounts or if no fees will be charged.

VII. POST-AWARD PROCESSES AND REQUIREMENTS

A. ALLOCATION TERMS AND REVOCATION

1. At any time between award and issuance of IRS Form 8609, owners must have approval from the Agency prior to:
 - (a) changing the anticipated or final sources (amount, terms, or provider), including equity;
 - (b) increasing the anticipated or final uses by more than two percent (2%);
 - (c) altering the designs approved by
the Agency at full application, or
local building code office,
including amenities, site layout, floor plans and elevations (Approved Design);
 - (d) starting construction, including sitework;
 - (e) increasing rents for new construction units;
 - (f) increasing rents for rehabilitation units above existing rents at time of award (rents shown in the approved application can be instituted once rehabilitation is complete);
 - (g) occupying units;
 - (h) any other change to the awarded application.

At its discretion, the Agency can request any documentation related to project costs. If an increase in uses or design alteration is due to a local government requirement, owners do not need prior approval but rather must provide the Agency with prompt written notice. Failure to comply with a requirement of this subsection may result in a fine of up to \$25,000, revocation of the reservation or allocation, future disqualification under Section IV(D)(3) of any Principal involved, or other recourse available to the Agency.

2. Ownership entities must submit a completed carryover agreement and expend at least ten percent (10%) of the project's reasonably expected basis, both by dates to be determined by the Agency.
3. IRS Form 8609 will not be issued until:

An owner's or project's failure to comply with all such conditions without written authorization from the Agency will entitle the Agency, in its discretion, to deem the allocation to be cancelled by mutual consent. After any such cancellation, the owner will acknowledge that neither it nor the project will have any right to claim tax credits pursuant to the allocation. The Agency reserves the right, in its discretion, to modify or waive any such failed condition.

B. COMPLIANCE MONITORING

1. Owners must comply with Section 42 of the Code, IRS regulations, rulings, procedures, decisions and notices, state statutes, the Fair Housing Act, state laws, local codes, Agency loan documents, **Appendix F** (incorporated herein by reference), and any other legal requirements. The Agency may treat any failure to do so as a violation of the Plan.
2. The Agency will adopt and revise standards, policies, procedures, and other requirements in administering the tax credit program. Examples include training and online reporting. Owners must comply with all such requirements regardless of whether or not they expressly appear in the Plan or **Appendix F**. The Agency will have access to any project information, including physical access to the property, all financial records and tenant information.
3. The Agency must approve all rent increases throughout the extended use period for properties receiving Agency funding and/or tax credits (see Appendix F for more information on rents and rent increases). In no event may rents exceed the published federal guidelines.

VIII. DEFINITIONS

The terms listed below will be defined in the Plan as indicated below regardless of capitalization, unless the context clearly indicates otherwise. Terms used in the Plan but not defined below will have the same meaning as under the Code and IRS regulations.

4% Tax Credit: Low-income housing tax credits available pursuant to Section 42(h)(4) of the Code.

9% Tax Credit: Low-income housing tax credits available for allocation under the state's volume cap pursuant to Section 42(h)(3) of the Code.

Affiliate: As to any person or entity (i) any entity of which a majority of the voting interest is owned by such person or entity, (ii) any person or entity directly or indirectly controlling (10% or more) such person or entity, (iii) any person or entity under direct or indirect common control with any such person or entity, or (iv) any officer, director, employee, manager, stockholder (10% or more), partner or member of any such person or entity or of any person or entity referred to in the preceding clauses (i), (ii) or (iii).

Applicant: The entity considered under Section III(C)(7).

Choice-Limiting Activity: Includes leasing or disposition of real property and any activity that will result in a physical change to the property, including acquisition, demolition, movement, rehabilitation, conversion, repair, or construction.

Developer: Any individual or entity responsible for initiating and controlling the development process and ensuring that all, or any material portion of all, phases of the development process are accomplished. Furthermore, the developer is the individual or entity identified as such in the Ownership Entity Agreement and any and all Development Fee Agreements.

Entity: Without limitation, any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, public agency or other entity, other than a human being.

Management Agent: Individual(s) or Entity responsible for the day to day operations of the project, which may or may not be related to the Owner(s) or ownership entity.

Market-Rate Units: Units that are not subject to tax credit restrictions; does not include manager units.

Material Participation: Involvement in the development and operation of the project on a basis which is regular, continuous and substantial throughout the compliance period as defined in Code Sections 42 and 469(h) and the regulations promulgated thereunder.

Owner(s): Person(s) or entity(ies) that own an equity interest in the Ownership Entity.

Ownership Entity: The ownership entity to which tax credits and/or any RPP loan funds will be awarded.

Person: Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so requires.

Person with a Disability: An adult who has a permanent physical or mental impairment which substantially limits one or more major life activities as further defined in North Carolina's Persons with Disabilities Protection Act (N.C.G.S. § 168A-3 (7a)).

Person who is Homeless: An adult who is living in places not meant for habitation (such as streets, cars, parks), emergency shelter, or in transitional or temporary housing but originally came from a place not meant for habitation or emergency shelter.

Principal: Principal includes (1) all persons or entities who are or who will become partners or members of the ownership entity, (2) all persons or entities whose affiliates are or who will become partners or members of the ownership entity, (3) all persons or entities who directly or indirectly earn a portion of the development fee for development services with respect to a project and/or earn any compensation for development services rendered to such project, which compensation is funded directly or indirectly from the development fee of such project, and such amount earned exceeds the lesser of twenty-five percent (25%) of the development fee for such project or \$100,000, and (4) all affiliates of such persons or entities in clause (3) who directly or indirectly earn a portion of the development fee for development services with respect to any project in the current year and/or earn any compensation for development services rendered to any project in the current year, which compensation is funded directly or indirectly from the development fee of any such project, and such amount earned exceeds the lesser of twenty-five percent 25% of the development fee for such project or \$100,000. For purposes of determining Principal status the Agency may disregard multiple layers of pass-through or corporate entities. A partner or member will not be a Principal where its only involvement is that of the tax credit equity investor.

Qualified Corporation: Any corporation if, at all times such corporation is in existence, 100% of the stock of such corporation is held by a nonprofit organization that meets the requirements under Code Section 42(h)(5).

Rental Production Program (RPP): Agency loan program for multifamily affordable rental housing.

Note from the Codifier: The notices published in this Section of the NC Register include the text of proposed rules. The agency must accept written comments on any proposed rules for at least 60 days from the publication date, or until the date of any public hearing, whichever is longer. If the agency adopts a rule that differs substantially from a prior published notice, the agency must publish the text of the proposed different rule and accept comment on the proposed different rule for 60 days.
Statutory reference: G.S. 150B-21.2.

TITLE 14B – DEPARTMENT OF PUBLIC SAFETY

CHAPTER 15 - ALCOHOLIC BEVERAGE CONTROL COMMISSION

Notice is hereby given in accordance with G.S. 150B-21.2 that the Alcoholic Beverage Control Commission intends to readopt with substantive changes the rules cited as 14B NCAC 15C .0401-.0404, .0501-.0505, .0601-.0607.

**SUBCHAPTER 15C - INDUSTRY MEMBERS:
RETAIL/INDUSTRY MEMBER RELATIONSHIPS: SHIP
CHANDLERS: AIR CARRIERS: FUEL ALCOHOL**

Link to agency website pursuant to G.S. 150B-19.1(c):
abc.nc.gov

**SECTION .0400 - STANDARDS OF IDENTITY FOR
WINE: CONTAINERS**

Proposed Effective Date: *February 1, 2026*

Public Hearing:

Date: *November 5, 2025*

Time: *10:00 a.m.*

Location: *NC ABC Commission, Hearing Room, 400 East Tryon Road, Raleigh, NC 27610*

Reason for Proposed Action: *Periodic review and readoption pursuant to G.S. 150B-21.3A.*

Comments may be submitted to: *Renee C. Metz, 400 East Tryon Road, Raleigh, NC 27610, (919)948-7919, email rules@abc.nc.gov.*

Comment period ends: *December 1, 2025.*

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (≥\$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

14B NCAC 15C .0401 APPLICATION OF STANDARDS
~~All wines~~ Wine produced, imported, bottled, or offered for sale in this State shall meet the standards of identity ~~prescribed as of April 1, 1986, in Subpart C, Part 4, Chapter 1, Title 27 of the Code of Federal Regulations which is incorporated herein by reference and includes subsequent amendments.~~ as identified in Subpart C of 27 CFR Part 4, incorporated by reference including any subsequent amendments and editions. The provisions of the CFR may be accessed for free at <https://www.ecfr.gov/current/title-27/chapter-I/subchapter-A/part-4/subpart-C>. ~~The Commission has a copy of those regulations available for inspection at the Commission's principal office. Copies are available at the "actual cost" as defined in G.S. 132-6.2(b) for making the copies and the mailing cost if applicable. The Commission shall provide its "actual cost" on the Commission's website. Persons requesting copies of the above documents shall make payment by certified check, cashier's check or money order to the Commission prior to receiving any copies of the above documents.~~

Authority G.S. 18B-100; 18B-206(a); 18B-207.

14B NCAC 15C .0402 PROHIBITED PRACTICES

(a) ~~The production, importation or sale within this State of any product as or under the designation of wine that fails to conform to the standards prescribed in these Rules, or of any imitation or substandard wine is prohibited. Industry members are prohibited from producing, importing, or selling in this State wine, or a product designated under a wine category, that is imitation, substandard, or fails to conform to the standards of these Rules.~~

(b) Imitation Wine. Imitation wine includes:

- (1) ~~any~~ wine containing synthetic materials;
- (2) ~~any~~ wine made from a mixture of water ~~with residues remaining~~ containing residue after thorough pressing of grapes, ~~fruit~~ fruit, or other agricultural products;
- (3) ~~any class or type of wine, the taste, aroma, color or other characteristics of which have been acquired in whole or in part by treatment with methods or materials of any kind, if the taste, aroma, color or other characteristics of normal wines of any such class or type are acquired~~

~~without that treatment; wine treated to acquire the taste, aroma, color, or characteristics of a class or type of wine that would occur without treatment; or~~

- (4) ~~any wine made from must concentrated at any time to more than 80 degrees (Balling).~~

(c) Substandard wine includes:

- (1) ~~any wine having with a volatile acidity acidity, calculated as acetic acid and exclusive of sulphur dioxide, in excess of the maximum prescribed therefor established in these Rules;~~
- (2) ~~any wine for which no that does not have a maximum volatile acidity is prescribed in these Rules having a shall have a maximum volatile acidity, calculated as acetic acid and exclusive of sulphur dioxide, in excess acidity of 0.14 gram per 100 cubic centimeters (20 degrees Centigrade);~~
- (3) ~~any wine for which with a standard of identity is prescribed in these Rules that through disease, decomposition or otherwise fails to have the composition, color and clean vinous taste color, taste, and aroma of normal wines conforming to that standard;~~
- (4) ~~wine of any class or type containing added water water, or a sugar and water solution solution, in excess of the quantities expressly authorized for standard wine made from the same kind or kinds of materials as prescribed in these Rules;~~
- (5) ~~any wine containing monochloroacetic acid or any other substance or preservative prohibited by the United States Food and Drug Administration or the Federal Alcoholic Tax Unit; United States Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau; or~~
- (6) ~~any wine containing deleterious, harmful harmful, or impure substances or elements or an improper balance of elements.~~

(d) Coined Names

- (1) ~~Mixture of Wines. The sale in this State of wines identified on labels or in advertisements by a type or brand designation that implies mixtures of wines for which standards of identity are established in these Rules, or which identifying type or brand designation resembles an established wine type name such as "Angelica," "Madeira," "Muscatel," "Claret," "Burgundy," etc., is prohibited.~~
- (2) ~~Combinations of Alcoholic Beverages. The sale in this State of wines or combinations of wine and other alcoholic beverages that contain on the labels statements such as "whiskey wine," "rum and wine," "gin and wine," "beer and wine" or similar combinations is prohibited.~~

Industry members are prohibited from identifying wine on labels or in advertisements as a mixture of wine with other types of alcoholic beverages or as a mixture of wines that have standards

of identity established in Subpart C of 27 CFR Part 4, incorporated by reference including any subsequent amendments and editions.

Authority G.S. 18B-100; 18B-206(a); 18B-207.

14B NCAC 15C .0403 CONTAINERS

(a) Unsealed Container Prohibited. ~~Except as permitted by Rule .0307 of this Subchapter, the sale of Industry members shall not sell wine in any an unsealed container, except as authorized by 14B NCAC 15C .0307, any a container originally designed created for a product other than wine, or in any a container the whose design or shape of which would tend to mislead the consumer as to the nature of regarding the contents is prohibited. contents.~~

(b) Distinguishing Mark Different from Retailer. The sale of wine in containers that have the blown, branded, or burned name or other distinguishing mark of any person engaged in business as a wine producer, importer, wholesaler, or bottler or any other person different from the person whose name is required to appear on the brand label by Rule .0304 of this Subchapter is prohibited. Industry members shall not sell wine in containers that have, in addition to the information required by 14B NCAC 15C .0304, the blown, branded, or burned name or distinguishing mark of a wine producer, importer, wholesaler, or bottler.

Authority G.S. 18B-206; 18B-207; 18B-1001.

14B NCAC 15C .0404 SEIZURE OF SUBSTANDARD WINE

Alcohol law enforcement agents or officers may seize and dispose of Imitation, substandard imitation, substandard, or misbranded wine offered for sale in violation of the ABC laws may be seized and disposed of. laws.

Authority G.S. 18B-100; 18B-206(a); 18B-207; 18B-503.

SECTION .0500 - INDUSTRY MEMBERS: GENERAL PROVISIONS

14B NCAC 15C .0501 INSPECTION OF PREMISES

Any A storage facility, warehouse warehouse, or office area where malt beverages or wine are stored or alcoholic beverages are manufactured or stored, or where records of purchases, sales sales, or deliveries are maintained shall be considered maintained, are part of the licensed premises premises, and industry members shall be made make the entire premises available for inspection as provided in G.S. 18B-502.

Authority G.S. 18B-100; 18B-207; 18B-502.

14B NCAC 15C .0502 RECORD KEEPING REQUIREMENTS: SALES TICKETS

(a) In addition to records required to be kept by the North Carolina Department of Revenue, all industry members shall maintain on the licensed premises a copy of every copies of original sales ticket or receipt that relates tickets or receipts relating to sales of alcoholic beverage products, equipment, advertising specialty items, or advertising novelties. Copies shall

be in paper form or, if kept in electronic form, available to print on paper, the following form:

- (1) paper; or
- (2) electronic, so long as it can be printed on paper.

(b) Sales Ticket Required. Wholesalers or their salesmen shall, at the time of each sale and delivery of malt beverages or wine to a retailer, provide the following information on every retail sales ticket the following information: tickets:

- (1) date of sale;
- (2) name of establishment;
- (3) location;
- (4) quantity of each brand of malt beverages or wine sold;
- (5) unit price;
- (6) total price;
- (7) amount received;
- (8) invoice number; and
- (9) route, if applicable. route number or name.

(c) All sales tickets shall be endorsed at the time of sale by the retailer or authorized agent and by the wholesaler with the usual signature of each. At the time of sale, the retailer or authorized agent and the wholesaler's salesman shall endorse the sales tickets by signature.

(d) All sales tickets shall be retained by the wholesaler for a period of three years and shall be filed alphabetically, by sales route, or chronologically by date of sale. Wholesalers shall retain sales tickets for three years filed alphabetically, by sales route, or by date of sale.

Authority G.S. 18B-100; 18B-207.

14B NCAC 15C .0503 SANITATION

All industry members shall maintain the premises and surroundings in an orderly, sanitary manner. a manner to avoid contamination or deterioration of alcoholic beverages the industry member is authorized to produce or possess.

Authority G.S. 18B-100; 18B-206(a); 18B-207.

14B NCAC 15C .0504 OPERATION OF LICENSED PREMISES: EMPLOYEES

No industry member shall do any of the following: Industry members:

- (1) shall not employ a person under the age of less than 18 years old or permit or allow such a person to work in, about or in connection with the premises unless it has been approved by the Commission;
- (2) permit shall not allow intoxicated persons to loiter or be employed remain on the licensed premises;
- (3) fail to shall keep the premises clean, well lighted and in an orderly manner; clean and lighted to avoid hazards to employees; or
- (4) operate any establishment where there are living quarters connected directly thereto. shall not use the premises as living quarters.

Authority G.S. 18B-100; 18B-207; 18B-1003; 18B-1005.

14B NCAC 15C .0505 OFF-SITE STORAGE LOCATION

(a) The holder of a brewery, winery, or distillery permit shall notify the Commission in advance of storing any alcoholic beverages that the permittee manufactures under its permit in If a brewery, winery, or distillery has a noncontiguous storage location as authorized pursuant to G.S. 18B-1120. 18B-1120, the permittee shall notify the Commission of the authorization before storing the products manufactured by the permittee at the noncontiguous location. This notification shall be deemed a part of the original permit application.

(b) The brewery, winery, or distillery Notification shall be made shall notify the Commission on a form approved by the Commission that requires: requiring the following information:

- (1) the permittee's name;
- (2) the business mailing address;
- (3) the permit number;
- (4) the principal location address;
- (5) the noncontiguous storage location address;
- (6) a diagram of the premises showing the exact locations of entrances, exits, storage areas for alcoholic beverages, and separate storage areas for any other property or merchandise;
- (7) a copy of the Alcohol and Tobacco Tax and Trade Bureau approval of the noncontiguous storage location; and
- (8) a copy of the Commission's Zoning and Compliance form applicable to the noncontiguous storage location, completed pursuant to G.S. 18B-901(c).

(c) The noncontiguous storage location shall only be used by the permittee The permittee shall use the noncontiguous storage location only for storage of alcoholic beverages manufactured by the permittee and non-alcoholic beverage items owned by the permittee. No alcoholic beverages of the The permittee shall be stored not store alcoholic beverages in the same storage area with other property or merchandise of the permittee or any other person. The noncontiguous storage location shall be subject to inspection pursuant to G.S. 18B-502 and Rule .0501 of this Section. 14B NCAC 15C .0501.

Authority G.S. 18B-100; 18B-207; 18B-502; 18B-901; 18B-1120.

SECTION .0600 - SALES AND DELIVERIES OF MALT BEVERAGES AND WINE

14B NCAC 15C .0601 APPROVED BRANDS ONLY

Except as provided in Subchapter 15B, Rule .0216, no wholesaler Wholesalers shall not sell any product that has not been alcoholic beverages in this State unless approved by the Commission for sale in this State. or as provided in 14B NCAC 15B .0216.

Authority G.S. 18B-100; 18B-207; 18B-1005.

14B NCAC 15C .0602 SALES AND PURCHASE RESTRICTIONS: RECORDS

(a) All malt beverages, unfortified wine, and fortified wine intended for sale, delivery, or shipment to retail permittees in the wholesaler's designated sales territory shall be delivered by the

~~supplier or its designee to the wholesaler. Suppliers, or their designees, shall deliver malt beverages, unfortified wine, and fortified wine, intended for sale, delivery, or shipment to retail permittees, to the wholesaler assigned to the sales territory where the retail permittee is located. The malt beverages, unfortified wine, and fortified wine delivered to the wholesaler shall be unloaded~~ unload the alcoholic beverages from the delivery vehicle, placed on the floor of the place the delivery wholesaler's permitted premises so that its where its entire weight is supported by the wholesaler's floor, inventoried, inspected, inventory, inspect, and verified verify the delivery for taxes by the wholesaler. The provisions of this Paragraph do not apply to products sold, delivered, or shipped pursuant to G.S. 18B-1101(7) or G.S. 18B-1104(a)(8).

(b) ~~No wholesaler of malt beverages~~ Malt beverage wholesalers shall not sell malt beverages to any a person who does not hold a retail or wholesale malt beverage permit, and no wholesaler of wine wine wholesalers shall not sell any fortified wine or unfortified wine to any a person who does not hold the appropriate a retail or wholesale fortified or unfortified wine permit. However, a A wholesaler may furnish or sell wine or malt beverages to the wholesaler's employees for the sole use of the employees. pursuant to G.S. 18B-1101(4), 18B-1102(4), or 18B-1104(a)(5).

(c) ~~No retail malt beverage or wine permittee~~ Retail permittees shall purchase malt beverages or wine only from anyone other than a licensed wholesaler.

(d) ~~All persons holding retail malt beverage or wine permits~~ Retail permittees selling malt beverages or wine shall keep the sales tickets and delivery receipts furnished by the wholesaler, pursuant to Rule .0502 of this Subchapter, required by 14B NCAC 15C .0502 and all other records of purchases of malt beverages and wine. All receipts and records required to be retained pursuant to this Paragraph shall be kept separate and apart from all other nonalcoholic beverage records. Delivery receipts shall set forth state the terms of sale for each separate per transaction between the retailer and the wholesaler and shall include for each separate sale: the following:

- (1) ~~the date of sale;~~
- (2) ~~the trade name of the retail establishment;~~
- (3) ~~the location of the retail establishment;~~
- (4) ~~the quantity of each brand of malt beverages or wine sold;~~
- (5) ~~the unit price;~~
- (6) ~~the total price;~~
- (7) ~~the amount paid; and~~
- (8) ~~the invoice or receipt number.~~

(e) The retailer shall keep retain for inspection copies of all sales tickets and delivery receipts available for inspection on the premises for three years.

(f) A retail permittee may maintain malt beverage and wine invoices at one location, other than the licensed premises, upon written application to and approval by the ~~Commission.~~ Commission at permits@abc.nc.gov. When ~~considering~~ reviewing the application, the Commission shall consider the following:

- (1) ~~whether all permits are permits~~ held by the same applicant;

- (2) ~~whether~~ electronic copies of the invoices will be accessible to law enforcement at the retail location; and
- (3) ~~whether~~ the permittee agrees to make the original invoices available on the licensed premises to law enforcement within 48 hours of the request by law enforcement.

Authority G.S. 18B-100; 18B-207; 18B-1107; 18B-1109; 18B-1113; 18B-1114.

14B NCAC 15C .0603 HOLDING OF CHECKS PROHIBITED

~~No wholesaler or his agents or employee~~ A wholesaler shall not enter into an agreement or understanding with a retailer to retain delay, at the request of the retailer or for the benefit of the retailer, the deposit of checks issued to the wholesaler by a retailer for alcoholic beverages delivered to the retailer. Checks issued by the retailer to the wholesaler for payment of alcoholic beverages received shall be deposited by the wholesaler promptly in the ordinary course of business. A check issued to the wholesaler by the retailer and When a retailer's payment to the wholesaler is returned by the bank due to non-sufficient funds shall be redeposited promptly for collection by the wholesaler. funds, the wholesaler shall attempt to redeposit the check. If the check is returned to the wholesaler a second time due to non-sufficient funds, the wholesaler shall report the matter to the Commission within 10 days. days of the second notice of non-sufficient funds.

Authority G.S. 18B-100; 18B-207; 18B-1116(a)(3).

14B NCAC 15C .0604 COLLECTION OF AMOUNT OF SALE

(a) ~~Each wholesaler~~ Wholesalers shall collect the full amount of the sale price in cash or bona fide check at the time of or prior to delivery of alcoholic beverages to a retailer except as provided in this Rule. No wholesaler A wholesaler shall not extend credit for any period of time to any to a retailer who purchases malt beverages or wine from him. the wholesaler.

Note: For purposes of this Section, the term "check" shall include the electronic transfer of funds from a retailer to a wholesaler. Prior to an electronic fund transfer, the retailer shall enter into a written agreement with the wholesaler specifying the terms and conditions for the electronic fund transfer as payment for alcoholic beverages. All such agreements shall provide that the wholesaler may initiate the electronic fund transfer at any time after delivery of alcoholic beverages. The electronic fund transfer must be initiated before the end of the business day following delivery. Any agreement authorizing electronic fund transfers shall be voluntary on the part of all parties. The wholesaler may not bear any share of the retailer's cost related to electronic fund transfers, including costs of information generated by third parties related to such transfers. Nothing in this Rule shall operate to suspend any of the requirements concerning sales tickets and record keeping as provided in Rule .0502 of this Subchapter.

(b) Paragraph (a) does not apply to wholesaler Collections for sales and deliveries upon military reservations, however, shall not be required at the time of the transaction. reservations or installations.

(c) A route salesman may accept one payment for all deliveries made by him on the same day to the same permittee if deliveries are made to two or more of the permittee's retail premises on the same route. ~~Payment in such cases shall be collected by the salesman for all such~~ The route salesman shall collect payment for all permittee's deliveries no later than at the last of permittee's ~~store account stores~~ on the route. ~~Nothing in this Rule shall be construed to authorize a~~ A route salesman shall not collect payment from a permittee at an office location unless the office is located on the premises where a delivery is made.

For purposes of this Rule, the term "check" shall include the electronic transfer of funds from a retailer to a wholesaler. Prior to an electronic transfer of funds, the retailer and the wholesaler shall execute a written agreement regarding the terms for electronic transfer of funds for payment of alcoholic beverages, and shall include authorization for the wholesaler to initiate the transfer after delivery of alcoholic beverages to the retailer. The wholesaler shall initiate the electronic transfer of funds before the end of the business day following the day of delivery. A retailer shall be responsible for costs associated with the retailer's use of electronic transfer of funds. This Rule shall not waive record keeping requirements of 14B NCAC 15C .0502.

Authority G.S. 18B-100; 18B-207; 18B-1116.

14B NCAC 15C .0605 PLATFORM SALES

~~Wholesalers may sell malt beverages or wine to any person holding the appropriate retail permits at the wholesaler's place of business. Such a transaction shall be known as a platform sale. Platform sales, when a wholesaler sells malt beverages or wine at the wholesaler's premises to persons holding retail permits, are authorized.~~

Authority G.S. 18B-100; 18B-207; 18B-1107; 18B-1109.

14B NCAC 15C .0606 DRAUGHT DRAFT MALT BEVERAGE SALES: ACCESSORIES: DELIVERIES

(a) ~~Delivery to Retailer; Consumer. For each sale of draught beer, the A wholesaler shall transport the beer draft malt beverages in kegs to the premises of a licensed retailer. There the The wholesaler shall collect for the sale, and the retailer shall complete and sign his the sales ticket, writing on it ticket and add the name of the purchaser and the delivery address to which the beer is to be delivered. for the draft malt beverages. If the purchaser of the draught draft malt beverages beer can not transport the beer keg or does not know how to set up and tap the beer, keg, the purchaser he may request that the wholesaler assist him. wholesaler's assistance. Upon receiving such a request, a request for assistance, the wholesaler may deliver the beer keg from the retailer's premises to the person and place purchaser and delivery address designated on the sales ticket, and may set it up.~~

(b) ~~Assisting Consumer. Upon arrival at At the designated place of delivery, the wholesaler may set up the equipment, tap the keg keg, and test to see that it is working properly. the keg is functioning. The wholesaler may pick up his kegs and equipment at any time.~~

(c) ~~Tapping Accessories. Hand A wholesaler may deliver to a consumer hand pumps, carbon dioxide cylinders, related gauges,~~

tubs, ~~ice ice,~~ and cups ~~may be delivered with the kegs by a wholesaler to a consumer. kegs. Such accessories Accessories~~ may be left with a retailer only upon the filling of an order from a retailer who when the retailer has a specific and current order from a consumer, and either the retailer will deliver or the purchaser will pick up the kegs and accessories are to be delivered by the retailer or picked up by the consumer. accessories. Nothing in this This Rule shall be construed to allow does not authorize a wholesaler to loan or rent tubs or tapping accessories to a retailer for any period of time. retailer.

(d) ~~Keg Deposits. Any deposit charged by a brewer to a wholesaler for a draught malt beverage keg shall be charged to and collected from the retailer upon delivery of the keg to the retailer. If a brewery charges a wholesaler a deposit for a draft malt beverage keg, the wholesaler shall charge and collect the deposit from the retailer when the keg is delivered to the retailer.~~

Authority G.S. 18B-100; 18B-207; 18B-1116.

14B NCAC 15C .0607 MALT BEVERAGE AND WINE SHIPMENTS TO MILITARY BASES

~~No industry member except Only a wholesaler with a permit pursuant to G.S. 18B-1107 or G.S. 18B-1109 shall ship malt beverages or wine directly to a United States military or naval reservation or installation within North Carolina. All malt beverages and wine intended for that purpose to be delivered to military reservations or installations shall be shipped to wholesalers. These beverages The shipments shall come to rest upon the warehouse floor of the wholesalers, as set forth in Rule .0602(a) of this Section, who may then wholesalers pursuant to 14B NCAC 15C .0602(a) before the wholesaler is authorized to deliver them to United States military or naval reservations or installations within North Carolina.~~

Authority G.S. 18B- 100; 18B-109(b); 18B-207; 18B-1101(2); 18B-1102(2); 18B-1104(3); 18B-1113; 18B-1114.

TITLE 15A – DEPARTMENT OF ENVIRONMENTAL QUALITY

Notice is hereby given in accordance with G.S. 150B-21.2 that the Coastal Resources Commission intends to amend the rule cited as 15A NCAC 07H .2302.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://www.deq.nc.gov/about/divisions/division-coastal-management/coastal-resources-commission/crc-proposed-rules>

Proposed Effective Date: May 1, 2026

Public Hearing:

Date: October 20, 2025

Time: 5:00 p.m.

Location: NC Division of Coastal Management, 400 Commerce Avenue, Morehead City, NC 28557

Reason for Proposed Action: 15A NCAC 07H .2302 contains the procedures for applying for and complying with a General

Permit for the replacement of existing bridges and culverts in estuarine waters, public trust areas, and coastal wetlands. The Coastal Resources Commission is proposing to revise 7H .2302 to correct an inadvertent change that was made to the rule during the previous rule readoption process and to make minor updates to formatting and wording. The revisions are necessary to reinstate the two-year timeframe allowed for completion of a bridge/culvert replacement project under the General Permit and clarify application requirements.

Comments may be submitted to: *Tancred Miller, 400 Commerce Avenue, Morehead City, NC 28557; email crcrulemaking@deq.nc.gov*

Comment period ends: *December 1, 2025*

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☒ **State funds affected**
- ☒ **Local funds affected**
- ☐ **Substantial economic impact (\geq \$1,000,000)**
- ☒ **Approved by OSBM**
- ☐ **No fiscal note required**

CHAPTER 07 - COASTAL MANAGEMENT

SUBCHAPTER 07H - STATE GUIDELINES FOR AREAS OF ENVIRONMENTAL CONCERN

SECTION .2300 - GENERAL PERMIT FOR REPLACEMENT OF EXISTING BRIDGES AND CULVERTS IN ESTUARINE WATERS, ESTUARINE AND PUBLIC TRUST SHORELINES, PUBLIC TRUST AREAS, AND COASTAL WETLANDS

15A NCAC 07H .2302 APPROVAL PROCEDURES

(a) An applicant for a General Permit under this Subchapter shall contact the Division of Coastal Management at the Regional Office indicated on the map located at

<https://ncdenr.maps.arcgis.com/apps/webappviewer/index.html?id=1a5881ec85ca40679988982e02665b51> and request approval for development as defined in G.S. 113A-130(5).

(b) The applicant shall provide:

- (1) the site location, project narrative, dimensions of the project area, and ~~his or her~~ applicant's name and address;
- (2) a dated plat(s) showing existing and proposed development; and
- ~~(2)(3)~~ confirmation that a written statement has been ~~obtained, signed~~ obtained and signed by the adjacent riparian property owners, indicating that they have no objections to the proposed work; or
- ~~(3)(4)~~ confirmation that the adjacent riparian property owners have been notified by certified mail of the proposed work. The notice shall instruct adjacent riparian property owners to provide any comments on the proposed development in writing to the Division of Coastal Management within 10 days of receipt of the notice and indicate that no response by the adjacent riparian property owners will be interpreted as the adjacent riparian property owners having no objection. Division staff shall review all comments and determine, based on their relevance to the potential impacts of the proposed project, if the proposed project can be approved by a General Permit. If Division staff finds that the comments are worthy of more in-depth review, the Division shall notify the applicant that he or she must submit an application for a major development permit.

(c) No work shall begin until an onsite meeting is held with the applicant and a Division of Coastal Management representative to review the proposed development. A permit to proceed with the proposed development shall be issued if the Division representative finds that the application meets all the requirements of this Subchapter. ~~Construction permitted under this Section shall be completed within 120 days of permit issuance or such permit shall expire. Construction authorized by this permit shall be completed within two years of permit issuance or the permit shall expire and a new permit shall be required to begin or continue construction.~~ If the applicant seeks a new permit under this Section, the Division of Coastal Management shall re-examine the proposed development to determine if the General Permit may be reissued. Pursuant to G.S. 136-44.7B, permits issued to the North Carolina Department of Transportation for projects identified in the Transportation Improvement Program shall not expire. Approval of individual projects shall be acknowledged in writing by the Division of Coastal Management and the applicant shall be provided with a copy of this General Permit.

(d) Any modification or addition to the permitted project shall require approval from the Division of Coastal Management.

Authority G.S. 113A-107; 113A-118.1; 113A-124.

TITLE 16 – DEPARTMENT OF PUBLIC INSTRUCTION

**CHAPTER 06 - ELEMENTARY AND SECONDARY
EDUCATION**

SUBCHAPTER 06D - INSTRUCTION

SECTION .0500 – PROMOTION AND GRADUATION

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Board of Education intends to amend the rule cited as 16 NCAC 06D .0508.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://www.dpi.nc.gov/about-dpi/state-board-education/rulemaking--information>

Proposed Effective Date: February 1, 2026

Instructions on How to Demand a Public Hearing: *(must be requested in writing within 15 days of notice): Any member of the public who wishes to request a public hearing may submit a written request to the State Board of Education Rulemaking Coordinator via email at ryan.collins@dpi.nc.gov.*

Reason for Proposed Action: *The North Carolina Read to Achieve Program is part of the Excellent Public Schools Act, which became law in July 2012 and was implemented in all North Carolina public schools at the beginning of the 2013-2014 school year. This rule was first enacted in July 2014 to add additional substantive and procedural requirements for public school units as part of the program's implementation. The proposed amendments further clarify various aspects of the rule and adjust the due date for submitting alternative assessments to DPI.*

Comments may be submitted to: Tonia Parrish, 6301 Mail Service Center, Raleigh, NC 27699-6301; email tonia.parrish@dpi.nc.gov

Comment period ends: December 1, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

16 NCAC 06D .0508 NORTH CAROLINA READ TO ACHIEVE PROGRAM

(a) The governing board of each public school unit shall adopt retention and promotion policies for students in Grade 3 that are consistent with Chapter 115C, Article 8, Part 1a of the General Statutes.

(b) For the purpose of ~~implementing the requirements of Chapter 115C, Article 8, Part 1a of the General Statutes, assessing reading proficiency under G.S. 115C-83.7(b)(3).~~ local school administrative units shall utilize the alternative assessment approved by the State Board of Education in accordance with G.S. 115C-83.3. Any alternative assessment approved by the SBE shall include the requirements listed in G.S. 115C-83.6(b) and shall not include the use of a "three-cueing system" as defined in G.S. 115C-83.3(9a).

(c) The board of directors for a charter school may use an alternative assessment of its choice to ~~satisfy the requirements of Chapter 115C, Article 8, Part 1a of the General Statutes, assess reading proficiency under G.S. 115C-83.7(b)(3).~~ provided that the board of directors notifies the SBE of the assessment it intends to use no later than ~~December~~ August 1 of the school year in which it intends to use the alternative assessment. ~~The board of directors shall be responsible for any expenses associated with utilization of any alternative assessment other than the SBE approved alternative assessment.~~ The provisions of this Paragraph shall also apply to the following:

(d) ~~The provisions of Paragraph (c) of this Rule shall also apply to the following:~~

- (1) a local board of education, with respect to any school under the local board's jurisdiction that has been authorized to operate under the Restart Model in accordance with 16 NCAC 06G .0317.
- (2) a chancellor, with respect to any school operated as a laboratory school under Chapter 116, Article 29A of the General Statutes, if the chancellor accepts funding appropriated by the General Assembly to support the Read to Achieve program.

(d) The governing body of a public school unit shall be responsible for any expenses associated with utilization of an alternative assessment.

(e) For purposes of supplemental tutoring offered in accordance with G.S. 115C-83.8(e), a student is identified as "retained twice" if the student was retained once in Kindergarten, Grade 1, Grade 2, or Grade 3, and was retained again in Grade 3 either by placement in a Grade 3 class or a combined Grades 3 and 4 class in which the student received Grade 3 instruction in reading.

Authority G.S. 115C-12; 115C-83.1; 115C-83.3; 115C-83.6; 115C-83.7; 115C-83.7A; 115C-83.8; 115C-83.10; 115C-174.11; 115C-218.85.



No fiscal note required

Notice is hereby given in accordance with G.S. 150B-21.3A(c)(2)g. that the State Board of Education intends to readopt with substantive changes the rules cited as 16 NCAC 06H .0101-.0104.

**CHAPTER 06 - ELEMENTARY AND SECONDARY
EDUCATION**

SUBCHAPTER 06H - FEDERAL PROGRAMS

**SECTION .0100 – OPERATION OF FEDERAL
PROGRAMS**

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://www.dpi.nc.gov/about-dpi/state-board-education/rulemaking--information>

Proposed Effective Date: February 1, 2026

Instructions on How to Demand a Public Hearing: *(must be requested in writing within 15 days of notice): Any member of the public who wishes to request a public hearing may submit a written request to the State Board of Education Rulemaking Coordinator via email at ryan.collins@dpi.nc.gov.*

Reason for Proposed Action: *The North Carolina Administrative Procedure Act requires the State Board of Education to periodically review and re-adopt rules issued under its authority to "make all needed rules and regulations" for the operation of the public school system. N.C. Const. art. IX, Section 5. These rules govern the operation of federal programs in general and school nutrition programs in particular. The rules have been revised to reflect current law and State Board of Education policy.*

Comments may be submitted to: Ryan Collins, 6301 Mail Service Center, Raleigh, NC 27699-6301; email ryan.collins@dpi.nc.gov

Comment period ends: December 1, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
☐ Local funds affected
☐ Substantial economic impact (\geq \$1,000,000)
☐ Approved by OSBM

16 NCAC 06H .0101 DEFINITIONS

As used in this Subchapter, the following definitions apply:

- (1) "Federal agency" is defined in 2 C.F.R. 200.1.
- (2) "Federal award" is defined in 2 C.F.R. 200.1.
- (3) "Federal financial assistance" is defined in 2 C.F.R. 200.1.
- (4) "Federal program" is defined in 2 C.F.R. 200.1.
- (4)(5) "Free appropriate public education" (~~FAPE~~) or "FAPE" is defined by 34 CFR 300.13, in 34 C.F.R. 300.101.
- (2)(6) "Individualized education program" (~~IEP~~) or "IEP" is defined by 34 CFR 300.340, in 34 C.F.R. 300.320.
- (3)(7) "Least restrictive environment" (~~LRE~~) or "LRE" is defined by 34 CFR 300.550–300.556, in 34 C.F.R. 300.114.
- (8) "Local education agency" or "LEA" is defined in 34 C.F.R. 303.28(a). For the purpose of federal programs administered by the State Board of Education, the term "LEA" includes any public school unit, as defined in G.S. 115C-5(7a), that is a subrecipient of a federal award.
- (4)(9) "Parent" is defined by 34 CFR 300.20, in 34 C.F.R. 300.30.
- (5) "Willie M." class members are children under age 18 who now or will in the future suffer from serious emotional, mental or neurological handicaps, which handicaps have been accompanied by behavior which is characterized as violent or assaultive; and who are or will be in the future involuntarily placed in institutions or otherwise placed in residential programs; and who have not been provided appropriate treatment and education programs by the state.
- (10) "Recipient" is defined in 2 C.F.R. 200.1. For the purpose of federal programs administered by the State Board of Education, "recipient" includes a "grantee" as defined in 34 C.F.R. 77.1(c).
- (11) "State education agency" or "SEA" is defined in 34 C.F.R. 300.41. The State Board of Education is the SEA for the State of North Carolina.
- (12) "Subaward" is defined in 2 C.F.R. 200.1.
- (13) "Subrecipient" is defined in 2 C.F.R. 200.1. For the purpose of federal programs administered by the State Board of Education, "subrecipient"

includes a "subgrantee" as defined in 34 C.F.R. 77.1(c).

Authority G.S. 115C-141; 115C-106.3; 115C-107.2; 2 C.F.R. 200.1; 34 C.F.R. 300.28; 34 C.F.R. 300.30; 34 C.F.R. 300.41; 34 C.F.R. 300.101; 34 C.F.R. 300.114; 34 C.F.R. 320.

16 NCAC 06H .0102 OPERATION OF FEDERAL CHILD NUTRITION PROGRAMS

(a) ~~The Department administers in accordance with applicable federal regulations such federal education programs as are authorized by Congress and accepted by the SBE.~~

(b) ~~In administering child nutrition programs, the Department will State Board of Education may reclaim and/or or withhold funds from any LEA or program sponsor which subrecipient that fails to comply with current federal regulations and state policies SBE rules until the LEA or program sponsor subrecipient complies.~~

Authority G.S. 115C-263; 115C-264; 115C-409; 2 C.F.R. 200.339.

16 NCAC 06H .0103 COMPLAINT PROCEDURES FOR FEDERAL PROGRAMS

(a) This Rule shall apply to federal programs of United States federal agencies that provide federal awards administered by the State Board of Education. The department SBE shall receive, review and resolve complaints for which no other procedures or remedies are available, available by law or contract. These complaints must shall involve the allegation that LEAs, another subgrantee or the department the SBE, an LEA, or a subrecipient has violated a federal statute, federal regulation or interpretive rule. SBE rule governing a federal program. This Rule shall affect those federal education programs listed in 34 CFR Part 76.

(b) Any person(s) person who believes that grounds exist for filing a complaint under Paragraph (a) of this Rule may file a written complaint with the department SBE. The complaint must: shall include the following:

- (1) be signed by the person(s) making it; The signature of the complainant;
- (2) show who has violated a specific federal requirement; The name of the party alleged to have violated a federal statute, federal regulation, or SBE rule;
- (3) tell how the requirement has been violated; An identification of the federal statute, federal regulation, or SBE rule alleged to have been violated by the party;
- (4) state the facts upon which the complaint is based; A detailed description of facts to support the complaint; and
- (5) tell what A description of the relief the person complainant is seeking.

(c) ~~If the department receives a complaint which is not complete, it shall contact the person making it and explain how the complaint may be made complete.~~

(d)(c) ~~The department shall send the complaint to staff for review and response. If the complaint involves a subgrantee,~~

~~subrecipient, the department SBE shall send the complaint to that subgrantee: subrecipient.~~

(e) ~~The department may, in its discretion, allow the person to appear and present evidence.~~

(f)(d) The department SBE shall review and issue a final written resolution of decision for each acceptable complete complaint to each party involved within 60 days of receipt, unless it finds good cause, as that term is defined in 26 NCAC 03 .0118, for an extension. The SBE may extend the time for issuing a final written decision up to an additional 60 days if:

- (1) The complainant agrees to an extension; or
- (2) The SBE makes a finding good cause, as defined in 26 NCAC .0118(a)(1), for an extension.

(g)(c) The resolution final written decision shall include:

- (1) a A summary of the facts involved; relevant and material evidence;
- (2) a statement of the federal requirement involved; Citations to the relevant federal statute(s), federal regulation(s), and SBE rules;
- (3) the department's findings of fact and a summary of the evidence it considered; Findings of material fact;
- (4) the department's conclusions Conclusions of law regarding each allegation and a summary of its the reasons for them; those conclusions; and
- (5) the department's An order for any technical assistance, negotiation negotiation, or corrective action that must occur and when those actions must be taken.

(h)(f) If a federal education program requires a subgrantee subrecipient to develop and use a complaint procedure, the person complaining complainant may use either that the subrecipient's procedure or the department's SBE procedure. If the person complainant uses the subgrantee's procedure, the person may appeal that the subrecipient's final decision to the department SBE within 30 days after receiving it: of receipt.

Authority G.S. 115C-113; 115C-12(5); 15C-409; 34 C.F.R. 76.780; N.C. Constitution Article IX, s. 5; 34 C.F.R. 300.660-662; 7 C.F.R. 210.18; 34 C.F.R. 76.770; 34 C.F.R. 300.149-300.151.

16 NCAC 06H .0104 CHILD NUTRITION PROCEDURES SALE OF COMPETITIVE FOODS

(a) National School Lunch Program policies and standards are as follows:

- (1) A la carte sales are limited to foods contributing to the nutritional well being of the child and aiding in the establishment of good food habits. School food authorities and sponsoring organizations may provide these foods under the following conditions:
 - (A) Sponsors must operate all food and beverage services during or before the established lunch period through the school food service department.

- (B) ~~The school food service department retains all receipts from the sale of these items.~~
 - (C) ~~Sponsors must use all food service income for the purpose of the school's non-profit child nutrition programs.~~
 - (D) ~~A la carte items may not include foods of minimum nutritional value, as follows:~~
 - (i) ~~soda water (soda pop);~~
 - (ii) ~~water ices;~~
 - (iii) ~~chewing gum;~~
 - (iv) ~~processed foods made predominately from sweeteners or artificial sweeteners with a variety of minor ingredients. These foods include hard candy, jellies and gums, marshmallow candies, fondant, licorice, spun candy, and candy coated popcorn; and~~
 - (v) ~~confections and carbonated drinks.~~
 - (E) ~~Adults may purchase individual food items without purchasing a complete lunch.~~
- (2) ~~Competitive food sales by a school of extra food items in the lunchroom or its general environs must be on a non-profit basis. "On a non-profit basis" means that the sponsor deposits income from the sale of such food items to the account of the school's non-profit lunch and breakfast programs and uses the income solely for these programs.~~
- (A) ~~The school may sell extra food items after the established lunch hour is over, only with the approval of the LEA. The established lunch hour is over when the last pupil has been served for the day.~~
 - (B) ~~Occupational home economics instructional programs which operate under an approved annual vocational education plan and which involve the preparation and sale of foods to individuals other than students are not in competition with the child nutrition program.~~
 - (C) ~~The Department may deny the opportunity to participate in the program to any school food authority which operates in violation of state policy.~~

- (2) "National School Lunch Program" is defined in 7 C.F.R. 210.2.
- (3) "Nonprofit school food service" is defined in 7 C.F.R. 210.2.
- (4) "Nonprofit school food service account" is defined in 7 C.F.R. 210.2.
- (5) "School campus" is defined in 7 C.F.R. 210.11(a)(4).
- (6) "School day" is defined in 7 C.F.R. 210.11(a)(5).

~~(b) Sponsors must use receipts from child nutrition programs for the cost of operation as outlined in current federal regulations and state policy.~~

~~(b) All competitive foods shall, at minimum, meet the general nutrition standards established by 7 C.F.R. 210.11.~~

~~(c) Each LEA shall maintain records in accordance with 7 C.F.R. 210.11.~~

~~(d) Each LEA may sell competitive foods during the school day, on the school campus, under the following conditions:~~

- (1) All receipts from the sale of these items before the cafeteria closes for the day shall be deposited in the nonprofit school food service account.
- (2) Adults may purchase individual food items without purchasing a complete lunch.

~~(e) Instructional programs in culinary arts, which operate under an approved Career and Technical Education plan and involve the preparation and sale of foods to individuals other than students, are not subject to this Rule.~~

~~(f) The State Board of Education may deny the opportunity to participate in the National School Lunch Program to any LEA which operates in violation of this Rule.~~

~~(e)(g) No full-time public school employee is eligible for part-time employment in nonprofit school food services.~~

~~(d)(h) The only adults who may eat in the school food service department nonprofit school food services are school employees, personnel on official school business, and invited local patrons. These persons shall pay, as a minimum, the adult price for lunch.~~

Authority G.S. 115C-263; 115C-264; 7 C.F.R. 210.11(b)(1).

TITLE 21 - OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

CHAPTER 10 - CHIROPRACTIC EXAMINERS

Notice is hereby given in accordance with G.S. 150B-21.2 and G.S. 150B-21.3A(c)(2)g. that the Board of Chiropractic Examiners intends to amend the rule cited as 21 NCAC 10 .0218, readopt with substantive changes the rules cited as 21 NCAC 10 .0104, .0105, .0202- .0204, .0208- .0210, .0212, .0213, .0218 .0304, .0306, .0501, .0503, readopt without substantive changes the rules cited as 21 NCAC 10 .0103, .0207, .0215- .0217, .0302, .0303, .0305, .0401, .0403, .0406, .0504, .0706, .0708, .0709, .0803 and repeal through readoption the rule cited as 21 NCAC 10 .0211.

(a) As used in this Rule, the following definitions shall apply:

- (1) "Competitive food" is defined in 7 C.F.R. 210.11(a)(2).

Pursuant to G.S. 150B-21.17, the Codifier has determined it impractical to publish the text of rules proposed for repeal unless the agency requests otherwise. The text of the rule(s) are available on the OAH website at <http://reports.oah.state.nc.us/ncac.asp>.

Pursuant to G.S. 150B-21.2(c)(1), the text of the rule(s) proposed for readoption without substantive changes are not required to be published. The text of the rules are available on the OAH website: <http://reports.oah.state.nc.us/ncac.asp>.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://ncchiroboard.com>

Proposed Effective Date: April 1, 2026

Public Hearing:

Date: October 24, 2025

Time: 1:00 p.m.

Location:

<https://us02web.zoom.us/j/88422044236?pwd=RNiAeY4gmGDTJegubjWaAaBHLpyQCl.1> Meeting ID: 884 2204 4236 Passcode: 268443

Reason for Proposed Action: -21 NCAC 10 .0104 - Establishes the official seal of the Board

21 NCAC 10 .0105 - Implements an escrow account as required by N.C. Gen. Stat. § 93B-2(d)

21 NCAC 10 .0202 - Establishes the application process for individuals seeking initial licensure to practice chiropractic

21 NCAC 10 .0203-Establishes application process for individuals seeking licensure to practice chiropractic by reciprocity and establishes process by which applicants may sit for examinations required for licensure

21 NCAC 10 .0204-Establishes the application process for individuals seeking renewal of their license to practice chiropractic

21 NCAC 10 .0208-Establishes minimum competencies for applicant for licensure to engage in acupuncture in the practice of chiropractic

21 NCAC 10 .0209-Defines the term "Nutritional supplements" as that term is used in NC Gen Stat. § 90-151.1

21 NCAC 10 .0210-Establishes process by which individual-study continuing education courses are approved by the Board

21 NCAC 10 .0211-Repeals regulation related to finance or management services contracts between a licensee and a non-licensee.

21 NCAC 10 .0212-Establishes the process by which medical college credits may be accepted by the Board for licensure eligibility

21 NCAC 10 .0213-Establishes the application process for individual seeking certification as a chiropractic assistant

21 NCAC 10 .0218-Establishes the Board registration process for licensees who supervise students pursuant to N.C. Gen. Stat. § 90-142.1

21 NCAC 10 .0304-Establishes Board-recognized specialties within the practice of chiropractic and the eligibility requirements to publish a claim of specialization within the practice of chiropractic

21 NCAC 10 .0306-Establishes Board-recognized non-diplomate credentials within the practice of chiropractic and the eligibility requirements to publish a claim of non-diplomate credentials within the practice of chiropractic

21 NCAC 10 .0501-Establishes the process by which complaints alleging violations of the laws governing chiropractic may be filed with the Board

21 NCAC 10 .0503-Establishes the process by which complaints alleging violations of the laws governing chiropractic may be considered by the Board's Disciplinary Review Committee

Comments may be submitted to: Dr. Joe Siragusa, 9121 Anson Way, Suite 200, Raleigh, NC 27615; phone (704) 793-1342; email dr.joe@ncchiroboard.com

Comment period ends: December 15, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

21 NCAC 10 .0103 STRUCTURE OF BOARD (READOPTION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0104 SEAL OF THE BOARD OF CHIROPRACTIC EXAMINERS

(a) The official seal of the Board consists of two concentric circles, with the ~~word "Seal" inside~~ Seal of the State of North Carolina, as set forth in G.S. 147-2, comprising the inner circle surrounded by the phrase "North Carolina Board of Chiropractic Examiners, Organized May 5, 1917" in the area between the circles.

(b) The Seal of the State of North Carolina, as set forth in G.S. 147-26, without alteration, has also been adopted for use by the ~~Board where appropriate. Board.~~

Authority G.S. 90-142; 90-156.

21 NCAC 10 .0105 ESCROW ACCOUNT

(a) The Board shall maintain an escrow account at a federally insured bank for the temporary deposit of any fees received by the Board during a period in which the Board's authority to expend funds is suspended by operation of law.

(b) At such time as the authority of the Board to expend funds is restored, the fees deposited in the escrow account shall be transferred to the Board's general account.

Authority G.S. 90-142; ~~93B-2~~; 93B-2(d).

SECTION .0200 - PRACTICE OF CHIROPRACTIC

**21 NCAC 10 .0202 APPLICATION FOR
LICENSURE**

(a) General. Application for licensure to practice chiropractic pursuant to G.S. 90-143 shall be made in writing upon forms provide by the Board. Application forms and instructions may be found on the Board's website, www.ncchiroboard.com. Applications not completed within 12 months following submission to the Board shall be denied. All applications shall contain the following:

- (1) the applicant's name, residential address, phone number, email address, and date of birth;
- (2) the social security number of the applicant;
- (3) the applicant's educational history and degree attainment;
- (4) character reference statements on forms prescribed by the Board of three persons not related to the applicant attesting to the applicant's good moral character, two of which must be submitted Board-licensed chiropractic physicians in good standing with the Board;
- (5) the applicant's employment history;
- (6) whether the applicant now has or has ever had an addiction to, or dependency on, alcohol or other controlled substances and, if so, an explanation of the same;
- (7) whether the applicant ever has been under clinical treatment for addiction to, or dependency on, alcohol or other controlled substances and, if so, an explanation of the same;
- (8) whether the applicant has any physical, mental or emotional infirmities that could impair his or her ability to practice chiropractic safely and, if so, an explanation of the same;
- (9) whether the applicant has ever been certified, licensed, or registered to practice chiropractic by the Board, by another occupational Board, or in another state/jurisdiction and, if so:
 - (A) whether the credential is in good standing;
 - (B) in what state/jurisdiction was the credential issued; and
 - (C) the issuance date and expiration date of the credential.

- (10) whether the applicant has ever had a credential denied, limited, reprimanded, suspended, or revoked and, if so, an explanation of the same;
- (11) whether the applicant has ever been convicted of a felony or misdemeanor under any laws and, if so, the nature, date and jurisdiction of the conviction;
- (12) whether any criminal charges or criminal investigations, if known, are pending against the applicant and if so, the details of said charges or investigations;
- (13) whether any court, board, agency, or professional organization regulating chiropractic has disciplined the applicant and, if so, an explanation of the same;
- (14) whether any charges are pending against the applicant before any court, board, agency, or professional organization regulating chiropractic and, if so, an explanation of the same;
- (15) whether the applicant ever has voluntarily given up any licensure privileges in order to avoid formal disciplinary sanctions;
- (16) whether the applicant ever has been sanctioned or suspended from participation in Medicare or Medicaid and, if so, an explanation of the same;
- (17) whether the applicant ever has been denied membership in a professional association or, if admitted, ever been suspended or had membership not renewed due to a breach of ethics and, if so, an explanation of the same;
- (18) whether the applicant has had a malpractice judgment entered against him or her and, if so, an explanation for the same;
- (19) whether the applicant is certified by the Board or the National Board of Chiropractic Examiners to practice Acupuncture;
- (20) A copy of the applicant's government-issued identification document, such as a driver's license or passport;
- (21) A certified self-query response from the National Practitioner Data Bank ("NPDB") sent directly to the Board regarding the applicant's record with NPDB;
- (22) the applicant's affirmation that:
 - (A) the applicant has read and will comply with Article 8 of Chapter 90 of the North Carolina General Statutes and the administrative rules promulgated by the Board, which are available on the Board's website at <https://ncchiroboard.com/>;
 - (B) the information provided by the applicant in the application is true;
 - (C) the applicant consents to a criminal history record check; and
 - (D) the applicant has read and understands the public notice statement on employee misclassification that is set

forth in the application and has disclosed any investigations for employee misclassification, and its results, over the preceding 12-month period, as prescribed by G.S. 143-789; and

- (23) the application fee, as prescribed in Paragraph (d) of this Rule.

~~(b) Description of Forms. The written application shall consist of two forms, the Application Form and the Character Reference Form. The following information shall be required to complete each form:~~

- ~~(1) The application form shall include the personal background of the applicant; educational history; a recent photograph; and a statement confirming that the applicant has read, understands, and will abide by the General Statutes and administrative rules governing chiropractic.~~
- ~~(2) The character reference form shall include the statements of three persons not related to the applicant attesting to the applicant's good moral character.~~

~~(e)(b) Deadlines for Filing Applications. Applications for the North Carolina examination shall be received at the Board office no later than 15 days before the next examination date on which the applicant wishes to sit for examination, as provided in Rule .0203(b) of this Section.~~

~~(c) Application Fee. A non-refundable application fee of three hundred dollars (\$300.00) shall accompany each application. This fee may be paid by credit card through the Board's website, www.ncchiroboard.com, or by check made payable to the North Carolina Board of Chiropractic Examiners. Cash shall not be accepted. www.ncchiroboard.com.~~

Authority G.S. 90-142; 90-143; 90-143.1; 90-143.3; 90-145; 90-146; 90-149.

21 NCAC 10 .0203 NORTH CAROLINA EXAMINATION

(a) Eligibility. Only those applicants who meet the requirements of this Rule and G.S. 90-143 or, in the case of reciprocity applicants, G.S. 90-143.1, and who have submitted a written application and paid the non-refundable application fee pursuant to Rule 21 NCAC 10 .0202 shall be allowed to take the North Carolina ~~examination.~~ examination set forth in G.S. 90-143(b). Reciprocity applicants shall complete the following:

- (1) completed the application set forth in 21 NCAC 10 .0202(a);
- (2) pay the application fee set forth in 21 NCAC 10 .0202(d);
- (3) pass the jurisprudence exam set forth in Paragraph (g) of this Rule;
- (4) comply with the requirements of G.S. 90-143.1; and
- (5) provide an attestation that the applicant meets the requirements of G.S. 90-143.1.

(b) Dates of Examination. The North Carolina examination shall be given at least four times during the calendar year. The Board

shall announce an examination date not less than 30 days in advance and shall publish the date of upcoming examinations on the Board's website, www.ncchiroboard.com. The Board shall also individually notify each eligible applicant of the date of the next examination after the applicant's non-refundable application fee has been paid and the written application ~~completed.~~ pursuant to Rule .0202 has been submitted to the Board.

(c) National Boards. Except as provided in Paragraph (e) of this Rule, in order to take the North Carolina examination, an applicant who has never been licensed in this State or who is not a reciprocity applicant shall first achieve a score of 375 or higher on Parts I-IV and the Physiotherapy examination given by the National Board of Chiropractic Examiners.

(d) Report of Scores. The applicant shall arrange for his or her test results from any National Board examination to be reported to the North Carolina Board. Failure to comply with this Paragraph shall be a basis for delaying the issuance of a license. The Board shall not issue a license to an applicant for whom the Board has not received official score reports showing passage of the examination set forth in Paragraph (c) of this Rule provided from the examination testing provider.

(e) Waiver of National Boards. Notwithstanding the requirements of Paragraph (c) of this Rule, an applicant who submits National Board examinations in conformity with the following schedule shall not be disqualified from licensure in North Carolina:

- ~~(1) An applicant who graduated from chiropractic college before July 1, 1966 shall not be required to submit a score from any National Board examination.~~
- ~~(2)(1)~~ An applicant who graduated from chiropractic college between July 1, 1966 and June 30, 1986 shall be required to submit scores of 375 or higher on National Board Part I, Part II, and the elective examination termed "Physiotherapy," but shall not be required to submit a score on Part III (WCCE) or Part IV.
- ~~(3)(2)~~ An applicant who graduated from chiropractic college between July 1, 1986 and June 30, 1997 shall be required to submit scores of 375 or higher on National Board Part I, Part II, the elective examination termed "Physiotherapy," and Part III, but shall not be required to submit a score on Part IV.

In order to receive a license, an applicant who qualifies for a waiver of any National Board score pursuant to Paragraph (e) of this Rule shall take and pass the Special Purpose Examination for Chiropractic ("SPEC") and the North Carolina Examination. An applicant who qualifies for a waiver of any National Board score shall maintain compliance with G.S. 90-143.3 and Rule .0202 of this Chapter. must submit an application to the Board pursuant to Rule .0202 of this Section.

(f) SPEC Examination. In order to take the North Carolina examination, ~~a reciprocity applicant, a waiver applicant pursuant to Paragraph (e) of this Rule, or an applicant previously licensed in this State whose license has been cancelled pursuant to G.S. 90-155 for more than 180 days shall first take and pass the SPEC. The SPEC exam is administered by the National Board of Chiropractic Examiners. The passing score shall be 375 or higher. Reciprocity applicants and waiver applicants pursuant to~~

~~Paragraph (e) of this Rule who have achieved a score of 375 or higher on Part IV of the National Board examination shall not be required to take and pass the SPEC exam prior to licensure. the following individuals must first take and pass the SPEC:~~

- ~~(1) a reciprocity applicant;~~
- ~~(2) a waiver applicant pursuant to Paragraph (e) of this Rule; and~~
- ~~(3) an applicant previously licensed in this State whose license has been cancelled pursuant to G.S. 90-155 for more than 180 days, unless the applicant has been engaged in continuous licensed chiropractic practice in another state within the United States for the three years preceding the applicant's application to the Board and has not been subject to any disciplinary action impacting the applicant's ability to engage in chiropractic practice. The SPEC is administered by the National Board of Chiropractic Examiners. The passing score shall be 375 or higher. Reciprocity applicants and waiver applicants pursuant to Paragraph (e) of this Rule who have achieved a score of 375 or higher on Part IV of the National Board examination shall not be required to take and pass the SPEC prior to licensure.~~

(g) Nature of Examination. The North Carolina jurisprudence examination shall be a test of an applicant's knowledge of North Carolina chiropractic law and regulations. The passing grade shall be 75 percent.

Authority G.S. 90-142; 90-143; 90-143.1; 90-143.3; 90-144; 90-145; 90-146.

21 NCAC 10 .0204 LICENSURE; RENEWAL OF LICENSE

(a) Initial Licensure. The initial license awarded to an applicant who passed the examination shall be mailed to the address appearing on the application form.

(b) Change of Contact Information. The licentiate shall inform the Board of any change in his or her contact information. Updated contact information shall be forwarded to the Board office email at ncboce@ncchiroboard.com within 30 days after any such change.

(c) General. The renewal, inactivation, and restoration of a license are governed by G.S. 90-155 and this Rule. A current license that is not renewed shall be placed on inactive status on January 30th of the following year. A licentiate desiring license renewal shall submit to the Board, on or before the date of inactivation, a completed license renewal form accompanied by the renewal fee as provided in Paragraph (i) of this Rule. The renewal fee shall only be paid through the Board's website, www.ncchiroboard.com.

(d) License Renewal Notification and Form. On or before December 1 of each year, the Board shall email to each licentiate, at the licentiate's current email address on file with the Board, license renewal instructions. The license renewal form with instructions shall also be available at the Board's website, www.ncchiroboard.com, or upon request at the Board's office. A licentiate desiring license renewal shall note on the form changes

in name, address, specialty, employment circumstances, and criminal convictions since the last renewal form was submitted to the Board. The licentiate shall also note on the form any professional development continuing education for which the licentiate seeks credit pursuant to Rule .0210(d) of this Chapter. All renewal applications shall contain the following:

- (1) the applicant's name, residential address, phone number, email address, and date of birth;
- (2) the social security number of the applicant;
- (3) whether the applicant now has or has ever had an addiction to, or dependency on, alcohol or other controlled substances and, if so, an explanation of the same;
- (4) whether the applicant ever has been under clinical treatment for addiction to, or dependency on, alcohol or other controlled substances and, if so, an explanation of the same;
- (5) whether the applicant has any physical, mental or emotional infirmities that could impair his or her ability to practice chiropractic safely and, if so, an explanation of the same;
- (6) whether the applicant has ever been certified, licensed, or registered to practice chiropractic by the Board, by another occupational Board, or in another state/jurisdiction; and if so:
 - (A) whether the credential is in good standing;
 - (B) in what state/jurisdiction was the credential issued; and
 - (C) the issuance date and expiration date of the credential.
- (7) whether the applicant has ever had a credential denied, limited, reprimanded, suspended, or revoked and, if so, an explanation of the same;
- (8) whether the applicant has ever been convicted of a felony or misdemeanor under any laws since the last renewal and, if so, the nature, date and jurisdiction of the conviction;
- (9) whether any criminal charges or criminal investigations, if known, are pending against the applicant and if so, the details of said charges or investigations;
- (10) whether any court, board, agency, or professional organization regulating chiropractic has disciplined the applicant and, if so, an explanation of the same;
- (11) whether any charges are pending against the applicant before any court, board, agency, or professional organization regulating chiropractic and, if so, an explanation of the same;
- (12) whether the applicant ever has voluntarily given up any licensure privileges in order to avoid formal disciplinary sanctions;
- (13) whether the applicant ever has been sanctioned or suspended from participation in Medicare or Medicaid and, if so, an explanation of the same;

- (14) whether the applicant ever has been denied membership in a professional association or, if admitted, ever been suspended or had membership not renewed due to a breach of ethics and, if so, an explanation of the same;
- (15) whether the applicant has had a malpractice judgment entered against him or her since his or her last renewal and, if so, an explanation for the same;
- (16) whether the applicant is certified by the Board or the National Board of Chiropractic Examiners to practice Acupuncture;
- (17) the applicant's affirmation that:
 - (A) the applicant has read and will comply with Article 8 of Chapter 90 of the North Carolina General Statutes and the administrative rules promulgated by the Board, which are available on the Board's website at <https://ncchiroboard.com/>;
 - (B) the information provided by the applicant in the application is true;
 - (C) the applicant consents to a criminal history record check; and
 - (D) the applicant has read and understands the public notice statement on employee misclassification that is set forth in the application and has disclosed any investigations for employee misclassification, and its results, over the preceding 12-month period, as prescribed by G.S. 143-789; and
- (15) the renewal fee, as prescribed in Paragraph (i) of this Rule.

(e) Continuing Education. As used in G.S. 90-155, one "day" of continuing education shall mean nine hours. Except as provided in Paragraphs (f), (g) and (h) of this Rule, a licentiate seeking license renewal shall obtain 18 hours (2 days) of Board-approved continuing education each calendar year. At least 10 hours shall be obtained by attending in-person or live on-line educational sessions. Live online hours include the opportunity to interact with the instructor in real-time. As many as eight hours may be obtained in the manner set forth in Rule .0210 of this Section. The Board shall not award credit for any continuing education hours until the sponsor or licentiate submits to the Board the sponsor's certificate of attendance or course completion.

(f) First-Year Continuing Education Exemptions. A licentiate who was enrolled in chiropractic college at any time during the year of initial licensure or a licentiate initially licensed after September 1st of the current year shall be permitted to renew his or her license for the ensuing year without obtaining continuing education but shall be required to submit a license renewal form and pay the renewal fee. In subsequent years, a licentiate shall not be permitted to renew his or her license until the continuing education requirements set forth in Paragraph (e) of this Rule are satisfied.

(g) Hardship Waivers. A licentiate seeking a hardship waiver of the continuing education requirement shall make written

application to the Board no later than December 15th of the current year explaining the nature and circumstances of the hardship. Upon the applicant's showing that compliance with the continuing education requirement poses an undue hardship, the Board shall waive the requirement in whole or part or grant an extension of time within which to comply. "Undue hardship" shall include protracted medical illness, natural disaster, or extended absence from the United States.

(h) Military Hardship. A licentiate who is serving in the Armed Forces of the United States and to whom G.S. 93B-15(a) grants an extension of time to pay a renewal fee shall also be granted an identical extension of time to complete the continuing education required for license renewal.

(i) Renewal Fee. A renewal fee in the maximum amount allowed by G.S. 90-155 shall be paid by each licentiate applying for renewal.

(j) Restoration of Inactive License. Evidence of Proficiency. In order to provide evidence of proficiency, a former licentiate whose license has been inactive for 180 or fewer days due to non-compliance with G.S. 90-155 shall be re-examined and shall pay the non-refundable application fee prescribed in Rule .0202(d) of this Section and shall demonstrate compliance with continuing education requirements. A former licentiate whose license has been inactive for more than 180 days shall comply with Rule .0203(f) of this Section in addition to this Paragraph. Payment of the application fee shall not constitute payment of the reinstatement fee of twenty-five dollars (\$25.00) mandated by G.S. 90-155.

Authority G.S. 90-142; 90-145; 90-155; 90-148; 93B-15.

21 NCAC 10 .0207 CONTINUING EDUCATION SEMINARS (READOPTIOIN WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0208 ACUPUNCTURE

(a) In order to perform acupuncture, a licentiate or applicant for licensure shall first certify to the Board that he or she ~~has completed a minimum of 200 hours of instruction sponsored or given by a chiropractic college accredited by the Council on Chiropractic Education or a college or university accredited by an accrediting body recognized by the US Department of Education. The 200 hours of instruction must contain at least 30 percent practical, hands-on hours. Individual classes can only be taken once for credit.~~ has met the eligibility requirements to sit for the National Board of Chiropractic Examiners Acupuncture Examination, as set forth by the National Board of Chiropractic Examiners on its website at <https://www.mynbce.org/>. To perform acupuncture, a licentiate shall also take the National Board of Chiropractic Examiners Acupuncture Examination and receive a passing score of 375 or greater.

(b) Prior to performing acupuncture, a licentiate or applicant for licensure must provide the Board with the following:

- (1) An official transcript from an accredited acupuncture program ~~demonstrating completion of the 200 hours of instruction described in this Rule;~~ eligibility to sit for the National Board of Chiropractic Examiners Acupuncture Examination; and

- (2) Proof of successful completion of the acupuncture examination described in this Rule.

(c) Licentiates holding an active license as of December 31, 2022 and who have received prior approval from the Board to perform acupuncture are not required to meet the requirements of this rule. However, if a licentiate grandfathered under this rule subsequently allows his or her license to lapse or if the license is subsequently subject to active suspension or placed in a status other than active, the licentiate shall be required to comply with this Rule before being permitted to perform acupuncture.

Authority G.S. 90-142; 90-143; 90-151.

21 NCAC 10 .0209 NUTRITIONAL SUPPLEMENTS

For the purpose of enforcing G.S. 90-151.1, the term ~~"nutritional supplements"~~ "nutritional supplements" includes vitamins, minerals, enzymes, dietary supplements, herbs, homeopathic and naturopathic preparations, glandular extracts, food concentrates and other natural agents. The term ~~"nutritional supplements"~~ "nutritional supplements" does not include controlled ~~substances~~ substances as defined by G.S. 90-87(5).

Authority G.S. 90-142; 90-151; 90-151.1; 90-154.

21 NCAC 10 .0210 INDIVIDUAL-STUDY CONTINUING EDUCATION

(a) Hours permitted. A doctor of chiropractic may obtain as many as eight credit hours of continuing education each year by successfully completing one or more individual-study courses approved by the Board.

(b) Course approval. The criteria for Board approval of any individual-study course are as follows:

- (1) no practice-building or motivational courses shall be approved;
- (2) no course shall be approved that requires participants, in order to utilize the information presented, to purchase equipment or clinical supplies available only through the course's instructors, sponsors, or co-sponsors;
- (3) each subject taught shall fall within the extent and limitation of chiropractic licensure in this State as provided in G.S. 90-151;
- (4) the subject matter shall be presented in a manner comparable to instruction at chiropractic colleges accredited by the Council on Chiropractic Education;
- (5) the sponsor shall have a method for recording and verifying a doctor's participation expressed in credit hours and fractions thereof, and the sponsor shall assume responsibility for submitting a certificate of participation to the Board within 60 days after a doctor completes the course;
- (6) the course shall include one or more examinations or other means of verifying that a participating doctor has mastered the material presented in the course.

(c) Sponsor's obligation. The sponsor shall provide ~~such the following information as to the Board deems necessary to so that the Board can~~ evaluate the course according to the criteria set forth in Paragraph (b) of this Rule, ~~including the syllabus, a curriculum vitae for each instructor, the method for verifying attendance, and the length of the course. Failure to provide information required by the Board shall be a basis for denying the course. The application process for obtaining course approval is set forth in Rule .0207 of this Section. Rule:~~

- (1) the course syllabus;
- (2) a curriculum vitae for each instructor;
- (3) the method for verifying attendance; and
- (4) the length of the course.

Failure to provide information required by the Board shall be a basis for denying the course. The application process for obtaining course approval is set forth in Rule .0207 of this Section.

(d) Professional development continuing education. A doctor of chiropractic may obtain continuing education credit for undertaking the professional development activities described in this Paragraph. Credit shall be awarded based on the actual time spent and shall not exceed two hours annually for all activities combined. To apply for credit, the doctor shall report such activities on his or her annual license renewal form as provided in Rule .0205(c) of this Section. Approved professional development activities shall include:

- (1) reading scientific, peer-reviewed professional journals; or
- (2) visiting vendor displays at professional association conventions to become familiar with trends in treatment technologies and new products.

(e) Attendance at interstate regulatory meetings. A doctor of chiropractic may obtain as many as 12 hours of continuing education credit annually by attending morning and afternoon sessions of a national meeting of the Federation of Chiropractic Licensing Boards or morning and afternoon sessions of a meeting of the National Board of Chiropractic Examiners.

Authority G.S. 90-142; 90-151; 90-155.

21 NCAC 10 .0211 AGREEMENTS TO PROVIDE FINANCE OR MANAGEMENT SERVICES

Authority G.S. 90-142; 90-147; 90-157.3.

21 NCAC 10 .0212 MEDICAL COLLEGE TRANSFER CREDITS

~~(a) Purpose of Rule. An increasing number of students who initially enrolled in medical colleges are transferring to chiropractic colleges. The standard curricula for the first two years of medical and chiropractic colleges are similar. The Board of Chiropractic Examiners believes that it is in the public interest to allow applicants for chiropractic licensure in this State to receive credit for hours earned while attending medical college, as such a policy promotes the efficient use of classroom resources, reduces wasteful duplication and lowers the cost of obtaining a chiropractic degree.~~

~~(b)(a) Declaration of Equivalency. To the extent the curricula of the institutions overlap, the~~ The Board deems a medical college

approved by the Liaison Commission on Medical Education or the Committee for the Accreditation of Canadian Medical Schools or an osteopathic college approved by the American Osteopathic Association to be the equivalent of a chiropractic college accredited by the Council on Chiropractic Education.

~~(e)~~(b) Counting Transfer Credits. For purposes of North Carolina licensure, the Board shall count any and all hours earned by an applicant at ~~an approved~~ a medical college as set forth in Paragraph (a) of this Rule that have been accepted as transfer credits by the applicant's chiropractic college.

Authority G.S. 90-142; 90-143.

21 NCAC 10 .0213 CERTIFIED CHIROPRACTIC ASSISTANTS

(a) Designation. The Board shall classify Certified Chiropractic Assistants as follows:

- (1) Level 1 – Clinical
- (2) Level 2 – X-ray

For purposes of this Rule, a Certified Chiropractic Assistant – Level 1 is the same as a "chiropractic clinical assistant" as defined in G.S. 90-143.4(a). For purposes of this Rule, a Certified Chiropractic Assistant – Level 2 is the same as a "diagnostic imaging technician" as defined in G.S. 90-143.2 and may be referred to as a "radiologic technologist", "X-ray tech", and "X-ray technician."

(b) Application Procedure. Anyone seeking to be certified as a Chiropractic Assistant shall submit an application found on the Board's website at <https://ncchiroboard.com>. All applicants shall:

- (1) Be at least 18 years of age;
- (2) Demonstrate that he or she graduated from high school or the equivalent;
- (3) Possess good moral character as determined by the Board; ~~and~~
- (4) Submit an application fee of thirty-five dollars ~~(\$35.00); (\$35.00); and~~
- (5) Submit an application containing the following information:
 - (A) the applicant's name, residential address, phone number, email address, and date of birth;
 - (B) the applicant's educational history and degree attainment;
 - (C) the applicant's employment history;
 - (D) whether the applicant now has or has ever had an addiction to, or dependency on, alcohol or other controlled substances;
 - (E) whether the applicant has ever been convicted of a felony under any laws;
 - (F) whether any criminal charges or criminal investigations, if known, are pending against the applicant;
 - (G) the email address of a person, known by but not related to the applicant, to complete the Attestation of Good Moral Character; and

(H) a copy of the applicant's government-issued identification document, such as a driver's license or passport.

(c) New Applicants – Level 1.

- (1) Education. In addition to the requirements set forth in Paragraph (b) of this Rule, new applicants shall submit evidence of completion of a clinical assistant education program at least 24 hours in length, of which at least 6 hours shall be in-person didactic training with an instructor or instructors who, based on education and experience, are competent to teach the portion of the curriculum they have been assigned. Credit for online coursework shall not exceed 18 hours, and all online coursework shall precede didactic training. The education program shall provide sufficient instruction in the five subjects set forth in G.S. 90-143.4(c) to enable its graduates to satisfy all applicable standards of care. To obtain approval of an education program, the program sponsor shall submit to the Board, at least 60 days prior to the proposed starting date, all instructional materials to be used in the program, including a syllabus of the didactic training, and a curriculum vitae for each instructor.

- (2) Examination. The proficiency examination for new applicants shall assess both academic knowledge and practical skills acquired through education programs and shall be administered at least four times per year on dates and at locations to be announced by the Board at least 30 days in advance and published on the Board's website at <https://ncchiroboard.com>. ~~In its discretion, the Board may authorize additional testing sessions based on the number of applications received.~~ The minimum passing score on the examination is 75 percent.

(d) New Applicants – Level 2.

- (1) Education. In addition to the requirements set forth in Paragraphs (b) and (c) of this Rule, new applicants shall complete a radiological technologist education program at least 50 hours in length, of which at least 6 hours shall be in-person didactic training with an instructor or instructors who, based on education and experience, are competent to teach the portion of the curriculum they have been assigned, and completion of the practical requirement as set forth in Subparagraph (d)(2) of this Rule. The education program shall provide sufficient instruction in the five subjects set forth in G.S. 90-143.2 to enable its graduates to satisfy all applicable standards of care governing the production of X-rays. To obtain approval of an education program, the program sponsor shall submit to the Board, at least 60 days prior to the proposed starting date, all instructional materials to be used in the program, including a

- syllabus of the didactic training and a curriculum vitae for each instructor. Any person registered as "active" with the American Chiropractic Registry of Radiologic Technologists shall be deemed to have satisfied the educational requirements of this Paragraph.
- (2) Practical Requirement. Upon completion of the training set forth in Subparagraph (d)(1) of this Rule, a person desiring certification as a Certified Chiropractic Assistant – Level 2 shall undergo a Practical Examination within six months of completing the written examination, whereby the person is evaluated by his or her program sponsor on the following competencies while performing x-ray examinations under the in-person observation of a sponsor for four different patients:
- (A) Image quality;
 - (B) Marking sides of the body;
 - (C) Technique input to controller;
 - (D) Tube/focal film distance;
 - (E) Bucky/tube alignment;
 - (F) Patient positioning;
 - (G) Gonad shielding;
 - (H) Ability to name additional views in the series; ~~and~~
 - (I) ~~Collimation.~~ Collimation;
 - (J) ~~Anatomy viewed; and~~
 - (K) ~~Technique~~ calculated ~~for~~ measurement of patient.

The person must complete and score at least 64 total points on each of the Thoracic Spine, Lumbar Spine, and Cervical Spine Practical Examinations. The person shall submit written documentation of the Practical evaluation on a form prescribed by the Board that is available on the Board's website at ~~<https://ncchiroboard.com/x-ray-technician>~~ <https://ncchiroboard.com/certified-chiropractic-assistant-level-2-xray/>.

- (3) Examination. The competency examination shall be administered at least three times per year. The Board shall publish on its website, <https://ncchiroboard.com>, the date, time, and location of the examination at least 30 days in advance. ~~In its discretion, the Board may authorize additional testing sessions based on the number of applications received.~~ The minimum passing score is 75 percent.

(e) Reciprocity Applicants. A "reciprocity applicant" means an applicant who is currently certified or registered as a clinical assistant or X-ray technician in another state whose requirements for certification or registration are substantially similar to or more stringent than the requirements for certification in North Carolina. A reciprocity applicant shall submit a copy of the applicant's current certification or registration as a clinical assistant in a state with which North Carolina reciprocates and shall also submit written confirmation from the state's certifying authority or registrar that the applicant is in good standing in that state. Applicants for reciprocity shall pay the application fee set forth in Rule .0803(a)(1) of this Chapter.

(f) Certification Expiration and Renewal. Starting with certifications issued or renewed on or after July 1, 2022, a certificate of competency shall expire on June 30th of the second year following the year in which it was issued unless otherwise renewed. A Level 1 certificate holder seeking to renew shall submit evidence that the applicant has completed six hours of Board-approved continuing education. A Level 2 certificate holder shall complete six hours of education applicable to a Level 1 renewal plus six hours in radiologic technology. A certificate of attendance or completion issued by the course sponsor and filed with the Board shall constitute prima facie evidence that the applicant has completed the number of hours recited in the certificate. The applicant shall pay to the Board a renewal fee in the amount of fifty dollars (\$50.00).

(g) Lapsed Certificates. If a certificate of competency has lapsed due to non-renewal and the lapse does not exceed 60 days, the certificate holder may obtain reinstatement by making up the accrued deficiency in continuing education. If the lapse is greater than 60 days, no make-up continuing education shall be required, but the certificate holder shall re-take and pass the proficiency examination for new applicants. Regardless of the length of lapse, a certificate holder seeking reinstatement shall pay the renewal fee set forth in Paragraph (f) of this Rule.

(h) Exemptions. Graduates of accredited chiropractic colleges and students enrolled in accredited chiropractic colleges who are serving college-sponsored preceptorships in North Carolina are deemed by the Board to have satisfied all requirements imposed by this Rule and shall be deemed competent to perform the duties of a clinical assistant. Any person who qualifies for exemption and who works as a clinical assistant in this state for more than 180 days shall submit the applicant pursuant to this Rule and note the claim of exempt status. Exempt persons shall not be required to pay a certification fee. For the purposes of this Rule, "accredited" shall mean colleges accredited by the Council on Chiropractic Education.

(i) Displaying Certificate. The holder of a Level 1 certificate issued pursuant to this Rule shall display the certificate in the chiropractic clinic in which the holder is employed in a location where the certificate may be viewed by patients. The holder of a Level 2 certificate issued pursuant to this Rule shall display the certificate in the x-ray room of the chiropractic clinic in which the holder is employed in a location where the certificate may be viewed by patients.

Authority G.S. 90-142; 90-143.2; 90-143.4; 90-154.3.

21 NCAC 10 .0215 PETITION FOR PREDETERMINATION (READOPTIION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0216 WAIVER (READOPTIION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0217 PROFESSIONAL ENTITIES (READOPTIION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0218 PRECEPTORS

(a) Chiropractic physicians who supervise students pursuant to G.S. 90-142.1 ("preceptors") shall provide the Board with the

following information prior to commencing student supervision on a form available on the Board's website:

- (1) Full name and license number of the preceptor;
- (2) Full name of student;
- (3) Chiropractic college in which student is enrolled;
- (4) Expected date of graduation;
- (5) Contact phone number and email for student;
- (6) Start and end dates of preceptorship;
- (7) Address where preceptorship will take place; and
- (8) Acknowledgement by the preceptor that he/she has read the statutes, rules and guidelines regarding the preceptor role.

(b) The minimum requirements for a preceptor are as follows:

- (1) Active license issued by the Board;
- (2) Licensure by the Board for at least five years prior to submission of request to serve as a preceptor;
- (3) No prior suspension of the preceptor's license, active or stayed; and
- (4) No prior Board discipline of any kind within 10 years of commencing the preceptor-student relationship.

(c) Preceptors shall supervise only one student at a time. Preceptors shall obtain verbal consent from every patient who is treated by the student prior to the student commencing treatment. Preceptors shall document consent in the patient's record.

Authority G.S. 90-142(2); 90-142.1.

SECTION .0300 - RULES OF UNETHICAL CONDUCT

21 NCAC 10 .0302 ETHICS OF ADVERTISING AND PUBLICITY (READOPTED WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0303 SOLICITATION OF AUTO ACCIDENT VICTIMS (READOPTED WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0304 DESIGNATION OF SPECIALTIES

(a) Definitions. For purposes of this Rule, the following definitions shall apply:

- (1) Claim of Specialization: any use of the designations listed in this Rule or any representation stating or implying that, by virtue of additional training, a licentiate possesses greater expertise in any aspect of health care than is possessed by chiropractic physicians who have not had additional training. The mere recitation of academic degrees awarded to a licentiate does not constitute a claim of specialization.
- (2) Publication: representations regarding any claim of specialization made by a licentiate which may include representations made in advertising, whether printed or broadcast;

written representations appearing on professional stationery, business cards, curriculum vitae, or office signage; ~~and oral representations made in judicial proceedings.~~
signage.

(b) Recognized Specialties. The Board of Examiners recognizes the specialties in the following fields of practice:

- (1) Chiropractic Orthopedics;
- (2) Chiropractic Radiology;
- (3) Chiropractic Neurology;
- (4) Chiropractic Internal Disorders;
- (5) Chiropractic Pediatrics;
- (6) Chiropractic Sports Injuries;
- (7) Chiropractic Nutrition; ~~and~~
- (8) Chiropractic ~~Rehabilitation.~~ Rehabilitation; and
- (9) Chiropractic Acupuncture.

(c) Any licentiate wishing to request a specialty designation not listed in Paragraph (b) of this Rule shall first submit a written request to the Board and provide evidence that the designation meets the criteria set forth in Paragraph (d) of this Rule. A licentiate shall not publish the specialty designation until the Board has approved, in writing, the specialty designation requested.

(d) Criteria for approval. In order to publish a claim of specialization as set forth in Paragraph (b) of this Rule or upon request of a specialty pursuant to Paragraph (c) of this Rule, a licentiate shall demonstrate the following:

- (1) Evidence of completion of a post-graduate course of study in the specialty requested at least 300 hours in length and offered by a college approved by the Council on Chiropractic ~~Education;~~ Education, provided that the specialty of chiropractic acupuncture only shall require evidence of successful passage of the National Board of Chiropractic Examiners Acupuncture Examination; and
- (2) Evidence that the licentiate has passed an examination offered by a 501(c)(3) organization whose testing for specialization is recognized by the House of Delegates of the American Chiropractic Association or an exam deemed by the Board to be an equivalent.

(e) Claim of Specialty. Any published claim of specialization outside the recognized specialties or any published claim of specialization made by or at the behest of a licentiate who has not satisfied all applicable provisions of this Rule constitutes false or misleading advertising.

Authority G.S. 90-142; 90-154; 90-154.2(5).

21 NCAC 10 .0305 PREPAID TREATMENT PLANS (READOPTED WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0306 PUBLICATION OF NON-DIPLOMATE CREDENTIALS

(a) Scope of Rule. Any credential awarded to a licensee of the Board upon completion of a healthcare-related educational program shall be subject to this Rule except ~~an academic degree~~

~~or a diploma~~ a credential recognized pursuant to Rule .0304 of this Section.

(b) Publication of Unrecognized Credentials Unlawful. It shall constitute ~~false or misleading advertising, in violation of G.S. 90-154(b)(1), a violation of the Rules of Ethics of Advertising and Publicity pursuant to G.S. 90-154.2(5)~~ for a licensee to publish a credential that is not recognized by the Board. For purposes of this Rule, "publication" includes representations made in a licensee's print, broadcast or online advertisement, professional stationery, business cards, and office signage.

(c) Criteria for Recognition. The criteria for recognition by the Board of a credential subject to this Rule shall be as follows:

- (1) the educational program leading to the awarding of the credential is offered at the post-doctor of chiropractic level;
- (2) for a chiropractic discipline, the educational program is offered or sponsored by a chiropractic college accredited by the Council on Chiropractic Education;
- (3) for a discipline not unique to chiropractic, the educational program is offered or sponsored by a professional school or college accredited by an agency that is the equivalent of the Council on Chiropractic Education; and
- ~~(4) the educational program is 100 hours in duration, except for programs in Acupuncture-Meridian Therapy, whose duration shall conform to Rule .0208 of this Chapter; and~~
- ~~(5)~~(4) The educational program culminates in a final examination that the candidate must pass to earn the credential.

(d) Recognized Credentials. The following credentials are recognized by the Board and may be published upon the credentialed licensee's compliance with Paragraph (e) of this Rule.

- (1) Certified Chiropractic Extremity Practitioner (CCEP);
- (2) Certified Chiropractic Rehabilitation Doctor (CCRD);
- (3) Certified Chiropractic Sports Physician (CCSP);
- (4) Chiropractic Certification in Spinal Trauma (CCST);
- (5) International Chiropractic Sports Physician (ICSP); and
- (6) Certificate in Acupuncture-Meridian ~~Therapy.~~ Therapy; and
- (7) Certification by the Academy Council of Chiropractic Pediatrics (CACCP).

Any licensee wishing to publish a credential not listed in this Paragraph shall first make written application to the Board and provide evidence that the credential meets the criteria set forth in Paragraph (c) of this Rule. The licensee shall not publish the credential until receipt of Board recognition.

(e) Filing Certificates. A licensee shall not publish any recognized credential until he or she files with the Board a copy of the dated certificate or similar document signifying that the licensee successfully completed all program requirements and that the credential was awarded.

Authority G.S. 90-142; 90-154.

SECTION .0400 - RULE-MAKING PROCEDURES

21 NCAC 10 .0401 PETITIONS FOR ADOPTION OF RULES (READOPTATION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0403 ORAL PRESENTATIONS AT PUBLIC RULE-MAKING HEARINGS (READOPTATION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0406 DECLARATORY RULINGS (READOPTATION WITHOUT SUBSTANTIVE CHANGES)

SECTION .0500 - INVESTIGATION OF COMPLAINTS

21 NCAC 10 .0501 FILING COMPLAINTS

Any person who has reason to believe that a Doctor of Chiropractic has violated the laws governing chiropractic may file a complaint with the Board. ~~Board~~ Anyone wishing to file a complaint shall file a form with the Board office that contains the following information:

- (1) the complainant's name and contact information;
- (2) the name and contact information of the person about which the complainant wishes to file the complaint;
- (3) a narrative of the facts about which the complainant wishes to complain; and
- (4) the complainant's signature and the date on which the complaint is made.

The complaint form can be found on the Board's website at <https://ncchiroboard.com/complaint-filing-process>.

Authority G.S. 90-142; 90-154.

21 NCAC 10 .0503 DETERMINATION OF PROBABLE CAUSE

(a) General. Complaint allegations ~~that could be~~ that, if taken as true, would considered violations of the Board's Practice Act, based on the findings of the Investigative Report, shall be referred to the Disciplinary Review Committee (DRC). The DRC shall conduct an informal conference with ~~the party~~ the licensee identified in the complaint in order to consider the possibility of resolving the complaint.

(b) Composition of the DRC. The DRC shall be composed of:

- (1) The Board Secretary; and
- (2) Either a former Board member or a licensee from among those who, at any election held pursuant to Rule .0103(c) of this Chapter, have been elected nominees for Board membership but not appointed to the Board. The Board Secretary shall select the second DRC member.

(c) The Board Secretary shall preside over the conference.

(d) Action by the DRC. The DRC shall dispose of each complaint charge as follows:

- (1) Dismissal of the complaint with no action;
- (2) Non-Disciplinary Letter of Caution;

- (3) Resolution by settlement; or
- (4) Scheduling for contested case hearing and whether the case shall be set before either the Board or an Administrative Law Judge in accordance with G.S. 150B-40(e).

Authority G.S. 90-141; 90-142; 90-143; 90-154.

21 NCAC 10 .0504 DRUG TESTING (READOPTION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0706 CONDUCT OF BOARD HEARING (READOPTION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0708 CONTINUANCES FOR BOARD HEARINGS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0709 SUBPOENAS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

21 NCAC 10 .0803 FEE SCHEDULE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

CHAPTER 12 - GENERAL CONTRACTORS

Notice is hereby given in accordance with G.S. 150B-21.2 that the Licensing Board for General Contractors intends to amend the rule cited as 21 NCAC 12A .0202.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://nclbgc.org/>

Proposed Effective Date: *March 1, 2026*

Public Hearing:

Date: *November 5, 2025*

Time: *10:00 a.m.*

Location: *North Carolina Licensing Board for General Contractors, 5400 Creedmoor Road, Raleigh, NC 27612*

Reason for Proposed Action: *21 NCAC 12A .0202 To expand the building classification to allow unlimited licensees to construct "non-publicly maintained bridges" as authorized by NCDPS, EMD.*

Comments may be submitted to: *Anna Baird Choi, 5400 Creedmoor Road, Raleigh, NC 27612; email anna.choi@nclbgc.org*

Comment period ends: *December 1, 2025*

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives

written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

SUBCHAPTER 12A – GENERAL PROVISIONS

SECTION .0200 - LICENSING REQUIREMENTS

21 NCAC 12A .0202 CLASSIFICATION

(a) A general contractor shall be certified in one of the following five classifications:

- (1) Building Contractor. This classification covers all building construction and demolition activity including: commercial, industrial, institutional, and all residential building construction. It includes installation of solar panels; parking decks; all site work, grading and paving of parking lots, driveways, sidewalks, and gutters; storm drainage, retaining or screen walls, and hardware and accessory structures; and indoor and outdoor recreational facilities including natural and artificial surface athletic fields, running tracks, bleachers, and seating. It also covers work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Marine and Freshwater Construction), S(Masonry Construction), S(Roofing), S(Metal Erection), S(Swimming Pools), S(Asbestos), S(Wind Turbine), and S(Sign/Billboard).

(A) For the purposes of providing disaster relief assistance pursuant to a declaration of a state of an emergency, if a contractor who holds this classification with an unlimited limitation as defined in G.S. 87-10(a1) and has been pre-qualified by the North Carolina Department of Public Safety, Emergency Management Division, this classification also

- includes construction of non-publicly maintained bridges.
- (B) For the purposes of this Rule, a "declaration of a state of an emergency" shall be defined as in Chapter 166A, Article 1A, Part 4 of the N.C. General Statutes.
- (C) For the purposes of this Rule, a "non-publicly maintained bridge" shall be defined as a bridge that is not maintained by the State, Federal government, municipality, or county.
- (2) Residential Contractor. This classification covers all construction and demolition activity pertaining to the construction of residential units that are required to conform to the Residential Building Code adopted by the Building Code Council pursuant to G.S. 143-138; all site work, driveways, sidewalks, and water and wastewater systems ancillary to the aforementioned structures and improvements; and the work done as part of such residential units under the specialty classifications of S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), S(Swimming Pools), and S(Asbestos). This classification also covers the installation of solar panels on residential units that are required to conform to the residential building code.
- (3) Highway Contractor. This classification covers all highway construction activity including: demolition, grading, paving of all types, installation of exterior artificial athletic surfaces, relocation of public and private utility lines ancillary to a principal project, bridge construction and repair, culvert construction and repair, parking decks, sidewalks, curbs, gutters and storm drainage. It also includes installation and erection of guard rails, fencing, signage, and ancillary highway hardware; covers paving and grading of airport and airfield runways, taxiways, and aprons, including the installation of fencing, signage, runway lighting and marking; and work done under the specialty classifications of S(Boring and Tunneling), S(Concrete Construction), S(Marine and Freshwater Construction), S(Railroad Construction), H(Grading and Excavating), S(Metal Erection), and S(Sign/Billboard).
- (4) Public Utilities Contractor. This classification includes demolition and operations that are the performance of construction work on water and wastewater systems and on the subclassifications of facilities set forth in G.S. 87-10(b)(3). The Board shall issue a license to a public utilities contractor that is limited to any of the subclassifications set forth in G.S. 87-10(b)(3) for which the contractor qualifies. A public utilities contractor license covers work done under the specialty classifications of S(Boring and Tunneling), PU(Communications), PU(Fuel Distribution), PU(Electrical-Ahead of Point of Delivery), PU(Water Lines and Sewer Lines), PU(Water Purification and Sewage Disposal), and S(Swimming Pools).
- (5) Specialty Contractor. This classification covers all construction operation and performance of contract work outlined as follows:
- (A) H(Grading and Excavating). This classification covers the digging, moving, and placing of materials forming the surface of the earth, excluding air and water, in such a manner that the cut, fill, excavation, grade, trench, backfill, or any similar operation may be executed with the use of hand and power tools and machines used for these types of digging, moving, and material placing. It covers work on earthen dams and the use of explosives used in connection with all or any part of the activities described in this Subparagraph. It also includes clearing and grubbing, and erosion control activities.
- (B) S(Boring and Tunneling). This classification covers the construction of underground or underwater passageways by digging or boring through and under the earth's surface, including the bracing and compacting of such passageways to make them safe for the purpose intended. It includes preparation of the ground surfaces at points of ingress and egress.
- (C) PU (Communications). This classification covers the demolition and installation of the following:
- (i) all types of pole lines, and aerial and underground distribution cable for telephone systems;
 - (ii) aerial and underground distribution cable for cable TV and master antenna TV systems capable of transmitting R.F. signals;
 - (iii) underground conduit and communication cable, including fiber optic cable; and
 - (iv) microwave systems and towers, including

- foundations and excavations where required, when the microwave systems are being used for the purpose of transmitting R.F. signals; and installation of PCS or cellular telephone towers and sites.
- (D) S(Concrete Construction). This classification covers the construction, demolition, and installation of foundations, pre-cast silos, and other concrete tanks or receptacles, prestressed components, and gunite applications, but excludes bridges, streets, sidewalks, curbs, gutters, driveways, parking lots, and highways.
- (E) PU(Electrical-Ahead of Point of Delivery). This classification covers the construction, installation, alteration, maintenance, or repair of an electrical wiring system, including sub-stations or components thereof, which is or is intended to be owned, operated, and maintained by an electric power supplier, such as a public or private utility, a utility cooperative, or any other properly franchised electric power supplier, for the purpose of furnishing electrical services to one or more customers. This classification includes the construction of solar arrays.
- (F) PU(Fuel Distribution). This classification covers the construction, installation, alteration, maintenance, or repair of systems for distribution of petroleum fuels, petroleum distillates, natural gas, chemicals, and slurries through pipeline from one station to another. It includes all excavating, trenching, and backfilling in connection therewith. It covers the installation, replacement, and removal of above ground and below ground fuel storage tanks.
- (G) PU(Water Lines and Sewer Lines). This classification covers demolition and construction work on water and sewer mains, water service lines, and house and building sewer lines, as defined in the North Carolina State Building Code, and covers water storage tanks, lift stations, pumping stations, and appurtenances to water storage tanks, lift stations, and pumping stations. It includes pavement patching, backfill, and erosion control as part of construction.
- (H) PU(Water Purification and Sewage Disposal). This classification covers the demolition and performance of construction work on water and wastewater systems; water and wastewater treatment facilities; and all site work, grading, and paving of parking lots, driveways, sidewalks, curbs, and gutters that are ancillary to such construction of water and wastewater treatment facilities. It covers the work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), and S(Metal Erection) as part of the work on water and wastewater treatment facilities.
- (I) S(Insulation). This classification covers the installation, alteration, or repair of materials classified as insulating media used for the non-mechanical control of temperatures in the construction of residential and commercial buildings. It does not include the insulation of mechanical equipment, and lines and piping that are ancillary to the building.
- (J) S(Interior Construction). This classification covers the installation and demolition of acoustical ceiling systems and panels, load bearing and non-load bearing partitions, lathing and plastering, flooring and finishing, interior recreational surfaces, window and door installation, and installation of fixtures, cabinets, and millwork. It includes the removal of asbestos and replacement with non-toxic substances.
- (K) S(Marine and Freshwater Construction). This classification covers all marine and freshwater demolition and construction and repair activities and all types of marine and freshwater construction and demolition in deep-water installations and in harbors, inlets, sounds, bays, channels, canals, rivers, lakes, ponds, or any navigable waterway; it covers dredging, construction, and installation of pilings, piers, decks, slips, docks, and bulkheads. It does not include other structures that may be constructed on docks, slips, and piers.
- (L) S(Masonry Construction). This classification covers the demolition and installation, with or without the

- use of mortar or adhesives, of the following:
- (i) brick, concrete block, gypsum partition tile, pumice block, or other lightweight and facsimile units and products common to the masonry industry;
 - (ii) installation of fire clay products and refractory construction; and
 - (iii) installation of rough cut and dressed stone, marble panels and slate units, and installation of structural glazed tile or block, glass brick or block, and solar screen tile or block.
- (M) S(Railroad Construction). This classification covers the demolition, building, construction, and repair of railroad lines including:
- (i) the clearing and filling of rights-of-way;
 - (ii) shaping, compacting, setting, and stabilizing of road beds;
 - (iii) setting ties, tie plates, rails, rail connectors, frogs, switch plates, switches, signal markers, retaining walls, dikes, fences, and gates; and
 - (iv) construction and repair of tool sheds and platforms.
- (N) S(Roofing). This classification covers the installation, demolition, and repair of roofs and decks on residential, commercial, industrial, and institutional structures requiring materials that form a water-tight and weather-resistant surface. The term "materials" for purposes of this Subparagraph includes cedar, cement, asbestos, clay tile and composition shingles, all types of metal coverings, wood shakes, single ply and built-up roofing, protective and reflective roof and deck coatings, sheet metal valleys, flashings, gravel stops, gutters and downspouts, and bituminous waterproofing, including torch down roof systems. Any insulation material installed as a component of a torch down roofing system shall be included as work covered under this classification.
- (O) S(Metal Erection). This classification covers:
- (i) the field fabrication, demolition, erection, repair,
- and alteration of architectural and structural shapes, plates, tubing, pipe and bars, not limited to steel or aluminum, that are or may be used as structural members for buildings, equipment, and structure; and
- (ii) the layout, assembly and erection by welding, bolting, riveting, or fastening in any manner metal products as curtain walls, tanks of all types, hoppers, structural members for buildings, towers, stairs, conveyor frames, cranes and crane runways, canopies, carports, guard rails, signs, steel scaffolding as a permanent structure, rigging, flagpoles, fences, steel and aluminum siding, bleachers, fire escapes, and seating for stadiums, arenas, and auditoriums.
- (P) S(Swimming Pools). This classification covers the construction, demolition, service, and repair of all swimming pools. It includes:
- (i) excavation and grading;
 - (ii) construction of concrete, gunite, fiberglass, metal-walled with liner, steel-walled with liner, and plastic-type pools, pool decks, and walkways, and tiling and coping; and
 - (iii) installation of all equipment including pumps, filters, and chemical feeders. It does not include direct connections to a sanitary sewer system or to portable water lines, nor the grounding and bonding of any metal surfaces or the making of any electrical connections.
- (Q) S(Asbestos). This classification covers renovation or demolition activities involving the repair, maintenance, removal, isolation, encapsulation, or enclosure of Regulated Asbestos Containing Materials (RACM) for any commercial, industrial, or institutional building, whether public or private. It also covers all types of residential building construction involving

- RACM during renovation or demolition activities. This specialty is required only when the cost of asbestos activities as described herein are equal to or exceed forty thousand dollars (\$40,000).
- (R) S(Wind Turbine). This classification covers the construction, demolition, installation, and repair of wind turbines, wind generators, and wind power units. It includes assembly of blades, generator, turbine structures, and towers. It also includes ancillary foundation work, field fabrication of metal equipment, and structural support components.
- (S) S(Sign/Billboard). This classification covers the construction, renovation, installation, repair, erection, or demolition of any structural signs or billboards, as used in G.S. 136-128(3) that are permanently annexed to real property and as defined in Article 11 of Chapter 136 of the N.C. General Statutes.
- (b) An applicant may be licensed in more than one classification of general contracting provided the applicant meets the qualifications for the classifications, which includes passing the examinations for the classification requested by the applicant. The license granted to an applicant who meets the qualifications for all of the classifications set forth in the rules of this Section shall be designated "unclassified."
- Authority G.S. 87-1; 87-4; 87-10.*

APPROVED RULES

*This Section includes a listing of rules approved by the Rules Review Commission followed by the full text of those rules. The rules that have been approved by the RRC in a form different from that originally noticed in the Register or when no notice was required to be published in the Register are identified by an * in the listing of approved rules. Statutory Reference: G.S. 150B-21.17.*

Rules approved by the Rules Review Commission at its meeting on August 28, 2025 Meeting.

**REGISTER CITATION TO THE
NOTICE OF TEXT****ELECTIONS, STATE BOARD OF**

<u>Reporting of Independent Expenditures</u>	08 NCAC	21	.0102	39:18 NCR
<u>Electronic Filing</u>	08 NCAC	21	.0106	39:18 NCR
<u>Reporting Periods</u>	08 NCAC	21	.0108	39:18 NCR
<u>Inactive Status for a Candidate or Committee</u>	08 NCAC	21	.0204	39:18 NCR
<u>Petitions</u>	08 NCAC	22	.0101	39:18 NCR
<u>Definitions</u>	08 NCAC	22	.0102*	39:18 NCR
<u>Initiation of Petitions</u>	08 NCAC	22	.0103*	39:18 NCR
<u>Submission of Signature Sheets</u>	08 NCAC	22	.0106*	39:18 NCR
<u>Copies of Signature Sheets and Return of Original Signature...</u>	08 NCAC	22	.0107*	39:18 NCR
<u>Petition Signature Verification by County Boards of Elect...</u>	08 NCAC	22	.0201	39:18 NCR
<u>Petition Signature Verification Determinations</u>	08 NCAC	22	.0202*	39:18 NCR
<u>Counting of Signatures Towards a Petition's Signature Req...</u>	08 NCAC	22	.0203*	39:18 NCR
<u>New Party Petitions</u>	08 NCAC	22	.0301	39:18 NCR
<u>Prospective Party Name</u>	08 NCAC	22	.0302	39:18 NCR
<u>Changes in Prospective Party State Chair's Information</u>	08 NCAC	22	.0303	39:18 NCR
<u>Continuing A New Party Petition</u>	08 NCAC	22	.0304*	39:18 NCR
<u>Sufficiency of New Party Elections</u>	08 NCAC	22	.0306*	39:18 NCR
<u>Unaffiliated Candidate Petitions</u>	08 NCAC	22	.0401	39:18 NCR
<u>Processing Unaffiliated Candidate Petitions</u>	08 NCAC	22	.0402	39:18 NCR
<u>Write-In Candidate Petitions</u>	08 NCAC	22	.0501	39:18 NCR
<u>Processing Write-In Candidate</u>	08 NCAC	22	.0502	39:18 NCR
<u>In Lieu of Filing Fee Petition</u>	08 NCAC	22	.0601	39:18 NCR

INSURANCE, DEPARTMENT OF

<u>Definitions: License Application</u>	11 NCAC	24	.0101*	39:16 NCR
<u>Fees</u>	11 NCAC	24	.0102	39:16 NCR
<u>Financial Statements</u>	11 NCAC	24	.0103	39:16 NCR
<u>Determination of Financial Responsibility</u>	11 NCAC	24	.0104	39:16 NCR
<u>Claim Processing by PBMs</u>	11 NCAC	24	.0105	39:16 NCR
<u>Payment of Claims</u>	11 NCAC	24	.0106	39:16 NCR
<u>General Administration</u>	11 NCAC	24	.0107	39:16 NCR
<u>Claims Processing</u>	11 NCAC	24	.0108	39:16 NCR

LABOR, DEPARTMENT OF

<u>Training on Human Trafficking</u>	13 NCAC	01D	.0101	39:22 NCR
<u>Human Trafficking Awareness Signage</u>	13 NCAC	01D	.0102	39:22 NCR

PRIVATE PROTECTIVE SERVICES BOARD

<u>Definitions</u>	14B NCAC	16	.0103*	39:21 NCR
<u>Prohibited Acts</u>	14B NCAC	16	.0105*	39:21 NCR
<u>Advertising</u>	14B NCAC	16	.0116*	39:21 NCR
<u>Declaratory Ruling Procedures</u>	14B NCAC	16	.0117*	39:21 NCR
<u>Experience Requirements for a Polygraph License</u>	14B NCAC	16	.0501	39:21 NCR
<u>Polygraph Trainee Permit Requirements</u>	14B NCAC	16	.0502*	39:21 NCR
<u>Polygraph Examination Requirements</u>	14B NCAC	16	.0503	39:21 NCR
<u>Training Requirements for Unarmed Security Guards</u>	14B NCAC	16	.0707*	39:21 NCR
<u>Accreditation Standards</u>	14B NCAC	16	.1203*	39:15 NCR
<u>Training Requirements for Unarmed Car Service Guards</u>	14B NCAC	16	.1307*	39:15 NCR
<u>Experience Requirements for a Close Personal Protection...</u>	14B NCAC	16	.1501*	39:15 NCR
<u>Training Requirements for Close Personal Protection License</u>	14B NCAC	16	.1502	39:15 NCR

ALARM SYSTEMS LICENSING BOARD

<u>Declaratory Ruling Procedures</u>	14B NCAC	17	.0109*	39:21 NCR
--------------------------------------	----------	----	--------	-----------

PUBLIC HEALTH, COMMISSION FOR

<u>Control of Per-And Polyfluoralkyl Substances</u>	15A NCAC	18C	.1540*	39:12 NCR
---	----------	-----	--------	-----------

EDUCATION, STATE BOARD OF

<u>Local Rules and Regulations</u>	16 NCAC	06B	.0103*	39:21 NCR
<u>Supervisory and Safety Practices</u>	16 NCAC	06B	.0107	39:21 NCR

GENERAL CONTRACTORS, LICENSING BOARD FOR

<u>Classification</u>	21 NCAC	12A	.0202*	39:17 NCR
<u>Application for Licensure</u>	21 NCAC	12A	.0303*	39:17 NCR
<u>Character References</u>	21 NCAC	12A	.0308*	39:17 NCR
<u>Improper Practice</u>	21 NCAC	12A	.0701*	39:17 NCR
<u>Renewal and Expiration of Instructor Approval</u>	21 NCAC	12B	.0402*	39:17 NCR

The following rules are subject to Legislative Review.

ELECTIONS, STATE BOARD OF

<u>Petition Signature Sheets</u>	08 NCAC	22	.0104*	39:18 NCR
<u>Petition Circulators</u>	08 NCAC	22	.0105*	39:18 NCR
<u>General Purpose and Intent of The New Party</u>	08 NCAC	22	.0305	39:18 NCR

TITLE 08 - BOARD OF ELECTIONS

08 NCAC 21 .0102 REPORTING OF INDEPENDENT EXPENDITURES

(a) Once an individual as defined in G.S. 163-278.6(55), person as defined in G.S. 163-278.6(72), or other entity required to report independent expenditures under G.S. 163-278.12(a) has made independent expenditures with a present actual or market value in excess of one hundred dollars (\$100.00) during an election as defined in G.S. 163-278.6(30), the individual, person, or entity shall report all independent expenditures, and any donations made

to further independent expenditures, with the following board of elections:

- (1) if the district of the candidate or ballot issue supported or opposed is within one county, and the candidate is not running for a legislative, judicial, or district attorney office, the report shall be filed with the county board of elections; or
- (2) if the district of the candidate or ballot issue supported or opposed extends to more than one county, or the candidate is running for a

legislative, judicial, or district attorney office, the report shall be filed with the State Board.

(b) An independent expenditure filer is the individual, person, or other entity making a reportable independent expenditure under G.S. 163-278.12(a). If the independent expenditure filer is an individual, the individual shall sign all reports. If the independent expenditure filer is a person or other entity, an authorized officer or an authorized representative of the person or entity shall sign all reports.

(c) The independent expenditure filer shall file CRO-2210A Independent Expenditure Report Cover, CRO-2210B Donations to Further Independent Expenditures, and CRO-2210C Incurred Costs of Independent Expenditures available on the State Board's website, <http://www.ncsbe.gov>, unless the independent expenditure filer files reports electronically consistent with 08 NCAC 21 .0106. Independent expenditure reports filed with the county board of elections or the State Board shall include all of the following:

- (1) the independent expenditure filer's name and mailing address;
- (2) a phone number for the independent expenditure filer;
- (3) if the independent expenditure filer is an individual, the filer's principal occupation as defined in G.S. 163-278.11(a)(1);
- (4) if the independent expenditure filer is a person or entity, the principal place of business of the person or entity;
- (5) for each independent expenditure made:
 - (A) The name and mailing address of the payee;
 - (B) The amount paid;
 - (C) The date the expenditure was incurred;
 - (D) A description of the expenditure; and
 - (E) The name of the candidate, candidates of an identified political party, or referendum supported or opposed by the independent expenditure;
- (6) for each donation of more than one hundred dollars (\$100.00) that must be reported under G.S. 163-278.12(f):
 - (A) the donor's name and mailing address;
 - (B) if the donor is an individual, the donor's principal occupation as defined in G.S. 163-278.11(a)(1);
 - (C) if the donor is a person or entity, the principal place of business of that person or entity;
 - (D) the amount of the donation; and
 - (E) the date of the donation; and
- (7) a certification as to whether any expenditures reported were made in concert or cooperation with, or at the request or suggestion of, a candidate, a candidate campaign committee as defined in G.S. 163-278.38Z(3), a referendum committee, the agent of a candidate, the agent of a candidate campaign committee, or an agent of a referendum committee.

(d) An independent expenditure filer that makes expenditures with a present, actual, or market value in excess of five thousand dollars (\$5,000.00) during an election as defined in G.S. 163-278.6(30) shall file independent expenditure reports electronically consistent with 08 NCAC 21 .0106.

(e) For each independent expenditure report filed electronically, the individual or an authorized officer or an authorized representative of the independent expenditure filer shall sign and file the Independent Expenditure Report Cover in accordance with Paragraph (g) of this Rule.

(f) The independent expenditure filer shall complete and file forms within the time period set forth in G.S. 163-278.12(d). An independent expenditure filer that makes a reportable independent expenditure within 10 days of an election, and has not previously reported independent expenditures during the election the independent expenditure affects, shall file reports no later than the 10th day after the independent expenditures exceed one hundred dollars (\$100.00). After the initial report, the independent expenditure filer shall continue to file independent expenditure reports according to the reporting schedule in G.S. 163-278.9 until the end of the election. The final report for a given election shall cover the period through the day of the election. If the independent expenditure filer makes independent expenditures in support of or in opposition to municipal candidates or municipal ballot issues, the independent expenditure filer shall report all independent expenditures according to the reporting schedule in Part 2 of Article 22A of Chapter 163 of the General Statutes.

(g) A report is considered filed either:

- (1) on the date it is received by hand-delivery during regular business hours at the board of elections office;
- (2) on the date it is postmarked to the board of elections by the United States Postal Services or marked with an equivalent marking by a delivery service authorized by G.S. 1A-1, Rule 4; or
- (3) for an independent expenditure report filed electronically pursuant to Paragraph (d) of this Rule, on the date the completed and signed report is emailed to the State Board of Elections at campaign.reporting@ncsbe.gov.

(h) A report that is missing any of the information in Paragraph (c) of this Rule shall not be considered filed in accordance with G.S. 163-278.12(d).

(i) An independent expenditure filer that makes an expenditure of five thousand dollars (\$5,000) or more or receives a donation of one thousand dollars (\$1,000) or more before an election but after the period covered by the last report due before that election, shall file a 48-hour report with the State Board or county board of elections using forms available on the State Board's website. An independent expenditure filer that makes a reportable independent expenditure within 10 days of an election, and has not previously reported independent expenditures during the election the independent expenditure affects, shall file 48-hour reports in accordance with this Paragraph. A 48-hour report shall be made using CRO-2210A Independent Expenditure Report Cover, CRO-2210B Donations to Further Independent Expenditures, and CRO-2210C Incurred Costs of Independent Expenditures. 48-hour reports may be filed by fax or email.

History Note: Authority G.S. 163-278.12; 163-278.21; 163-278.22;
Eff. May 1, 2020;
Amended Eff. September 1, 2025; September 1, 2021.

08 NCAC 21 .0106 ELECTRONIC FILING

(a) All political committees required to file electronically pursuant to G.S. 163-278.9(i) shall prepare disclosure reports using either of the following:

- (1) the current version of the campaign finance software made available by the North Carolina State Board of Elections and available for download on the State Board website; or
- (2) third party software only if that software can generate reports that are capable of import into the State Board's central database. The import file formats and validation tool to assist in verifying the format of import files shall be available on the State Board's website.

(b) Reports generated by the State Board software or third-party software shall be filed by e-mailing the generated .cfd file to campaign.reporting@ncsbe.gov. State Board staff shall process the .cfd file and send an e-mail to the political committee's treasurer confirming receipt.

(c) Reports shall be filed on or before 11:59 p.m. of the business day in which it is to be filed.

(d) For each disclosure report filed electronically, the treasurer shall sign and file a CRO-1000 Disclosure Report Cover. The Disclosure Report Cover shall report:

- (1) the full name, mailing address, phone number, and NC ID Number assigned to the political committee;
- (2) the report year, period start date, and period end date for the report;
- (3) the full name of the treasurer during the period;
- (4) type of committee;
- (5) type of report;
- (6) account information;
- (7) date filed; and
- (8) an original signature and certification in accordance with G.S. 163-278.32.

(e) A Disclosure Report Cover is considered filed:

- (1) on the date it is received by hand-delivery during regular business hours at the board of elections office;
- (2) on the date it is postmarked to the board of elections by the United States Postal Service or marked with an equivalent marking by a delivery service authorized by G.S. 1A-1, Rule 4; or
- (3) on the date the CRO-1000 Disclosure Report Cover with a valid electronic signature is emailed to campaign.reporting@ncsbe.gov.

(f) A committee that exceeds the reporting threshold in G.S. 163-278.9(i) during an election cycle, and is required to start filing electronically shall ensure that each contributor's reported sum-to-date for the election cycle includes the sum of contribution received before the political committee began filing electronically.

(g) A committee that is required to file electronically pursuant to G.S. 163-278.9(i) and only files a paper report shall be deemed to have failed to file and shall be subject to the procedures for committees with missing reports in 08 NCAC 21 .0207.

History Note: Authority G.S. 163-278.9; 163-278.21; 163-278.22;
Eff. May 1, 2020;
Amended Eff. September 1, 2025.

08 NCAC 21 .0108 REPORTING PERIODS

(a) The State Board shall post on the State Board's website the period start date and period end date for each quarterly and semiannual report that must be filed under G.S. 163-278.9 and for each pre-referendum, final and annual report that must be filed under G.S. 163-278.9A.

(b) The treasurer shall not sign or file the report until 12:00 a.m. the day after the period end date for each report.

History Note: Authority G.S. 163-278.9; G.S. 163-278.21;
Eff. September 1, 2025.

08 NCAC 21 .0204 INACTIVE STATUS FOR A CANDIDATE OR COMMITTEE

(a) If no contribution is received or expenditure made by or on behalf of a candidate, political committee or referendum committee during a period described in G.S. 163-278.9, G.S. 163-278.9A or Part 2 of Article 22A, the treasurer shall file the following with the board of elections:

- (1) A report that shows no contribution received or expenditure made during the period described in G.S. 163-278.9, G.S. 163-278.9A or Part 2 of Article 22A; and
- (2) A signed certification that the candidate, political committee or referendum committee will receive no contributions and make no expenditures while inactive and will resume reporting when activity resumes.

(b) The signed certification in Subparagraph (a)(2) of this Rule shall be filed within 15 calendar days of filing a qualifying report under Subparagraph (a)(1) of this Rule.

(c) Immediately after receiving a contribution or making an expenditure, the treasurer shall be responsible for filing the next report required by G.S. 163-278.9, G.S. 163-278.9A or Part 2 of Article 22A by the statutory due date. Any committee receipt, debt or expenditure which would have been required to be reported on an earlier report but for the committee's inactive status shall be included in the next report required after activity resumes. Within 10 calendar days of receiving a contribution or making an expenditure, the treasurer shall file a certification with the board of elections notifying the board of the change in status.

(d) The disclosure of de minimis bank fees and postage for mailing reports to the board of elections shall not prohibit a committee from qualifying for inactive status under Paragraph (a) of this Rule.

History Note: Authority G.S. 163-278.21 and G.S. 163-278.10;
Eff. September 1, 2025.

08 NCAC 22 .0101 PETITIONS

(a) The following types of petitions shall be governed by Sections .0100 and .0200 of this Chapter:

- (1) Petitions to be recognized as a political party pursuant to G.S. 163-96.
- (2) Petitions to place a voter's name on a general election ballot as an unaffiliated candidate pursuant to G.S. 163-122 or G.S. 163-296.
- (3) Petitions to have write-in votes for a voter counted in a general election pursuant to G.S. 163-123.
- (4) Petitions requesting that a voter be a candidate in a political party's primary without the payment of a filing fee pursuant to G.S. 163-107.1.
- (5) Petitions seeking to place a candidate's name on the ballot in a political party's primary for the office of President of the United States pursuant to G.S. 163-213.5.
- (6) Petitions calling for any election or referendum that are filed with a board of elections.

(b) When a county board of elections is required by law to verify a petition on behalf of a local jurisdiction, but the petition is not filed with the county board, the county board shall follow the procedures in Section .0200 of this Chapter for verifying the petition to the extent they do not conflict with the local jurisdiction's applicable statute, local act, charter, or ordinance.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-218; 163-219; 163-221; 163-296;

Eff. September 1, 2025.

08 NCAC 22 .0102 DEFINITIONS

For purposes of this Chapter:

- (1) "Board of elections" means the board of elections, county or State, with jurisdiction over a petitioner's petition.
- (2) "Election cycle" means the period of time starting the day after the final canvass of the most recent general election for the contest to which the petition pertains. The election cycle for a political party petition begins on the day after the state canvass of the most recent general election for governor.
- (3) "Entity" means those entities defined in G.S. 55-1-40(9)a. that are utilized by a petitioner to conduct a petition with or on behalf of the petitioner.
- (4) "Petition circulator" means any person collecting signatures on a signature sheet in support of a petition.
- (5) "Petition module" means the software module provided by the State Board to the county boards of elections for the purpose of facilitating the review of a petition.

- (6) "Petition request form" means the form submitted to a board of elections by a petitioner to initiate a petition.
- (7) "Petitioner" means any person, or their designated representative, conducting a petition in accordance with this Chapter.
- (8) "Signature certificate" means the certificate provided by a county board of elections indicating the number of petition signers in the county whose signature will count towards the signature requirement for a petition.
- (9) "Signature sheet" means the document provided by a board of elections that is used by a petitioner to collect signatures in support of a petition.
- (10) "Signature verification" means the act of comparing a petition signer's information and signature on a signature sheet against the county board's registration records to determine whether the petition signer's information matches the information of a registered voter, the petition signer is qualified to sign the petition, and the petition signer's signature bears a reasonable resemblance to the matched voter's signature.
- (11) "Verified signature sheet" means a signature sheet that has been submitted to a board of elections, has been reviewed by a county board official, and has a notation for each signature on the sheet showing the official's determination whether the signature will count towards the signature requirement for the petition.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-218; 163-219; 163-221; 163-296;

Eff. September 1, 2025.

08 NCAC 22 .0103 INITIATION OF PETITIONS

(a) A petitioner shall initiate a petition by timely filing a completed petition request form with the board of elections in person, by mail, or by email. A copy of the request form may be obtained from the State Board of Elections website (<https://www.ncsbe.gov/candidates/petitions>). A petition request form shall be considered timely filed with the board of elections if it is filed during the election cycle and no later than the petition's statutory deadline for submitting signature sheets for signature verification.

(b) The petitioner shall include the following information on the petition request form:

- (1) First and last name of the petitioner and any designated representative of the petitioner.
- (2) Residential address, mailing address, phone number, and email address of the petitioner.
- (3) The petition type, as set forth in Rule .0101(a) of this Section.
- (4) If the petition type is to form a political party as identified in Rule .0101(a)(1) of this Section, the name of the proposed political party, the

- first and last name, current residential address, and current phone number of the state chair of the proposed political party, and the first statewide general election in which the proposed political party desires to participate.
- (5) If the petition type is one identified in Rule .0101(a)(2), (3), (4), or (5) of this Section, the jurisdiction or district of the contest.
- (6) The manner in which the petitioner requests to be provided a signature sheet template, whether by in-person pickup, mail delivery, or email.
- (7) A signed acknowledgement that the petitioner will be informed of the requirements in Chapter 163 of the North Carolina General Statutes and this Chapter applicable to the petition.

(c) Within one business day of the receipt of a completed petition request form, the board of elections shall write on the petition request form the date the form was filed, the number of signatures required to meet the signature threshold for the petition, and the statutory deadline for submitting signature sheets for signature verification, and then provide a copy of the request form to the petitioner via email. The board of elections shall include with that email written instructions for how the petitioner may access the requirements in Chapter 163 of the North Carolina General Statutes and this Chapter applicable to the petition.

(d) A petitioner registering with a board of elections a notice of circulation of a petition calling for any election or referendum pursuant to G.S. 163-218 shall do so by filing the petition request form required by this Rule. The county board of elections shall write on the request form the date on which the completed request form was filed, which shall be the date of registration of the petition, and then provide a copy of the request form to the petitioner via email.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-218; 163-219; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0104 PETITION SIGNATURE SHEETS

(a) Within one business day of the receipt of a completed petition request form, the board of elections with which the form was filed shall issue to the petitioner a signature sheet template for the petition in the manner requested by the petitioner on the petition request form.

- (b) The signature sheet template shall include the following:
 - (1) a title identifying the type of petition and applicable North Carolina General Statute section;
 - (2) any petition header required by law for that type of petition, including designated areas for the petitioner to fill in the required information;
 - (3) a designated area for the petition circulator to write their first and last name and sign an affirmation that they witnessed the signing of the signatures on the signature sheet;
 - (4) the following statement: "It is illegal to sign the name of another person to a petition. N.C.G.S. § 163-221.";

- (5) prompts for a petition signer to include their printed first and last name, current residential address (street number, street name, and zip code), date of birth, signature, and date of signature;
- (6) an identification of the board of elections where the petitioner will file the petition;
- (7) a designated area for the board of elections receiving the signature sheet to notate the signature sheet with the date it is received at the board of elections office and the batch and page number assigned to it; and
- (8) designated areas for the board of elections receiving the signature sheet to notate the board's determination of approval or disapproval for each petition signature pursuant to Rules .0201 and .0202 of this Chapter.

(c) If the petition type is to form a political party under Rule .0101(a)(1) of this Section, the signature sheet shall include a designated area for the petition signer to place their initials indicating that they were informed of the general purpose and intent of the new party.

(d) If the petition type is one identified in Rule .0101(b) of this Section, and the board of elections is providing a template signature sheet for a local jurisdiction, the board of elections shall include on the template prompts for any additional information required by the local jurisdiction's applicable statute, local act, charter, or ordinance.

(e) The petitioner shall complete the information required by Subparagraphs (b)(2) and (b)(6) of this Rule before collecting signatures on that signature sheet. The board of elections may, at the petitioner's request, complete this information on the petitioner's behalf using the corresponding information provided in the petition request form.

(f) A signature shall not be counted toward the signature requirement for the petition if it is signed to a signature sheet that does not either match the template issued to the petitioner or contain the information required by this Rule.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. Pending Legislative Review.

08 NCAC 22 .0105 PETITION CIRCULATORS

(a) At the time a petitioner submits the first signature sheet in support of their petition to the board of elections in accordance with Rule .0106 of this Section, the petitioner shall provide to the board of elections a written list identifying the petition circulators who are collecting signatures on behalf of the petitioner. A template list may be obtained from the State Board of Elections website (<https://www.ncsbe.gov/candidates/petitions>). The list of petition circulators shall include the following information for each circulator:

- (1) The circulator's first and last name, phone number, residential address, and email address. If the circulator does not have a phone number or email address, the petitioner shall write "N/A" for that information on the list.

- (2) Whether the circulator was employed or volunteered to circulate the petitions through an entity, another group or organization, or the petitioner. If the circulator was employed or volunteered through an entity or another group or organization, the list shall contain the name of that entity, group, or organization.
- (3) Whether the circulator received compensation based on the number of signatures obtained or signature sheets submitted.

(b) Before a board of elections can take final action on a petition, the petitioner shall provide the board of elections with a list of all petition circulators for the petition or inform the board of elections in writing that the already-submitted list contains the names of all petition circulators for the petition.

(c) Prior to conducting activities in support of a petition in North Carolina with or on behalf of a petitioner, a North Carolina entity shall be registered with the North Carolina Secretary of State's Office pursuant to the provisions of Chapters 55, 55A, 57D, or 59 of the North Carolina General Statutes applicable to that type of entity. If the entity is organized under the laws of another state, the foreign entity shall obtain a certificate of authority from the Secretary of State pursuant to the provisions of Chapters 55, 55A, 57D, or 59 of the North Carolina General Statutes applicable to that type of foreign entity.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. Pending Legislative Review.

08 NCAC 22 .0106 SUBMISSION OF SIGNATURE SHEETS

(a) The petitioner shall submit to the board of elections the original signature sheets completed in support of their petition by in-person delivery or mail.

(b) When registered voters in more than one county may be qualified to sign a petition, each signature sheet shall contain only signatures collected from residents of the county identified in the header of the petition. A county board of elections shall not be required to conduct signature verification of the signatures on a signature sheet with a different county identified in the header of the petition.

(c) When a petitioner submits signature sheets to a board of elections, the board staff receiving the signature sheet shall date stamp each sheet, count the total number of signature sheets submitted if multiple sheets are submitted, and provide the petitioner with written confirmation of the total number of signature sheets submitted on that date. Board staff shall also note in the written confirmation the name of the person submitting the signature sheets. Board staff shall not be required to count the number of signatures on the submitted signature sheets before providing the written confirmation required by this Paragraph.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0107 COPIES OF SIGNATURE SHEETS AND RETURN OF ORIGINAL SIGNATURE SHEETS

(a) After a board of elections has completed signature verification of the signatures on the signature sheets, the petitioner may obtain a copy of the signature sheets and a signature certificate by one of the methods described in Paragraph (b) of this Rule. If the board of elections is required by law to return the original signature sheets to the petitioner, board staff shall inform the petitioner that they may obtain the original sheets and a signature certificate by one of the methods described in Paragraph (c) of this Rule.

(b) The board of elections shall provide the petitioner with a copy of verified signature sheets and associated signature certificates upon oral or written request by the petitioner. The petitioner shall state by which of the following methods they elect to receive a copy:

- (1) In-person retrieval of a physical copy during regular business hours. If a person other than the petitioner's representative identified on the petition request form will retrieve the copy instead of the petitioner, then the petitioner shall inform the board of elections, in writing, of that person's first and last name and phone number.
- (2) Mailing a physical copy to the mailing address that is listed on the petition request form.
- (3) Emailing a digital copy to the email address that is listed on the petition request form.

Before providing a copy of a signature sheet, board staff shall first redact any confidential information not subject to public disclosure under Chapters 132 and 163 of the North Carolina General Statutes. A board of elections may charge for any physical copies, in accordance with G.S. 132-6.2.

(c) When the board of elections is required by law to return the original signature sheets and associated signature certificates to the petitioner, the petitioner shall inform board staff orally or in writing by which of the following methods they elect to receive the originals:

- (1) In-person retrieval of the originals by the petitioner during regular business hours. If a person other than the petitioner's representative identified on the petition request form will retrieve the originals instead of the petitioner, then the petitioner shall inform the board of elections, in writing, of that person's first and last name and phone number. Board staff shall confirm the name and phone number of the person retrieving the originals before providing them.
- (2) Mailing the originals to the mailing address that is listed on the petition request form. The county board shall use a method of return that documents the petitioner's receipt of the originals.

No redactions shall be made by board staff to an original signature sheet prior to its return to the petitioner or the petitioner's designated representative.

(d) In addition to providing a copy or the original signature sheet to the petitioner in accordance with this Rule, the board of

elections shall provide the petitioner with a digital or physical petition status report generated by the petition module upon oral or written request by the petitioner. The petition status report shall include the status assigned to each petition signer in accordance with Rule .0202 of this Chapter.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0201 PETITION SIGNATURE VERIFICATION BY COUNTY BOARDS OF ELECTIONS

(a) A county board of elections official shall conduct signature verification of completed original signature sheets in accordance with this Rule. For the purposes of this Section, an official includes the county board chair, or the county director of elections or other county board staff member delegated the duty to conduct signature verification.

(b) A petition signer's signature on a signature sheet shall count towards the petition's signature requirement if the official conducting signature verification determines that the petition signer's signature bears a reasonable resemblance to a signature in the official registration record of an identifiable registered voter in the county whose corresponding information in the registration record (including signatures) matches that provided on the signature sheet, and the voter is qualified by law to sign the petition. If a signer's date of birth listed on a signature sheet does not align with that of a corresponding registered voter, that signature shall not constitute a match. An official shall not omit a petition signer from signature verification solely due to the petition signer's use of initials, printed text, or a mark for their signature.

(c) A reasonable resemblance in signatures is a similarity in appearance such that an ordinary person would conclude that the signature on the signature sheet is more likely than not the signature of a registered voter. The official shall make this determination based on a review of the following characteristics of the signatures:

- (1) the style of the signatures, including the use of cursive or print;
- (2) spacing and proportions of letters in the signatures;
- (3) spelling and punctuation used in the signatures, including the use of initials;
- (4) size, curves, and loops of individual letters in the signatures; and
- (5) beginning and ending strokes in the signatures.

The official shall bear in mind that a person's signature can change over time, that a person does not sign their name the same exact way each time, and that signatures in voter registration records can be created through digital methods which may appear different than physical signatures created with a pen. If the signature on the signature sheet does not bear a reasonable resemblance to the most recent signature in the voter's registration record, the official shall review at least one other signature in the voter's registration record, if available, before making a final reasonable resemblance determination for that petition signer. If the petition signer has signed the signature sheet with their initials, printed name, or a mark, the official shall determine whether the

petition signer's initials, printed name, or mark on the signature sheet bears a reasonable resemblance to a signature, initials, or mark in the matched voter's registration record.

(d) The official shall determine whether the petition signer is qualified by law to sign the petition as of the date the signature sheet is reviewed by the official. If the type of petition requires residency within a specific county or district, the official shall not determine that the petition signer is qualified to sign the petition unless the address on the signature sheet and the address in the voter's registration record are both within the required county or district.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0202 PETITION SIGNATURE VERIFICATION DETERMINATIONS

(a) An official conducting signature verification pursuant to Rule .0201 of this Section shall notate on the original signature sheet the official's determination whether each petition signer's signature will count towards the signature requirement and shall assign a status to each petition signer in the petition module in accordance with this Rule.

(b) An official shall notate the signature sheet with a checkmark and assign the status of "OK" in the petition module for each petition signer whose signature will be counted because the official confirmed that the petition signer is a registered voter qualified to sign the petition.

(c) An official shall notate the signature sheet with an "X" and assign one of the following statuses in the petition module for each petition signer whose signature will not be counted for the stated reason:

- (1) "Address Rejected" shall be used when the petition signer's listed address is not a recognized address in the county.
- (2) "Deceased" shall be used when the petition signer matches to a registered voter in the county who is in a removed registration status due to death.
- (3) "Duplicate" shall be used when the official determines that a petition signer has signed a petition more than once and one of the signatures has already been verified pursuant to Rule .0201 of this Section.
- (4) "Illegible" shall be used when the official is unable to read the petition signer's printed information and signature such that the official cannot perform a search for the voter in the registration records.
- (5) "Incorrect County" shall be used when the petition signer's listed address is a recognized address in a county different from the county of the official reviewing the signature sheet.
- (6) "Late Filing" shall be used when the signature sheet was submitted to a board of elections after the deadline prescribed by law.
- (7) "Moved" shall be used when the petition signer matches to a person who is in a removed

registration status due to moving outside of the county.

- (8) "No Record" shall be used when the petition signer does not match to a registered voter in the county.
- (9) "Not in District" shall be used when the petition signer is not qualified by law to sign the petition because their residential address is not within the district to which the petition pertains.
- (10) "Removed" shall be used when the petition signer matches to a person in a removed registration status for a reason other than death or moving outside of the county.
- (11) "Signature Missing" shall be used when the petition signer failed to sign the signature sheet.
- (12) "Signature Rejected" shall be used when the petition signer's signature is determined to not reasonably resemble a signature in the matched registration record of the voter.
- (13) "Wrong Party" shall be used when the petition signer is not qualified by law to sign the petition because they are not affiliated with the necessary political party when party affiliation is a required qualification to sign a petition in lieu of paying a filing fee pursuant to G.S. 163-107.1.

The automatic assignment of a status by the petition module to a petition signer shall satisfy the official's requirement to assign a status pursuant to this Paragraph.

(d) After the official has made notations on signature sheets in accordance with this Rule, and before issuing a signature certificate, board staff shall make an electronic copy of the signature sheets and store the digital copy in the board's digital file storage system, which may include a digital file storage system maintained by the State Board. If the board of elections is required by law to return the original signature sheets to the petitioner, board staff shall perform this task before returning the original signature sheets to the petitioner. The official shall issue the signature certificate in accordance with the statute that is applicable to the petition.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0203 COUNTING OF SIGNATURES TOWARDS A PETITION'S SIGNATURE REQUIREMENT

- (a) A petition signer's signature shall not count towards the signature requirement for the petition unless the official has determined that the petition signer is a registered voter qualified by law to sign the petition pursuant to Rule .0201 of this Section.
- (b) If a petition signer signs a petition more than once, and one of the signatures is verified pursuant to Rule .0201 of this Section, no additional signature by that petition signer shall be counted towards the signature requirement for the petition.
- (c) No signature on a signature sheet for one petition shall be counted towards the signature requirement for a different petition. This Paragraph does not prevent a petitioner from conducting

more than one petition at the same time or the same petition signer from signing multiple petitions.

- (d) Only signatures collected during the current election cycle pertaining to the petition shall be counted.
- (e) No signature on a signature sheet without the petition circulator's first and last name and signature in the area designated for their name and affirmation shall be counted towards the signature requirement for a petition.
- (f) Only an original signature written by hand shall be counted toward the signature requirement for a petition.

History Note: Authority G.S. 163-22; 163-96; 163-107.1; 163-122; 163-123; 163-213.5; 163-221; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0301 NEW PARTY PETITIONS

- (a) This Section shall only apply to new party petitions.
- (b) For the purposes of this Section:
 - (1) "New party petition" means a petition to be recognized as a political party pursuant to G.S. 163-96.
 - (2) "Prospective party" means a political party, including its officers and organizers, seeking recognition as a political party in the State through a new party petition.
 - (3) "Signature threshold requirement" means the number of verified signatures necessary to meet the signature threshold in G.S. 163-96(a)(2), measured by the combined number of votes cast for all candidates in the most recent general election for Governor.
 - (4) "Target election" means the first statewide general election in which the proposed political party desires to participate.
- (c) For the purposes of this Chapter, the final action on a new party petition shall be the State Board's decision whether to recognize the petitioning party as a political party in North Carolina pursuant to Rule .0306 of this Section.

History Note: Authority G.S. 163-22; 163-96; Eff. September 1, 2025.

08 NCAC 22 .0302 PROSPECTIVE PARTY NAME

- (a) Within one business day of the filing of a petition request form for a new party petition, State Board staff shall compare the name of the prospective party against the names of the existing political parties recognized in the State and proceed as follows:
 - (1) If staff determines that the name of the prospective party contains any word that appears in the name of an existing political party, staff shall inform the petitioner in writing that the prospective party must choose a different name in accordance with G.S. 163-96(b).
 - (2) If staff determines that the name of the prospective party does not contain any word that appears in the name of an existing political party, staff shall refer the matter to the Executive Director. The Executive Director

shall determine whether the prospective party's name is so similar to that of an existing political party recognized in the State that voters will be confused or misled in an election.

(b) When the Executive Director makes the determination required under Subparagraph (a)(2) of this Rule, the determination shall be transmitted in writing to the State Board. The State Board will then act on the determination as follows:

- (1) If, after two calendar days following the transmission of the determination, no State Board member has raised an oral or written objection to the Executive Director's determination, the determination shall become effective.
- (2) If a State Board member raises an oral or written objection to the Executive Director's determination within two calendar days following the transmission of the determination, the State Board shall decide the matter at a public meeting.

(c) If the name of a prospective party is approved because it has been determined that the name is not too similar to that of an existing political party recognized in the State, State Board staff shall inform the petitioner of that determination in writing and proceed under Rule .0104 of this Chapter.

(d) If the name of a prospective party is rejected because it has been determined that the name is too similar to that of an existing political party recognized in the State, State Board staff shall inform the petitioner of that determination in writing and that the prospective party must choose a different name in accordance with G.S. 163-96(b).

(e) A petitioner required to choose a different name for a prospective party shall notify the State Board of the different name by submitting a new petition request form.

History Note: Authority G.S. 163-22; 163-96;
Eff. September 1, 2025.

08 NCAC 22 .0303 CHANGES IN PROSPECTIVE PARTY STATE CHAIR'S INFORMATION

(a) The petitioner shall give the State Board written notice of any change in the name, residential address, or phone number of the prospective party's state chair that occurs after the petitioner has submitted the petition request form. The written notice shall be provided within five business days of the change and shall include the changed information and the date upon which the change occurred.

(b) State Board staff shall update the relevant information in the petition module and notify the county boards of elections of the change by email within five business days of receipt of the notice.

(c) The petitioner shall ensure the signature sheets for their petition reflect the current name, residential address, and phone number of the state chair when petition signers sign the signature sheet. No signature signed to a signature sheet without the name of the prospective party's state chair that is current as of the date of the petition signer's signature shall be counted towards the signature requirement for the petition.

History Note: Authority G.S. 163-22; 163-96;

Eff. September 1, 2025.

08 NCAC 22 .0304 CONTINUING A NEW PARTY PETITION

(a) A prospective party that has not submitted the number of verified signatures required to participate as a recognized political party in the target election identified on the petition request form by the deadline for doing so pursuant to G.S. 163-96 may submit a written notice to the State Board that the prospective party wants to change its target election. The petitioner shall provide this notice by submitting a new petition request form that identifies the next subsequent statewide general election as the new target election. The notice shall be submitted no later than five business days after the original deadline in G.S. 163-96 to file their petition based on the prospective party's original target election. Only those verified signatures that were gathered during the election cycle for the petition may be counted for the petition under its new target election.

(b) State Board staff shall notify the county boards of elections of the continuance of the petition by email within five business days of the receipt of the new petition request form with the new target election.

History Note: Authority G.S. 163-22; 163-96;
Eff. September 1, 2025.

08 NCAC 22 .0305 GENERAL PURPOSE AND INTENT OF THE NEW PARTY

(a) Within 10 business days of being issued the signature sheet template under Rule .0104 of this Chapter, the petitioner shall submit written documentation to the State Board demonstrating how the petition circulators will inform a petition signer of the prospective party's general purpose and intent when collecting signatures. The petitioner may submit additional documentation to the State Board regarding how the prospective party informed petition signers of the prospective party's general purpose and intent at any time before the State Board determines the sufficiency of the new party petition.

(b) The documentation demonstrating how the petition circulators will inform a petition signer of the general purpose and intent may include, but is not limited to, any of the following:

- (1) training and instructional materials that will be provided to petition circulators before they begin collecting signatures;
- (2) scripts that petition circulators will use when collecting signatures; or
- (3) a written statement that materials, such as handouts, posters, and other promotional materials, will be used by petition circulators when collecting signatures.

(c) A county board shall not conduct signature verification of the prospective party's signature sheets until the documentation required under this Rule has been submitted to the State Board.

History Note: Authority G.S. 163-22; 163-96;
Eff. Pending Legislative Review.

08 NCAC 22 .0306 SUFFICIENCY OF NEW PARTY PETITIONS

(a) After submitting verified signature sheets and signature certificates to the State Board, the petitioner shall notify the State Board of the prospective party's desire for the State Board to proceed with determining the sufficiency of its new party petition by submitting a written notice by mail or email to the State Board. The petitioner may submit any additional documentation that the prospective party believes will aid the State Board in its determination of the sufficiency of the new party petition.

(b) Within five business days of receiving the notice made pursuant to Paragraph (a) of this Rule, State Board staff shall begin reviewing the signature sheets, signature certificates, and documentation that has been submitted by the prospective party for completeness and compliance with this Chapter and Chapter 163 of the General Statutes. As part of this review, State Board staff shall review a random sample of signature sheets using the same standards required of county boards in Rule .0201 of this Chapter. The random sample shall be of 1,000 verified signatures selected from all signature sheets that were reviewed by county boards. State Board staff shall thereafter prepare a report summarizing staff's findings regarding the new party petition and provide the completed report to the State Board. The report shall include an analysis of whether the results of the review of the random sample of signatures, when extrapolated to all verified signatures for the petition, would impact whether the petitioner has met the signature threshold requirement. This Paragraph shall not prevent State Board staff from initiating this review prior to receiving the notice from the petitioner.

(c) The State Board shall take the following into account when determining the sufficiency of a new party petition:

- (1) Whether the number of timely submitted, verified signatures is sufficient to meet the signature threshold requirement and congressional district signature requirement in G.S. 163-96(a)(2).
- (2) Whether the new party petition complied with the general requirements for the conduct of petitions in Section .0100 of this Chapter.
- (3) Whether the new party petition complied with the specific requirements for the conduct of new party petitions in this Section.
- (4) State Board staff's report prepared pursuant to Paragraph (b) of this Rule.

(d) The State Board, when determining the sufficiency of a new party petition, shall require that the petitioner provide additional documentation regarding the conduct of the petition when the chair or two members of the State Board conclude that the documentation is likely to provide information that is both relevant and material to the new party petition's compliance with the requirements of G.S. 163-96 and this Chapter, the information sought is not unnecessarily duplicative of documentation already submitted by the petitioner, and the request is not likely to subject the petitioner to undue burden, expense, or delay in the consideration of their petition. The State Board shall inform the petitioner of the requirement to provide additional documentation in writing and shall serve the petitioner in the same manner as allowed for service of subpoenas in the North Carolina Rules of Civil Procedure.

(e) The State Board's decision whether to recognize the prospective party as a political party in North Carolina shall be made in an open meeting by a majority vote of the State Board members. The State Board shall recognize the prospective party as a political party in North Carolina only if the State Board has determined the petition is sufficient in accordance with G.S. 163-96 and this Rule.

History Note: Authority G.S. 163-22; 163-23; 163-96; Eff. September 1, 2025.

08 NCAC 22 .0401 UNAFFILIATED CANDIDATE PETITIONS

(a) This Section shall apply to unaffiliated candidate petitions only.

(b) For the purposes of this Section:

- (1) "Prospective unaffiliated candidate" means the petitioner seeking to have their name printed on the general election ballot as an unaffiliated candidate.
- (2) "Unaffiliated candidate petition" means a petition to place a voter's name on a general election ballot as an unaffiliated candidate pursuant to G.S. 163-122 or G.S. 163-296.

(c) When an unaffiliated candidate petition is filed with the State Board and a county board of elections is conducting signature verification, a digital version of the signature sheet provided by the State Board to the county board shall be considered an original signature sheet for the purposes of signature verification under Section .0200 of this Chapter.

(d) For the purposes of this Chapter, the final action on an unaffiliated candidate petition shall be the board of elections' notice to the prospective candidate pursuant to Rule .0402 of this Section stating whether they have met the signature requirement for their petition.

History Note: Authority G.S. 163-22; 163-122; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0402 PROCESSING UNAFFILIATED CANDIDATE PETITIONS

(a) Within one business day of the receipt of a completed petition request form for an unaffiliated candidate petition, the board of elections shall inform the prospective unaffiliated candidate of the constitutional and statutory qualifications for the office sought and that the petition will be cancelled if the candidate does not meet those qualifications when submitting the signature sheets for their unaffiliated candidate petition.

(b) At the time of receipt of the first completed signature sheet submitted in support of an unaffiliated candidate petition, the board of elections shall inspect the registration records of the prospective unaffiliated candidate's county and proceed under G.S. 163-122(d). Before proceeding to cancel an unaffiliated candidate petition, the board of elections shall provide the prospective unaffiliated candidate with an opportunity to submit a voter registration form so that their voter registration record reflects their current qualifications for the office sought.

(c) Within five business days of the completion of signature verification for an unaffiliated candidate petition, the board of

elections with which the petition was filed shall issue a written notice to the prospective unaffiliated candidate stating whether the candidate has met the applicable signature requirement in G.S. 163-122.

History Note: Authority G.S. 163-22; 163-122; 163-296; Eff. September 1, 2025.

08 NCAC 22 .0501 WRITE-IN CANDIDATE PETITIONS

- (a) This Section shall apply to write-in candidate petitions only.
- (b) For the purposes of this Section:
 - (1) "Declaration of intent form" means the declaration of intent document required to be submitted when filing a write-in candidate petition pursuant to G.S. 163-123.
 - (2) "Prospective write-in candidate" means the petitioner seeking to have write-in votes for them counted in a general election.
 - (3) "Write-in candidate petition" means a petition to have write-in votes for a voter counted in a general election pursuant to G.S. 163-123.
- (c) For the purposes of this Chapter, the final action on a write-in candidate petition shall be the board of elections' notice to the prospective candidate pursuant to Rule .0502 of this Section stating whether the prospective candidate has met the requirements for their petition.

History Note: Authority G.S. 163-22; 163-123; Eff. September 1, 2025.

08 NCAC 22 .0502 PROCESSING WRITE-IN CANDIDATE PETITIONS

- (a) Within one business day of the receipt of a completed petition request form for a write-in candidate petition, the board of elections shall inform the prospective write-in candidate of the constitutional and statutory qualifications for the office sought and that the petition will be cancelled if the candidate does not meet those qualifications when submitting the signature sheets for their write-in candidate petition.
- (b) The prospective write-in candidate shall submit a declaration of intent form at the time of submitting the first completed signature sheet in support of their write-in candidate petition. A copy of the declaration of intent form may be obtained from the State Board of Elections website (<https://www.ncsbe.gov/candidates/petitions>).
- (c) A board of elections in receipt of a write-in candidate petition shall proceed as follows:
 - (1) If the write-in candidate petition is required to be filed with a county board of elections under G.S. 163-123, then at the time of the receipt of the first completed signature sheet submitted in support of the petition, the county board of elections shall inspect the registration records of the prospective write-in candidate's county and proceed under G.S. 163-123(g).
 - (2) If the write-in candidate petition is required to be filed with the State Board under G.S. 163-123, then at the time of the receipt of the first

verified signature sheet submitted in support of the petition, the State Board shall inspect the registration records of the prospective write-in candidate's county and proceed under G.S. 163-123(g).

Before proceeding to cancel a write-in candidate petition, the board of elections with which the petition was filed shall provide the prospective write-in candidate with an opportunity to submit a voter registration form so that their voter registration record reflects their current qualifications for the office sought.

- (d) Within five business days of the board of elections determining whether a write-in candidate petition complies with G.S. 163-123 and this Rule, the board of elections with which the petition was filed shall issue a written notice to the prospective write-in candidate stating whether the candidate has met the requirements to have write-in votes for them counted in the general election.

History Note: Authority G.S. 163-22; 163-123; Eff. September 1, 2025.

08 NCAC 22 .0601 IN LIEU OF FILING FEE PETITION

- (a) This Section shall apply to in lieu of filing fee petitions only.
- (b) For the purposes of this Section:
 - (1) "Prospective candidate" means the petitioner seeking to be a candidate in a political party's primary without paying a filing fee.
 - (2) "In lieu of filing fee petition" means a petition requesting that a prospective candidate participate in a political party's primary without paying a filing fee pursuant to G.S. 163-107.1.
- (c) For the purposes of this Chapter, the final action on an in lieu of filing fee petition shall be the board of elections' notice to the prospective candidate stating whether they have met the requirements for their petition.

History Note: Authority G.S. 163-22; 163-107.1; Eff. September 1, 2025.

TITLE 11 - DEPARTMENT OF INSURANCE

11 NCAC 24 .0101 DEFINITIONS: LICENSE APPLICATIONS

- (a) The definitions contained in G.S. 58-56A-1, including subsequent amendments, are incorporated into this Chapter by reference.
- (b) The following definitions apply in this Chapter:
 - (1) "Control" means the term as defined in G.S. 58-19-5(2).
 - (2) "Insurance" means any coverage offered or provided by an insurer.
 - (3) "Material modification" means any material change in a Pharmacy Benefits Manager (PBM)'s ownership, control, or other fact or circumstance affecting the PBM's qualification for a license in this State.

(c) The following items shall be filed in order to constitute a complete application submission for initial or renewal PBM licensure:

- (1) Transmittal form;
- (2) A completed pharmacy benefits application form as set forth in G.S. 58-56A-2(b);
- (3) Biographical form(s) completed by principal officers;
- (4) All organizational documents of the PBM, including any articles of incorporation, articles of association, partnership agreement, trade name certificate, or trust agreement, any other applicable documents, and all amendments to these documents;
- (5) The bylaws, rules, regulations, or similar documents regulating the internal affairs of the PBM;
- (6) Annual financial statements or reports for the two most recent years that prove that the applicant is solvent and any other information the Commissioner may require in order to review the current financial condition of the applicant;
- (7) A general description of the business operations, including information on staffing levels and activities proposed in this State and nationwide. The description must provide details setting forth the PBM's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing and record keeping;
- (8) A power of attorney duly executed by the PBM, if not domiciled in North Carolina, appointing the Commissioner as attorney for the PBM in and for this State, upon whom process in any legal action or proceeding against the PBM on a cause of action arising in this State may be served; and
- (9) Evidence of maintenance of a fidelity bond, errors and omissions liability insurance or other security.

(d) Each applicant shall make available for inspection by the Commissioner copies of all contracts with insurers or other persons using the services of the PBM.

(e) An applicant or PBM shall notify the Commissioner of any material modification within 30 business days after the change.

(f) Copies of all forms may be obtained from the Department.

History Note: Authority G.S. 58-2-40; 58-16-30; 58-19-5; 58-56A-2;

Eff. September 1, 2025.

11 NCAC 24 .0102 FEES

(a) The initial application fee for a PBM license shall be two thousand dollars (\$2,000).

(b) The annual renewal fee for a PBM license shall be one thousand five hundred dollars (\$1,500).

History Note: Authority G.S. 58-2-40; 58-56A-2;

Eff. September 1, 2025.

11 NCAC 24 .0103 FINANCIAL STATEMENTS

The financial statements required by 11 NCAC 24 .0101(c)(6) shall include a balance sheet, a statement of operations, and a statement of cash flows for the PBM's two most recent fiscal years. Financial statements shall be prepared by an independent certified public accountant. Financial statements of a PBM's parent company are acceptable if those statements contain consolidating schedules that include a breakout of the finances of the PBM, and if the certified public accountant's opinion letter does not disclaim association with the consolidating schedules.

History Note: Authority G.S. 58-2-40; 58-2-205; 58-56A-2;
Eff. September 1, 2025.

11 NCAC 24 .0104 DETERMINATION OF FINANCIAL RESPONSIBILITY

In determining the financial responsibility of an applicant for a PBM license, the Department shall require that an applicant be solvent. In addition, the Department shall consider:

- (1) Liquidity;
- (2) Any internal controls the applicant may have in place to afford protection for benefit plans, which may include the manner in which benefit plan fund accounts are established; and
- (3) Segregation of duties.

History Note: Authority G.S. 58-2-40; 58-56A-2;
Eff. September 1, 2025.

11 NCAC 24 .0105 CLAIM PROCESSING BY PBMS

A PBM or an employee of a PBM does not have to have a license to adjust insurance claims for an insurer with which the PBM has a written agreement to provide claims processing services.

History Note: Authority G.S. 58-2-40; 58-56A-1(4); 58-56A-2;
Eff. September 1, 2025.

11 NCAC 24 .0106 PAYMENT OF CLAIMS

If claims filed with a PBM or insurer are not paid within 30 days after receipt of the initial claim by the PBM or the insurer, the PBM or the insurer shall at that time mail a claim status report to the claimant.

History Note: Authority G.S. 58-2-40; 58-3-225; 58-56A-2;
Eff. September 1, 2025.

11 NCAC 24 .0107 GENERAL ADMINISTRATION

Every PBM shall:

- (1) Establish a governing body that is authorized to set policy for the organization.
- (2) Maintain complete corporate records in a secure and accessible location.
- (3) Employ a management information system that is able to provide information on all areas of the PBM operations.

- (4) Set internal policies and procedures for contract management.

History Note: Authority G.S. 58-2-40; 58-56A-2;
Eff. September 1, 2025.

11 NCAC 24 .0108 CLAIMS PROCESSING

- (a) Each PBM's claims processing service shall be supported by a set of written policies, procedures, and performance standards related to timeliness in payment of claims and its financial operations.
- (b) Each PBM shall develop and implement a claims processing internal audit and a quality assurance program to monitor and improve claims processing services.
- (c) Each PBM shall be accessible to insureds, insurers, and pharmacists by telephone to respond to inquiries about claims payments.

History Note: Authority G.S. 58-2-40; 58-56A-1(4); 58-56A-2;
Eff. September 1, 2025.

TITLE 13 - DEPARTMENT OF LABOR

13 NCAC 01D .0101 TRAINING ON HUMAN TRAFFICKING

- (a) Any individual required to complete the training required by G.S. 130A-511(b) shall complete one of the following existing training courses identified by the Department:
- (1) Businesses Ending Slavery and Trafficking ("BEST"): "Inhospitable to Human Trafficking;"
 - (2) Protect All Children from Trafficking ("PACT"): "Your Role in Preventing Human Trafficking: Recognize the Signs;"
 - (3) PACT for Employees: "Recognize and Respond: Addressing Human Trafficking in the Hospitality Industry for Associates;"
 - (4) PACT for Managers: "Recognize and Respond: Addressing Human Trafficking in the Hospitality Industry for Managers;"
 - (5) Unbound Now: "Identifying and Responding to Human Trafficking: Commercial Lodging and Hospitality Industry;" or
 - (6) Marriott International Human Trafficking Prevention Training.
- (b) The Department shall provide links to register for each training course on its website at www.labor.nc.gov.

History Note: Authority G.S. 130A-511;
Eff. September 1, 2025.

13 NCAC 01D .0102 HUMAN TRAFFICKING AWARENESS SIGNAGE

- (a) Displaying any sign including the following information shall meet the requirements of G.S. 130A-511(c)(3):

- (1) the toll-free National Human Trafficking Resource Hotline telephone number, 1-888-373-7888;
- (2) the link for the National Human Trafficking Hotline's website, <https://humantraffickinghotline.org/en>;
- (3) the number to contact the National Human Trafficking Hotline via text message, 233733;
- (4) the teletypewriter number for the Human Trafficking Resource Hotline, 711; and
- (5) the link for the National Human Trafficking Hotline Web Chat, <https://humantraffickinghotline.org/en/chat>.

- (b) The Department shall make signs containing the information in Paragraph (a) of this Rule available to the public at no cost. These signs will be available for download on the Department's website at www.labor.nc.gov.

- (c) Displaying any awareness sign developed by the North Carolina Human Trafficking Commission and available for download at <https://www.nccourts.gov/commissions/human-trafficking-commission/human-trafficking-awareness-resource-library#awareness-signs-9133> shall meet the requirements of G.S. 130A-511(c)(3).

History Note: Authority G.S. 130A-511;
Eff. September 1, 2025.

TITLE 14B - DEPARTMENT OF PUBLIC SAFETY

14B NCAC 16 .0103 DEFINITIONS

In addition to the definitions set forth in G.S. 74C, the following definitions shall apply throughout this Subchapter:

- (1) "Advertising medium" means any form of written, printed, broadcast or computer-based advertising, or other promotional materials, except a telephone directory listing for which no additional advertising charge is made.
- (2) "Agency Head" means the Chair of the Board.
- (3) "Applicant" means any person, firm, or corporation applying to the Board for a license, trainee permit, registration, or firearms trainer certificate.
- (4) "Armed Security Guard" means an individual employed, full time or part time, by a contract security company or a proprietary security organization:
 - (a) who at any time wears, carries, or possesses a firearm in the performance of his or her duties; and
 - (b) whose principal duty is that of:
 - (i) an armed security guard, officer, patrol, or watchman;
 - (ii) an armed armored car service guard; or
 - (iii) an armed courier service guard.
- (5) "Board" means the Private Protective Services Board established by G.S. 74C.

- (6) "Branch Manager or Operator" means the individual endowed with the responsibility and liability for a branch office.
- (7) "Branch Office" means a separate but dependent part of a central organization engaged in the business of providing private protective services established for the purpose of extending the activities of the central organization. The establishment of a telephone number or mailing address in the company name constitutes prima facie evidence of a branch office. If an out-of-state person, firm, association, or corporation opens an office in North Carolina, the North Carolina office shall be deemed the principal place of business and shall have a resident licensed qualifying agent.
- (8) "Chair" means the Chair of the Private Protective Services Board.
- (9) "Contract Security Company" means any person, firm, association, or corporation engaging in a private protective services business as defined in G.S. 74C-3 that provides the services on a contractual basis for a fee or other valuable consideration to any other person, firm, association, or corporation.
- (10) "Direct Supervision" means personal, face-to-face contact and direction of the trainee's activities on a frequent and reasonable basis based upon the trainee's level of experience.
- (11) "Investigative Capacity" means any law enforcement agency position for which the majority of the duties include conducting investigations and interviews, completing reports, and testifying in courts, administrative hearings, or military tribunals.
- (12) "Law Enforcement Officer" means a sworn peace officer who has the power of arrest, and who is an employee of the United States, any state, or any political subdivision of a state.
- (13) "Licensee" means any person licensed to perform private protective services in North Carolina in accordance with G.S. 74C.
- (14) "Proprietary Security Organization" means any person, firm, association, corporation, or department that employs watchmen, security guards or "officers," patrol personnel, or couriers in connection with the business affairs of the employer.
- (15) "Qualifying Agent" means the individual licensee who is responsible for the private protective services business. If the licensee maintains an office in North Carolina, the Qualifying Agent must be a resident of North Carolina.
- (16) "Registered agent" means the individual resident of North Carolina designated by the business entity in lieu of the Qualifying Agent as allowed by G.S. 74C-8(c)(1) who may be,

but is not required to be, the registered agent required by G.S. 55D-30.

History Note: Authority G.S. 74C-3; 74C-5; 74C-8; Eff. June 1, 1984; Amended Eff. October 1, 2013; August 1, 1998; May 1, 1988; July 1, 1987; Transferred and Recodified from 12 NCAC 07D .0104 Eff. July 1, 2015; Readopted Eff. August 1, 2020; Amended Eff. September 1, 2025; January 1, 2023; March 1, 2022.

14B NCAC 16 .0105 PROHIBITED ACTS

(a) In addition to the prohibited acts set forth elsewhere in these Rules and in Chapter 74C of the General Statutes, any licensee, trainee, registrant, or firearms trainer who does any of the following may have his or her license, trainee permit, registration, or firearms trainer certificate revoked or suspended:

- (1) Displays, causes or allows to be displayed, or has in his or her possession any cancelled, revoked, suspended, fictitious, or fraudulently altered license, trainee permit, registration identification card, or firearms trainer certificate, or any document simulating, purporting to be, or purporting to have been issued as a license, trainee permit, registration identification card, or firearms trainer certificate;
- (2) Lends his or her license, trainee permit, registration identification card, or firearms trainer certificate to any person or allows the use thereof by another;
- (3) Displays or represents any license, trainee permit, registration identification card, or firearms trainer certificate not issued to him or her as being his or her license, trainee permit, registration identification card, or firearms trainer certificate; or
- (4) Includes in any advertisement a statement that implies official state authorized certification or approval other than this statement: "Licensed by the Private Protective Services Board of the State of North Carolina" and license number required by 14B NCAC 16 .0116.

(b) In addition to the prohibited acts set forth elsewhere in these Rules and in Chapter 74C of the General Statutes, it shall be grounds for application denial or license registration suspension or revocation for an applicant, licensee, trainee, registrant, or trainer to make any false statement or give any false information to a third party in connection with any criminal history record check provided to the Board.

History Note: Authority G.S. 74C-5; 74C-8.1; 74C-12; 74C-16; Eff. June 1, 1984; Amended Eff. May 1, 2014; July 1, 1987; Transferred and Recodified from 12 NCAC 07D .0106 Eff. July 1, 2015;

*Readopted Eff. August 1, 2020.
Amended Eff. September 1, 2025.*

14B NCAC 16 .0116 ADVERTISING

Any advertisement of private protective services in any advertising media, as defined in these Rules, shall include the licensee's name and license number, whether or not a trade name is used in advertising.

*History Note: Authority G.S. 74C-5;
Eff. September 1, 2025.*

14B NCAC 16 .0117 DECLARATORY RULING PROCEDURES

(a) All requests for declaratory rulings shall be in writing and mailed to the Board at the Board's address.

(b) Each request for a declaratory ruling shall include the following information:

- (1) the name and address of person requesting the ruling;
- (2) the statute or rule to which the request relates;
- (3) a concise statement of the manner in which the requesting person is aggrieved by the rule or statute or its potential application to him or her;
- (4) names and addresses of additional third persons known to the person aggrieved who may possibly be affected by the requested ruling;
- (5) a statement of all material facts;
- (6) a statement whether or not the person aggrieved is aware of any pending Board action or court action that may bear on the applicability of the statute or rule to the person's particular situation; and
- (7) a statement of the arguments and legal authority supporting the person's position on the applicability of this statute or rule; and

The petitioner shall sign and verify the request before an officer qualified to administer oaths that the information supplied in the request is true and accurate.

(c) Within 30 days of receipt of a request for a declaratory ruling, the Board shall determine whether a ruling is appropriate under the facts stated.

(d) The Board shall proceed to issue a declaratory ruling when the person requesting the rule shows that, with regard to the facts presented:

- (1) the rule or statute in question is unclear on its face;
- (2) circumstances are so changed since the adoption of a rule that a declaratory ruling is warranted;
- (3) the factors specified in the request were not given appropriate consideration by the Board at the time the rule was adopted;
- (4) the rule or statute is unclear in its application to the requesting person's facts; or
- (5) a fair question exists regarding the validity of the rule because of an absence of authority for the Board's adoption of the rule or other

irregularities in the Board's rule-making proceedings.

(e) The Board shall not issue a declaratory ruling when the petitioner's request is the subject of, or materially related to, an investigation or audit by the Board or contested case before the Board.

(f) When the Board determines for good cause that the issuance of a declaratory ruling is unnecessary, the Board shall notify, in writing, the person requesting the ruling, stating the reasons for the denial of the request. The Board will ordinarily decline to issue a declaratory ruling when:

- (1) there has been a similar controlling factual determination made by the Board;
- (2) the rule-making record shows that the factual issues raised by the request were specifically considered prior to, or at times of, adoption of the rule;
- (3) the subject matter of the request is involved in pending litigation in any state or federal court in North Carolina, or pending legislation or rulemaking;
- (4) the request does not comply with the procedural guidelines within Paragraphs (a) and (b) of this Rule;
- (5) the Board has previously issued a declaratory ruling on substantially similar facts;
- (6) the Board has previously issued a final agency decision in a contested case on substantially similar facts;
- (7) the subject matter is one concerning which the Board is without authority to make a decision binding the Board or the petitioner;
- (8) the petitioner is not aggrieved by the rule or statute in question or otherwise has no interest in the subject matter of the request; or
- (9) there is reason to believe that the petitioner or some other person or entity materially connected to the subject matter of the request is acting in violation of the G.S. Chapter 74C or the rules adopted by the Board.

The denial of the request is immediately subject to judicial review in accordance with Article 4 of G.S. Chapter 150B.

(g) Prior to issuing a declaratory ruling, the Board may give notice of the declaratory proceedings to any persons it deems appropriate and may direct that fact-finding proceedings appropriate to the circumstances of the particular request be conducted by the Board. The proceedings may consist of written submissions, an oral hearing, or other appropriate procedures. A written ruling on the merits shall be issued within 45 days of the decision to grant the request.

(h) If the Board finds evidence that the factors listed in Subparagraphs (d)(1), (2), or (3) of this Rule exist or potentially exist beyond the specific facts presented in a particular petition for declaratory ruling, the Board shall consider rule-making proceedings on the rule.

(i) A record of each declaratory ruling and the procedures conducted therefor will be maintained by the Board. The record will contain:

- (1) the request for a declaratory ruling;

- (2) all written submissions filed in the request, whether filed by the person requesting the ruling or by any other person;
- (3) a record or summary of oral presentations, if any; and
- (4) a copy of the declaratory ruling.

History Note: Authority G.S. 150B-4; Eff. September 1, 2025.

14B NCAC 16 .0501 EXPERIENCE REQUIREMENTS FOR A POLYGRAPH LICENSE

(a) In addition to the requirements of Section .0200 of this Chapter, applicants for a polygraph license shall:

- (1) successfully complete a course of instruction at any polygraph school accredited by the American Polygraph Association or approved by the Board using standards established by the American Polygraph Association; and
- (2) have a minimum of one year of verifiable polygraph experience with verification or certification of having conducted no less than 25 polygraph examinations; and
- (3) pass a 100 question written examination, provide three sets of polygraph charts from polygraph examinations conducted by the applicant, successfully complete a performance test of independent, blind chart scoring, and successfully complete an oral examination conducted by a panel of polygraph examiners appointed by the Board; or
- (4) have a military occupational specialty and two years of verifiable experience within the past five years in the U.S. Armed Forces performing polygraph examinations.

(b) In addition to the requirements of Section .0200 of this Chapter, an applicant for a polygraph license who is the spouse of an active duty member of the U.S. Armed Forces shall establish:

- (1) the spouse holds a current license, certification, or registration from another jurisdiction and the other jurisdiction's requirements are substantially equivalent to or exceed the Board's requirements; and
- (2) the spouse has two years of verifiable experience within the past five years performing polygraph examinations.

(c) Applicants for a polygraph license may attempt to complete the requirements in Subparagraph (a)(1) of this Rule no more than twice within a 12 month period. All portions of the licensing process must be completed within that 12 month period.

History Note: Authority G.S. 74C-5; 93B-15.1; Eff. June 1, 1984; Amended Eff. May 1, 2014; October 1, 2013; July 1, 2009; December 1, 1985; Transferred and Recodified from 12 NCAC 07D .0501 Eff. July 1, 2015; Readopted Eff. August 1, 2020;

Amended Eff. September 1, 2025; September 1, 2024; February 1, 2022.

14B NCAC 16 .0502 POLYGRAPH TRAINEE PERMIT REQUIREMENTS

In addition to the requirements of Section .0200 of this Chapter, the following requirements shall apply to polygraph trainees:

- (1) Successfully complete a formal course of instruction at any polygraph school approved by the American Polygraph Association or approved by the Board using standards established by the American Polygraph Association. A list of approved schools can be found at: <https://www.ncdps.gov/list-polygraph-schools>;
- (2) Be directly supervised by a North Carolina licensed polygraph examiner;
- (3) Trainees who wish to apply for a license must submit an application to the Board in accordance with Rule .0201 of this Chapter. Applicants meeting license qualifications within one year of the issuance of a trainee permit shall not be required to pay an additional application fee; and
- (4) Any request for renewal of a trainee permit or for issuance of a polygraph license shall be accompanied by an evaluation report of the trainee's performance submitted by the trainee's supervisor.

History Note: Authority G.S. 74C-5; Eff. June 1, 1984; Amended Eff. May 1, 2014; December 1, 1985; Transferred and Recodified from 12 NCAC 07D .0502 Eff. July 1, 2015; Readopted Eff. March 1, 2020; Amended Eff. September 1, 2025.

14B NCAC 16 .0503 POLYGRAPH EXAMINATION REQUIREMENTS

Polygraph licensees and trainees shall adhere to the following:

- (1) Obtain written consent from the individual to be examined. The consent form shall be signed in the presence of the examiner and shall include a statement advising the examinee that he or she may terminate the examination at any time.
- (2) A printed or reproducible electronic copy of each chart collected, as well as documents associated with the examination such as reports, question sets, and signed consent forms, shall be retained by the examiner for a minimum of three years. The examiner shall record the following information:
 - (a) the name of the examinee;
 - (b) the date of the examination;
 - (c) the type of examination;
 - (d) the time the examination started;
 - (e) the location of the examination; and

- (f) the name and license number of the examiner.
This requirement may be completed by labeling the beginning of the first printed chart by hand, or by entering the information into the electronic polygraph file.
- (3) The examiner shall give the examinee an opportunity prior to concluding the examination to explain reactions on the charts.
 - (4) The examiner shall not issue or permit an employee to issue an examination report that is misleading, biased, or falsified.
 - (5) Each examination report shall be a factual, impartial, and objective account of the pertinent information developed during the examination and the examiner's professional conclusion, based upon the analysis of the charts.
 - (6) All questions considered for chart analysis shall be documented in writing or an electronic question set and shall be reviewed with the examinee prior to any testing.
 - (7) An examiner shall not make a conclusive verbal or written examination report without having administered two or more charts consisting of the same questions.
 - (8) An examiner shall not inquire into the sexual conduct or preferences of a person to whom a polygraph examination is being given unless pertinent to an alleged sex-related crime or while conducting Post Conviction Sex Offender Testing (POST), nor shall an examiner inquire into the activities, affiliations, or beliefs on religion, politics, or race, except where there is relevancy to an investigation.
 - (9) Each chart shall be signed at the end of the chart by the examinee and the examiner before the end of the recording if using an analog instrument. If an analog instrument is used, the examiner shall retain printed and not electronic copies of the charts for a minimum of three years. Retaining reproducible electronic copies of all charts noting the names of the examiner and examinee as well as the date and time of testing will also meet the requirements of this Item.
 - (10) An examiner shall conduct no more than five examinations in a 24 hour period.
 - (11) Each examiner shall keep a daily log of examinations. The daily log of examinations shall be maintained by the licensee for a minimum of three years and shall be subject to inspections by the Director or the Director's designee between 8:00 a.m. – 5:00 p.m. Monday through Friday.

Transferred and Recodified from 12 NCAC 07D .0503 Eff. July 1, 2015;

Readopted Eff. August 1, 2020.

Amended Eff. September 1, 2025.

14B NCAC 16 .0707 TRAINING REQUIREMENTS FOR UNARMED SECURITY GUARDS

(a) The basic unarmed security guard training course shall consist of a minimum of 16 hours of classroom instruction including:

- (1) The Security Officer in North Carolina -- (minimum of one hour);
- (2) Legal Issues for Security Officers -- (minimum of three hours);
- (3) Emergency Response -- (minimum of three hours);
- (4) Communications -- (minimum of two hours);
- (5) Patrol Procedures -- (minimum of three hours);
- (6) Note Taking and Report Writing -- (minimum of three hours); and
- (7) Professional Conduct -- (minimum of one hour).

(b) A minimum of four hours of instruction consisting of the topics in Subparagraph (a)(1) and Subparagraph (a)(2) of this Rule shall be completed before any security guard, including probationary, is placed on a duty station. The 16 hour basic unarmed security guard course shall be completed within 30 days from the date of permanent, non-probationary employment.

(c) Training shall be conducted by a Board certified unarmed security guard trainer. A Board created lesson plan covering the training requirements in Paragraph (a) of this Rule shall be used by each trainer and a copy made available to each student during instruction. The trainer may use other forms of media and training materials to supplement the training requirements of Paragraph (a) of this Rule.

(d) The 16 hours of training may be delivered in-person, in-person remotely, synchronously on-line, or in a hybrid format under the following conditions:

- (1) "In-Person" means an instructor physically present in-person in a classroom setting with students physically present in-person in a classroom setting. This is considered traditional in-person training. "In-Person remotely" means an instructor delivering a course to students in an in-person seated classroom while also transmitting to another or multiple other classrooms where students are in-person and observing via video and sound technology. Students must have the ability to have constant audio and visual communication with the instructor as the instructor is presenting. "Synchronously on-line" means instruction utilizing an on-line audio/video platform where the instructor is teaching the course live to students that are attending live and the instructor and students have constant visual and audio communication with each other available. "Hybrid format" means instruction utilizing both in-person classroom teaching as well as synchronously on-line. The instruction

*History Note: Authority G.S. 74C-5;
Eff. June 1, 1984;
Amended Eff. May 1, 2014; December 1, 1987; July 1, 1987;
December 1, 1985;*

is delivered by an instructor that is in-person in a classroom with in-person seated students while the instruction is also being delivered simultaneously in an on-line live format where on-line students have had the ability to have constant audio and video communication with the in-person students and instructor.

- (2) Each student is provided a copy of the unarmed security guard training manual to use for the duration of the 16 hour training course.
- (3) The technology used allows the trainer to see the students and the students to see the trainer in real time during the training.
- (4) All students are able to see and read the screen or monitor, and they must be able to hear and understand the audio presentation. All monitors used in a classroom setting must be at least 32 inches.
- (5) The technology used is of sufficient quality so that the training audio and video is delivered smoothly and without interruption.
- (6) The total number of students receiving the in-person or in-person remotely training at one time does not exceed 35 students. There is no size limitation for synchronous on-line training.
- (7) Any additional training beyond the Board mandated training in the unarmed security guard training manual is taught either before or after the 16 hour unarmed security officer training.

History Note: Authority G.S. 74C-5; 74C-11; 74C-13(m); Eff. January 1, 1990;
Amended Eff. June 1, 2009; November 1, 2006; June 1, 2004;
Transferred and Recodified from 12 NCAC 07D .0707 Eff. July 1, 2015;
Readopted Eff. August 1, 2020;
Amended Eff. September 1, 2025; June 1, 2024; July 1, 2021.

14B NCAC 16 .1203 ACCREDITATION STANDARDS

(a) CE courses may obtain the approval of the Board by submitting the following information to the Board for consideration:

- (1) the nature and purpose of the course;
- (2) the course objectives or goals;
- (3) the outline of the course, including the number of training hours for each segment; and
- (4) the name of the instructor.

(b) The Board shall complete the following review:

- (1) The matter shall be referred to the Training and Education Committee for the appointment of a sub-committee that shall review the course under consideration. The sub-committee shall consist of at least two industry members of the Training and Education Committee. Other members of the sub-committee may be appointed at the discretion of the Training and Education Committee Chairman.

(2) The sub-committee shall review the course to determine if the course is pertinent to the industry, and if the course meets its stated objectives or goals.

(3) When the sub-committee completes its review, it shall report to the Training and Education Committee. The Training and Education Committee shall review the course to determine if the course is pertinent to the industry, and if the course meets its stated objectives and goals. The Training and Education Committee shall then report the findings with a recommendation of acceptance or denial to the Private Protective Services Board.

(c) Upon receipt of the Training and Education Committee report, the Private Protective Services Board shall determine by majority vote if the course will be approved for continuing education credits. In making its determination, the Board shall review the course to determine if the course is pertinent to the industry, and if the course meets its stated objectives or goals.

(d) Each approved course shall remain an approved course for four years from the date of approval by the Board, unless the course content changes or the course instructor changes.

(e) Trainers and instructors shall receive continuing education credit of five hours for every actual teaching hour with an eight hour cap of continuing education credit every two years.

(f) Colleges, universities, trade schools, and other degree granting institutions shall be granted standing approval when the institutions are accredited, certified, or approved by the Department of Public Instruction or by a similar agency in another state and the course is related to law, criminal justice, security profession, finance, ethics, forensics, crime prevention, and investigation. Approval is one credit hour per contact hour up to the maximum 12 credit hours.

History Note: Authority G.S. 74C-5; 74C-22;
Eff. February 1, 2010;
Amended Eff. October 1, 2011;
Transferred and Recodified from 12 NCAC 07D .1303 Eff. July 1, 2015;
Emergency Amendment Eff. May 6, 2020;
Readopted Eff. July 1, 2020;
Temporary Amendment Eff. July 24, 2020;
Temporary Amendment Expired Eff. May 14, 2021;
Amended Eff. September 1, 2025; February 1, 2022; January 1, 2022; July 1, 2021.

14B NCAC 16 .1307 TRAINING REQUIREMENTS FOR UNARMED ARMORED CAR SERVICE GUARDS

(a) The basic unarmed armored car service guard course shall consist of a minimum of 16 hours of classroom instruction including:

- (1) The Security Officer in North Carolina – (minimum of one hour);
- (2) Legal Issues for Security Officers – (minimum of three hours);
- (3) Professional Conduct – (minimum of one hour);

- (4) Armored Security Operations – (minimum of five hours);
- (5) Emergency Responses – (minimum of three hours); and
- (6) Safe Driver Training – (minimum of three hours);

(b) A minimum of four hours of classroom instruction consisting of the topics in Subparagraph (a)(1) and Subparagraph (a)(2) of this Rule shall be completed before any unarmed armored car service guard, including probationary, is placed on a duty station. The 16 hour basic unarmed armored car service guard course shall be completed within 30 days from the date of permanent, non-probationary employment. Unarmed armored car service guard training is not transferable to qualify as unarmed security guard training.

(c) Training shall be conducted by a Board certified unarmed trainer. A Board created lesson plan covering the training requirements in Paragraph (a) of this Rule shall be used by each trainer and a copy made available to each student during instruction. The trainer may use other forms of media and training materials to supplement the training requirements of Paragraph (a) of this Rule.

(d) The 16 hours of training may be delivered in-person, in-person remotely, synchronously on-line, or in a hybrid format under the following conditions:

- (1) "In-person" means an instructor physically present in-person in a classroom setting with students physically present in-person in a classroom setting. This is considered traditional in-person training. "In-person remotely" means an instructor delivering a course to students in an in-person seated classroom while also transmitting to another or multiple other classrooms where students are in-person and observing via video and sound technology. Students must have the ability to have constant audio and visual communication with the instructor as the instructor is presenting. "Synchronously on-line" means instruction utilizing an on-line audio/video platform where the instructor is teaching the course live to students that are attending live and the instructor and students have constant visual and audio communication with each other available. "Hybrid format" means instruction utilizing both in-person classroom teaching as well as synchronously on-line. The instruction is delivered by an instructor that is in-person in a classroom with in-person seated students while the instruction is also being delivered simultaneously in an on-line live format where on-line students have had the ability to have constant audio and video communication with the in-person students and instructor.
- (2) Each student is given a copy of the Board approved unarmed armored car service guard training manual to use for the duration of the 16 hour training course.

- (3) The technology used allows the trainer to see the students and the students to see the trainer in real time during the training.
- (4) All students in each classroom are able to see and read the screen or monitor, and they must be able to hear and understand the audio presentation. All monitors used in a classroom setting must be at least 32 inches .
- (5) The technology used is of sufficient quality so that the training audio and video is delivered smoothly and without interruption.
- (6) The total number of students receiving the in-person or in-person remotely training at one time does not exceed 35 students. There is no size limitation for synchronous on-line training.
- (7) Any additional training beyond the Board mandated training in the unarmed armored car service guard training manual is taught either before or after the 16 hour unarmed armored car service guard training.

History Note: Authority G.S. 74C-3; 74C-5; Eff. January 1, 2013; Transferred and Recodified from 12 NCAC 07D .1407 Eff. July 1, 2015; Readopted Eff. July 1, 2020. Amended Eff. September 1, 2025.

SECTION .1500 - CLOSE PERSONAL PROTECTION

14B NCAC 16 .1501 EXPERIENCE REQUIREMENTS FOR CLOSE PERSONAL PROTECTION LICENSE

(a) In addition to the requirements of G.S. 74C-8 and Section .0200 of this Chapter, applicants for a close personal protection license shall:

- (1) establish three years of verifiable experience while conducting close personal protection services as set forth in G.S. 74C-3(a)(3a) with a private person, firm, association, or corporation within the last 10 years;
- (2) establish three years of verifiable experience while conducting close personal protection services as set forth in G.S. 74C-3(a)(3a) with any federal, state, county or municipal law enforcement agency, or other governmental agency within the last 10 years;
- (3) establish a military occupational specialty and two years of verifiable experience within the past five years in the U.S. Armed Forces while conducting close personal protection services as set forth in G.S. 74C-3(a)(3a) while serving in an official capacity; or
- (4) have completed a course in close personal protection approved by the Board given by a school specializing in close personal protection (or "executive protection") that consists of a minimum of 40 hours of actual classroom and practical instruction within the last two years as required by Rule .1502 of this Chapter; and

- (5) possess a valid basic first aid certificate and CPR and AED certification from the American Red Cross, American Heart Association, American Safety and Health Institute, or National Safety Council.

(b) In addition to the requirements of Section .0200 of this Chapter, an applicant for a close personal protection license that is the spouse of an active duty member of the U.S. Armed Forces shall establish to the Board's satisfaction:

- (1) the applicant holds a current license, certification, or registration from another jurisdiction and the other jurisdiction's requirements are substantially equivalent to or exceed the Board's requirements; and
- (2) the applicant has two years verifiable experience within the past five years while conducting close personal protection as set forth in G.S. 74C-3(a)(3a) while serving in an official capacity with any entity described in Paragraph (a) of this Rule.

History Note: Authority G.S. 74C-5(2); 93B-15.1; Temporary Adoption Eff. April 28, 2023; Eff. November 1, 2023; Amended Eff. September 1, 2025; September 1, 2024.

14B NCAC 16 .1502 TRAINING REQUIREMENTS FOR CLOSE PERSONAL PROTECTION LICENSE

(a) Applicants for a close personal protection license who do not have the experience set forth in Rule .1501(a)(1) through (3) or (b)(1) and (2) of this Section shall complete a basic close personal protection (or "executive protection") training course approved by the Board within the previous 24 months of application. The course shall consist of a minimum of 40 hours of classroom and practical instruction including as a minimum:

- (1) Fundamentals of personal protection, including as a minimum mission planning, performing site surveys, route selection (primary, secondary, etc.), medical evacuation, walking formations (single, multiple, etc.), communications with protectees, and transitional movements (arrivals, departures, plan changes, hasty movements, etc.) – (minimum of 26 hours);
- (2) Practical exercises – (minimum of 12 hours); and
- (3) Legal Issues, including the rules applicable to each of the below blocks of instruction and this Section and North Carolina's laws on use of force, and the federal and State firearms law. The three hour unarmed guard block of instruction, set forth in 14B NCAC 16 .0707 if performing services unarmed, or the four hour armed guard block of instruction set forth in 14B NCAC 16 .0807(c)(1) if performing services armed taught by a certified instructor shall fulfill this requirement – (minimum of two hours).

(b) In addition to the minimum classroom and practical instruction required by Paragraph (a) of this Rule, the applicant must possess a basic valid first aid certificate and CPR and AED certification from the American Red Cross, American Heart Association, American Safety and Health Institute, or National Safety Council.

(c) Subparagraph (a)(3) of this Rule may be conducted remotely as provided for by 14B NCAC 16 .0707(c).

History Note: Authority G.S. 74C-5; Temporary Adoption Eff. April 28, 2023; Eff. September 1, 2025; November 1, 2023.

14B NCAC 17 .0109 DECLARATORY RULING PROCEDURES

(a) All requests for declaratory rulings shall be in writing and mailed to the Board at the Board's address.

(b) Each request for a declaratory ruling shall include the following information:

- (1) the name and address of person requesting the ruling;
- (2) the statute or rule to which the request relates;
- (3) a concise statement of the manner in which the requesting person is aggrieved by the rule or statute or its potential application to him or her;
- (4) names and addresses of additional third persons known to the person aggrieved who may possibly be affected by the requested ruling;
- (5) a statement of all material facts;
- (6) a statement whether or not the person aggrieved is aware of any pending Board action or court action that may bear on the applicability of the statute or rule to the person's particular situation; and
- (7) a statement of the arguments and legal authority supporting the person's position on the applicability of this statute or rule; and

The petitioner shall sign and verify the request before an officer qualified to administer oaths that the information supplied in the request is true and accurate.

(c) Within 30 days of receipt of a request for a declaratory ruling, the Board shall determine whether a ruling is appropriate under the facts stated.

(d) The Board shall proceed to issue a declaratory ruling when the person requesting the rule shows that, with regard to the facts presented:

- (1) the rule or statute in question is unclear on its face;
- (2) circumstances are so changed since the adoption of a rule that a declaratory ruling is warranted;
- (3) the factors specified in the request were not given appropriate consideration by the Board at the time the rule was adopted;
- (4) the rule or statute is unclear in its application to the requesting person's facts; or

- (5) a fair question exists regarding the validity of the rule because of an absence of authority for the Board's adoption of the rule or other irregularities in the Board's rule-making proceedings.

(e) The Board shall not issue a declaratory ruling when the petitioner or his or her request is the subject of, or materially related to, an investigation by the Board or contested case before the Board.

(f) When the Board determines for good cause that the issuance of a declaratory ruling is unnecessary, the Board shall notify, in writing, the person requesting the ruling, stating the reasons for the denial of the request. The Board will ordinarily decline to issue a declaratory ruling when:

- (1) there has been a similar controlling factual determination made by the Board;
- (2) the rule-making record shows that the factual issues raised by the request were specifically considered prior to, or at the time of adoption of the rule;
- (3) the subject matter of the request is involved in pending litigation in any state or federal court in North Carolina, or pending legislation or rulemaking;
- (4) the request does not comply with the procedural guidelines within Paragraphs (a) and (b) of this Rule;
- (5) the Board has previously issued a declaratory ruling on substantially similar facts;
- (6) the Board has previously issued a final agency decision in a contested case on substantially similar facts;
- (7) the subject matter is one concerning which the Board is without authority to make a decision binding the Board or the petitioner;
- (8) the petitioner is not aggrieved by the rule or statute in question or otherwise has no interest in the subject matter of the request; or
- (9) there is reason to believe that the petitioner or some other person or entity materially connected to the subject matter of the request is acting in violation of the G.S. Chapter 74C or the rules adopted by the Board.

The denial of the request is immediately subject to judicial review in accordance with Article 4 of G.S. Chapter 150B.

(g) Prior to issuing a declaratory ruling, the Board may give notice of the declaratory proceedings to any persons it deems appropriate and may direct that fact-finding proceedings appropriate to the circumstances of the particular request be conducted by the Board. The proceedings may consist of written submissions, an oral hearing, or other appropriate procedures. A written ruling on the merits shall be issued within 45 days of the decision to grant the request.

(h) If the Board finds evidence that the factors listed in Subparagraphs (d)(1), (2), or (3) of this Rule exist or potentially exist beyond the specific facts presented in a particular petition for declaratory ruling, the Board shall consider rule-making proceedings on the rule.

(i) A record of each declaratory ruling and the procedures conducted therefor will be maintained by the Board. The record will contain:

- (1) the request for a declaratory ruling;
- (2) all written submissions filed in the request, whether filed by the person requesting the ruling or by any other person;
- (3) a record or summary of oral presentations, if any; and
- (4) a copy of the declaratory ruling.

History Note: Authority G.S. 150B-4;
Eff. September 1, 2025.

TITLE 15A - DEPARTMENT OF ENVIRONMENTAL QUALITY

15A NCAC 18C .1540 CONTROL OF PER- AND POLYFLUOROALKYL SUBSTANCES

The provisions of 40 C.F.R. 141, Subpart Z – Control of Per- and Polyfluoroalkyl Substances (PFAS) are hereby incorporated by reference including any subsequent amendments and editions. Copies for public inspection are available at no cost from the United States Federal Register at <https://www.federalregister.gov/documents/2024/04/26/2024-07773/pfas-national-primary-drinking-water-regulation#p-amd-25> or from the EPA's Drinking Water Hotline at 1-800-426-4791.

History Note: Authority G.S. 130A-315; 130A-320(c); P.L. 93-523; 40 C.F.R. 141;
Eff. September 1, 2025.

TITLE 16 – STATE BOARD OF EDUCATION

16 NCAC 06B .0103 LOCAL POLICIES, RULES, AND REGULATIONS FOR PUBLIC SCHOOL TRANSPORTATION PROGRAMS

(a) Each local board of education shall adopt policies to assure the safe, orderly, and efficient operation of the public school transportation system under its jurisdiction and shall direct the local school administrative unit to adopt rules and regulations to implement those policies. These policies, rules, and regulations shall address, at minimum, the following:

- (1) the use of school buses under G.S. 115C-242(5);
- (2) a uniform system of discipline on school buses;
- (3) a uniform procedure for the recruitment and selection of school bus drivers;
- (4) procedures for relieving a bus driver of driving duties;
- (5) passenger safety rules;
- (6) responsibilities of school bus monitors; and
- (7) duties of local school administrative unit personnel for the administration of the school transportation program.

(b) The local school administrative unit shall post to its website a copy of all policies, rules, and regulations adopted in accordance with this Rule.

*History Note: Authority G.S. 115C-12(17); 115C-240;
Eff. July 1, 1986;
Readoption Eff. September 1, 2025.*

16 NCAC 06B .0107 EVALUATION OF PUBLIC SCHOOL TRANSPORTATION PROGRAMS

Local school administrative units shall permit the Department of Public Instruction to evaluate their public school transportation programs, including the LSAU's supervisory and safety practices, and shall comply with DPI requests for access to vehicles, equipment, workspace, and information regarding those programs.

*History Note: Authority G.S. 115C-127(17); 115C-240;
Eff. July 1, 1986;
Amended Eff. July 1, 1994;
Readoption Eff. September 1, 2025.*

TITLE 21 - OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

CHAPTER 12 - GENERAL CONTRACTORS

21 NCAC 12A .0202 CLASSIFICATION

(a) A general contractor shall be certified in one of the following five classifications:

- (1) Building Contractor. This classification covers all building construction and demolition activity including: commercial, industrial, institutional, and all residential building construction. It includes installation of solar panels; parking decks; all site work, grading and paving of parking lots, driveways, sidewalks, and gutters; storm drainage, retaining or screen walls, and hardware and accessory structures; and indoor and outdoor recreational facilities including natural and artificial surface athletic fields, running tracks, bleachers, and seating. It also covers work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Marine and Freshwater Construction), S(Masonry Construction), S(Roofing), S(Metal Erection), S(Swimming Pools), S(Asbestos), S(Wind Turbine), and S(Sign/Billboard).
- (2) Residential Contractor. This classification covers all construction and demolition activity pertaining to the construction of residential units that are required to conform to the Residential Building Code adopted by the Building Code Council pursuant to G.S. 143-138; all site work, driveways, sidewalks, and water and wastewater systems ancillary to the

aforementioned structures and improvements; and the work done as part of such residential units under the specialty classifications of S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), S(Swimming Pools), and S(Asbestos). This classification also covers the installation of solar panels on residential units that are required to conform to the residential building code.

- (3) Highway Contractor. This classification covers all highway construction activity including: demolition, grading, paving of all types, installation of exterior artificial athletic surfaces, relocation of public and private utility lines ancillary to a principal project, bridge construction and repair, culvert construction and repair, parking decks, sidewalks, curbs, gutters and storm drainage. It also includes installation and erection of guard rails, fencing, signage, and ancillary highway hardware; covers paving and grading of airport and airfield runways, taxiways, and aprons, including the installation of fencing, signage, runway lighting and marking; and work done under the specialty classifications of S(Boring and Tunneling), S(Concrete Construction), S(Marine and Freshwater Construction), S(Railroad Construction), H(Grading and Excavating), S(Metal Erection), and S(Sign/Billboard).
- (4) Public Utilities Contractor. This classification includes demolition and operations that are the performance of construction work on water and wastewater systems and on the subclassifications of facilities set forth in G.S. 87-10(b)(3). The Board shall issue a license to a public utilities contractor that is limited to any of the subclassifications set forth in G.S. 87-10(b)(3) for which the contractor qualifies. A public utilities contractor license covers work done under the specialty classifications of S(Boring and Tunneling), PU(Communications), PU(Fuel Distribution), PU(Electrical-Ahead of Point of Delivery), PU(Water Lines and Sewer Lines), PU(Water Purification and Sewage Disposal), and S(Swimming Pools).
- (5) Specialty Contractor. This classification covers all construction operation and performance of contract work outlined as follows:
 - (A) H(Grading and Excavating). This classification covers the digging, moving, and placing of materials forming the surface of the earth, excluding air and water, in such a manner that the cut, fill, excavation, grade, trench, backfill, or any similar operation may be executed with the

- use of hand and power tools and machines used for these types of digging, moving, and material placing. It covers work on earthen dams and the use of explosives used in connection with all or any part of the activities described in this Subparagraph. It also includes clearing and grubbing, and erosion control activities.
- (B) S(Boring and Tunneling). This classification covers the construction of underground or underwater passageways by digging or boring through and under the earth's surface, including the bracing and compacting of such passageways to make them safe for the purpose intended. It includes preparation of the ground surfaces at points of ingress and egress.
- (C) PU (Communications). This classification covers the demolition and installation of the following:
- (i) all types of pole lines, and aerial and underground distribution cable for telephone systems;
 - (ii) aerial and underground distribution cable for cable TV and master antenna TV systems capable of transmitting R.F. signals;
 - (iii) underground conduit and communication cable, including fiber optic cable; and
 - (iv) microwave systems and towers, including foundations and excavations where required, when the microwave systems are being used for the purpose of transmitting R.F. signals; and installation of PCS or cellular telephone towers and sites.
- (D) S(Concrete Construction). This classification covers the construction, demolition, and installation of foundations, pre-cast silos, and other concrete tanks or receptacles, prestressed components, and gunite applications, but excludes bridges, streets, sidewalks, curbs, gutters, driveways, parking lots, and highways.
- (E) PU(Electrical-Ahead of Point of Delivery). This classification covers the construction, installation, alteration, maintenance, or repair of an electrical wiring system, including sub-stations or components thereof, which is or is intended to be owned, operated, and maintained by an electric power supplier, such as a public or private utility, a utility cooperative, or any other properly franchised electric power supplier, for the purpose of furnishing electrical services to one or more customers. This classification includes the construction of solar arrays.
- (F) PU(Fuel Distribution). This classification covers the construction, installation, alteration, maintenance, or repair of systems for distribution of petroleum fuels, petroleum distillates, natural gas, chemicals, and slurries through pipeline from one station to another. It includes all excavating, trenching, and backfilling in connection therewith. It covers the installation, replacement, and removal of above ground and below ground fuel storage tanks.
- (G) PU(Water Lines and Sewer Lines). This classification covers demolition and construction work on water and sewer mains, water service lines, and house and building sewer lines, as defined in the North Carolina State Building Code, and covers water storage tanks, lift stations, pumping stations, and appurtenances to water storage tanks, lift stations, and pumping stations. It includes pavement patching, backfill, and erosion control as part of construction.
- (H) PU(Water Purification and Sewage Disposal). This classification covers the demolition and performance of construction work on water and wastewater systems; water and wastewater treatment facilities; and all site work, grading, and paving of parking lots, driveways, sidewalks, curbs, and gutters that are ancillary to such construction of water and wastewater treatment facilities. It covers the work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), and S(Metal Erection) as part of the work on water and wastewater treatment facilities.

- | | |
|---|---|
| <p>(I) S(Insulation). This classification covers the installation, alteration, or repair of materials classified as insulating media used for the non-mechanical control of temperatures in the construction of residential and commercial buildings. It does not include the insulation of mechanical equipment, and lines and piping that are ancillary to the building.</p> <p>(J) S(Interior Construction). This classification covers the installation and demolition of acoustical ceiling systems and panels, load bearing and non-load bearing partitions, lathing and plastering, flooring and finishing, interior recreational surfaces, window and door installation, and installation of fixtures, cabinets, and millwork. It includes the removal of asbestos and replacement with non-toxic substances.</p> <p>(K) S(Marine and Freshwater Construction). This classification covers all marine and freshwater demolition and construction and repair activities and all types of marine and freshwater construction and demolition in deep-water installations and in harbors, inlets, sounds, bays, channels, canals, rivers, lakes, ponds, or any navigable waterway; it covers dredging, construction, and installation of pilings, piers, decks, slips, docks, and bulkheads. It does not include other structures that may be constructed on docks, slips, and piers.</p> <p>(L) S(Masonry Construction). This classification covers the demolition and installation, with or without the use of mortar or adhesives, of the following:</p> <ul style="list-style-type: none"> (i) brick, concrete block, gypsum partition tile, pumice block, or other lightweight and facsimile units and products common to the masonry industry; (ii) installation of fire clay products and refractory construction; and (iii) installation of rough cut and dressed stone, marble panels and slate units, and installation of structural glazed tile or block, glass brick or block, and solar screen tile or block. | <p>(M) S(Railroad Construction). This classification covers the demolition, building, construction, and repair of railroad lines including:</p> <ul style="list-style-type: none"> (i) the clearing and filling of rights-of-way; (ii) shaping, compacting, setting, and stabilizing of road beds; (iii) setting ties, tie plates, rails, rail connectors, frogs, switch plates, switches, signal markers, retaining walls, dikes, fences, and gates; and (iv) construction and repair of tool sheds and platforms. <p>(N) S(Roofing). This classification covers the installation, demolition, and repair of roofs and decks on residential, commercial, industrial, and institutional structures requiring materials that form a water-tight and weather-resistant surface. The term "materials" for purposes of this Subparagraph includes cedar, cement, asbestos, clay tile and composition shingles, all types of metal coverings, wood shakes, single ply and built-up roofing, protective and reflective roof and deck coatings, sheet metal valleys, flashings, gravel stops, gutters and downspouts, and bituminous waterproofing, including torch down roof systems. Any insulation material installed as a component of a torch down roofing system shall be included as work covered under this classification.</p> <p>(O) S(Metal Erection). This classification covers:</p> <ul style="list-style-type: none"> (i) the field fabrication, demolition, erection, repair, and alteration of architectural and structural shapes, plates, tubing, pipe and bars, not limited to steel or aluminum, that are or may be used as structural members for buildings, equipment, and structure; and (ii) the layout, assembly and erection by welding, bolting, riveting, or fastening in any manner metal products as curtain walls, tanks of all types, hoppers, structural members for buildings, towers, stairs, conveyor frames, cranes and crane runways, canopies, carports, |
|---|---|

- guard rails, signs, steel scaffolding as a permanent structure, rigging, flagpoles, fences, steel and aluminum siding, bleachers, fire escapes, and seating for stadiums, arenas, and auditoriums.
- (P) S(Swimming Pools). This classification covers the construction, demolition, service, and repair of all swimming pools. It includes:
- (i) excavation and grading;
 - (ii) construction of concrete, gunite, fiberglass, metal-walled with liner, steel-walled with liner, and plastic-type pools, pool decks, and walkways, and tiling and coping; and
 - (iii) installation of all equipment including pumps, filters, and chemical feeders. It does not include direct connections to a sanitary sewer system or to portable water lines, nor the grounding and bonding of any metal surfaces or the making of any electrical connections.
- (Q) S(Asbestos). This classification covers renovation or demolition activities involving the repair, maintenance, removal, isolation, encapsulation, or enclosure of Regulated Asbestos Containing Materials (RACM) for any commercial, industrial, or institutional building, whether public or private. It also covers all types of residential building construction involving RACM during renovation or demolition activities. This specialty is required only when the cost of asbestos activities as described herein are equal to or exceed forty thousand dollars (\$40,000).
- (R) S(Wind Turbine). This classification covers the construction, demolition, installation, and repair of wind turbines, wind generators, and wind power units. It includes assembly of blades, generator, turbine structures, and towers. It also includes ancillary foundation work, field fabrication of metal equipment, and structural support components.
- (S) S(Sign/Billboard). This classification covers the construction, renovation, installation, repair, erection, or demolition of any structural signs or billboards, as used in G.S. 136-128(3) that are permanently annexed to real property and as defined in Article 11 of Chapter 136 of the N.C. General Statutes.
- (b) An applicant may be licensed in more than one classification of general contracting provided the applicant meets the qualifications for the classifications, which includes passing the examinations for the classification requested by the applicant. The license granted to an applicant who meets the qualifications for all of the classifications set forth in the rules of this Section shall be designated "unclassified."
- History Note: Authority G.S. 87-1; 87-4; 87-10; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. June 1, 1994; June 1, 1992; May 1, 1989; January 1, 1983; Temporary Amendment Eff. February 18, 1997; Amended Eff. April 1, 2014; June 1, 2011; September 1, 2009; April 1, 2004; April 1, 2003; August 1, 2002; April 1, 2001; August 1, 2000; August 1, 1998; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016; Amended Eff. September 1, 2019; April 1, 2018; Recodified from 21 NCAC 12 .0202 Eff. January 2, 2020; Amended Eff. September 1, 2025; December 1, 2023; January 1, 2023; January 1, 2022.*

21 NCAC 12A .0303 APPLICATION FOR LICENSURE

(a) General. Applications for licensure shall contain the following:

- (1) the Social Security Number of examinees and qualifiers and tax identification numbers for corporate applicants;
- (2) the applicant's contact information;
- (3) the name of business under which the licensee will be operating, if any;
- (4) requested designation of license limitation and classifications;
- (5) statements and supporting documentation about all crimes of which the applicant has been convicted;
- (6) certified copies of court records reflecting information regarding all crimes of which the applicant and qualifiers have been convicted;
- (7) statements and supporting documentation indicating whether the applicant or qualifiers has any disciplinary history with the Board or any other occupational licensing, registration, or certification agency;
- (8) statements and supporting documentation establishing financial responsibility as required by G.S. 87-10(a) and Rule .0204 of this Subchapter;

- (9) letters of reference as prescribed in Rule .0308 of this Subchapter; and
- (10) the application fee as set forth in Rule .0304 of this Subchapter.

(b) Criminal Background Check. In addition to the requirements set forth above, all new applicants shall consent to criminal background checks to be performed by a third-party vendor identified by the Board. The cost of the background check shall be paid directly to the vendor. The qualifiers of all new applicants and any qualifier being added to an existing license shall submit to the background check. Additionally, the following individuals shall submit to the background check, based upon the entity or person applying for the license:

- (1) Sole proprietor license: The sole proprietor;
- (2) Corporation: The president;
- (3) Limited liability company: All managers and members;
- (4) Partnerships (including limited liability partnerships): All partners.

(c) Reciprocity. Applicants based on reciprocity shall submit with the application form a copy of the applicant's license in the other state, certified by the other state licensing board as being a copy of a valid license. Applicants shall have taken and passed the exam offered in the state from which they are seeking reciprocity, or an examination offered by the National Association of State Contractors Licensing Agencies (NASCLA). Applicants shall also be required to take and pass the Board's North Carolina law, rule, and building code examination prior to licensure.

History Note: Authority G.S. 87-1; 87-4; 87-10; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016; Amended Eff. September 1, 2019; April 1, 2018; Recodified from 21 NCAC 12 .0303 Eff. January 2, 2020; Amended Eff. September 1, 2025; January 1, 2023; March 1, 2022.

21 NCAC 12A .0308 CHARACTER REFERENCES

History Note: Authority G.S. 87-1; 87-10; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016; Amended Eff. September 1, 2019; Recodified from 21 NCAC 12 .0308 Eff. January 2, 2020; Amended Eff. December 1, 2023; Repealed Eff. September 1, 2025.

21 NCAC 12A .0701 IMPROPER PRACTICE

(a) Complaint. Any person who believes that a licensed general contractor is in violation of the provisions of G.S. 87-11 may file a complaint with the Board against a licensee, qualifier, or both by setting forth in writing those charges and swearing to their authenticity. The complaint shall be submitted to the Board and

include the complainant's contact information, project location, and name of the licensee, qualifier, or both.

(b) Preliminary or Threshold Determination:

- (1) A complaint filed in accordance with G.S. 87-11(a1) shall be forwarded to a staff investigator for investigation. Within 30 days, the Board shall forward a written notice of the complaint to the licensee and qualifier(s) against whom the charge is made. The notice shall request a response from the licensee and qualifier(s). The Board shall send notice of the charge and of the alleged facts or alleged conduct through the Board's licensure portal and by email to the address of the licensee and qualifier(s).

- (2) After the investigation is complete, the charge shall be referred to the review committee. The review committee shall consist of the following individuals:

- (A) one member of the Board;
- (B) the Secretary-Treasurer or his designee; and
- (C) a staff person agreed upon by the individuals listed above.

- (3) Based upon the complaint and investigation, the review committee shall recommend to the Board that:

- (A) The charge be dismissed;
- (B) When the charge is admitted as true by the licensee and qualifier(s), the Board accept the licensee's and qualifier(s)' admission of guilt and order the licensee and qualifier(s) not to commit in the future the act or acts admitted by him to have been violated and not to violate any of the acts of misconduct specified in G.S. 87-11 at any time in the future; or
- (C) The charge, whether admitted or denied, be presented to the full Board for a hearing and determination by the Board on the merits of the charge in accordance with the substantive and procedural requirements of the provisions of Section .0800 of this Chapter and the provisions of G.S. 87-11. Prior to the charge's being heard and determined by the Board, it may be resolved by consent order.

History Note: Authority G.S. 87-4; 87-11; 150B-3; 150B-38; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. April 1, 2014; June 1, 2011; April 1, 2006; April 1, 2003; May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016; Amended Eff. April 1, 2018; Recodified from 21 NCAC 12 .0701 Eff. January 2, 2020; Amended Eff. September 1, 2025.

**21 NCAC 12B .0402 RENEWAL AND EXPIRATION
OF INSTRUCTOR APPROVAL**

(a) Board approval of instructors shall expire annually on December 1 following issuance of Board approval.

(b) A provider offering courses shall file an application for a previously approved instructor renewal no less than 30 days immediately preceding expiration of approval. The instructor renewal application shall include the instructor's:

- (1) legal name, address, email address, and telephone number;
- (2) general contractor's license number and qualifier ID number, if applicable, and instructor ID number assigned by the Board;
- (3) course name(s) and course number(s) for which the provider is seeking approval as an instructor; and

(4) signature.

(c) In order to reinstate an instructor approval that has been expired for less than one year, the former instructor shall meet the requirements set forth in Paragraph (b) of this Rule.

(d) If an instructor approval has been expired for more than one year, the provider shall file an application for initial instructor approval pursuant to Rule .0401 of this Subchapter.

History Note: Authority G.S. 87-10.2(d);

Temporary Adoption Eff. January 2, 2020;

Eff. September 1, 2020;

Amended Eff. September 1, 2025.

This Section contains information for the meeting of the Rules Review Commission on August 28, 2025 at 1711 New Hope Church Road, RRC Commission Room, Raleigh, NC. Anyone wishing to submit written comment on any rule before the Commission should submit those comments to the RRC staff, the agency, and the individual Commissioners. Specific instructions and addresses may be obtained from the Rules Review Commission at 984-236-1850. Anyone wishing to address the Commission should notify the RRC staff and the agency no later than 5:00 p.m. of the 2nd business day before the meeting. Please refer to RRC rules codified in 26 NCAC 05.

RULES REVIEW COMMISSION MEMBERS**Appointed by Senate**

Jeanette Doran (Chair)
John Hahn
Jeff Hyde
Wyatt Dixon, III
Bill Nelson

Appointed by House

Jake Parker (1st Vice-Chair)
Paul Powell (2nd Vice-Chair)
Wayne R. Boyles, III
Christopher Loutit
Randy Overton

COMMISSION COUNSEL

Seth M. Ascher 984-236-1934
Travis Wiggs 984-236-1929

RULES REVIEW COMMISSION MEETING DATES

October 30, 2025 December 18, 2025
November 20, 2025 January 29, 2026

**RULES REVIEW COMMISSION MEETING
MINUTES****August 28, 2025**

The Rules Review Commission met on Thursday, August 28, 2025, in the Commission Room at 1711 New Hope Church Road, Raleigh, North Carolina, and the meeting was streamed for the public via Webex.

Commissioners Wyatt Dixon, III, John S. Hahn, Jeff Hyde, Chris Loutit, Randy Overton, Bill Nelson, and Jake Parker were present in the Commission Room.

Staff member Alexander Burgos, Commission Counsel Seth Ascher and Travis Wiggs were present in the room.

The meeting was called to order at 10:01 a.m. with 1st Vice Chair Parker presiding.

1st Vice Chair Parker introduced Administrative Law Judge Linda F. Nelson with the Office of Administrative Hearings to the Commission.

Judge Nelson administered the Oath of Office to Commissioner Bill Nelson.

The 1st Vice Chair read the notice required by G.S. 138A-15(e) and reminded the Commission members that they have a duty to avoid conflicts of interest and the appearance of conflicts of interest.

The 1st Vice Chairman notified the Commissioners that the following items on the agenda would be taken up out of order at the end of the agenda: Permanent Rules from the State Board of Elections and Board of Dental Examiners.

APPROVAL OF MINUTES

The Chair asked for any discussion, comments, or corrections concerning the minutes from the July 30, 2025 meeting. There were none, and the minutes were unanimously approved as distributed.

FOLLOW-UP MATTERS**Private Protective Services Board**

14B NCAC 16 .0707, .1203, .1307, .1501, and .1502 were unanimously approved.

The Commission voted to object to 14B NCAC 16 .0701, .0801, .1301, and .1401 consistent with the staff opinion dated June 20, 2025 which states the agency failed to meet the standards in G.S. 150B-21.9(a)(2), and (4) because they required a form that did not have its complete contents or substantive requirements prescribed by rule or statute in the staff opinion dated June 20, 2025. See G.S. 150B-2(8a)d.

Jeff Gray, the rulemaking coordinator and general counsel for the agency, addressed the Commission.

Commission for Public Health

15A NCAC 18C .1540 was unanimously approved.

LOG OF FILINGS (PERMANENT RULES)**State Board of Elections**

The Commission voted to waive 26 NCAC 05 .0103 to extend the deadline to accept public comments.

08 NCAC 21 .0102, .0106, .0108, .0204; 22 .0101, .0102, .0103, .0104, .0105, .0106, .0107, .0201, .0202, .0203, .0301, .0302, .0303, .0304, .0305, .0306, .0401, .0402, .0501, .0502, and .0601 were unanimously approved.

Kevin Hayes, the Vice Chairman of the Constitution Party of North Carolina, addressed the Commission.

Anna Lee Dillon Ordoubadi, Co–Chair of the North Carolina Green Party, addressed the Commission.

Adam Steele, Assistant General Counsel with the agency, addressed the Commission.

In accordance with G.S. 150B-21.3(b2), the Commission received over ten letters of objection requesting legislative review and a delayed effective date for 08 NCAC 22 .0104, .0105, and .0305.

Department of Insurance

11 NCAC 24 .0101, .0102, .0103, .0104, .0105, .0106, .0107, and .0108 were unanimously approved.

Department of Labor

13 NCAC 01D .0101 and .0102 were unanimously approved.

Private Protective Services Board

14B NCAC 16 .0103, .0105, .0116, .0117, .0501, .0502, and .0503 were unanimously approved.

Alarm Systems Licensing Board

14B NCAC 17 .0109 was unanimously approved.

State Board of Education

16 NCAC 06B .0103 and .0107 were unanimously approved.

Licensing Board for General Contractors

21 NCAC 12A .0202, .0303, .0308, .0701, and 12B .0402 were unanimously approved.

Board of Dental Examiners

The Commission voted to object to 21 NCAC 16A .0101; 16F .0111, and 16V .0103 finding that the rules did not satisfy G.S. 150B-21.9(a). Specifically, the Commission objected to the rules pursuant to G.S. 150B-21.9(a)(1), (2), and (3).

Marcus C. Hewitt of Fox Rothschild LLP addressed the Commission.

Tom Fetzner of Strategic Partners addressed the Commission.

Michael Riccobene of Riccobene Associates Family Dentistry addressed the Commission.

Doug Bocker, with the Bocker Law firm, and representing the agency, addressed the Commission.

Office of Administrative Hearings

26 NCAC 03 .0101 and .0102 were withdrawn at the request of the agency. No action was required by the Commission.

EXISTING RULES REVIEW

Tobacco Trust Fund Commission

02 NCAC 57 - The Commission unanimously approved the report as submitted by the agency.

Office of State Fire Marshal

11 NCAC 05A, 05D, 07 - The Commission unanimously approved the reports as submitted by the agency.

Fire and Rescue Commission

11 NCAC 05B, 05C - The Commission unanimously approved the reports as submitted by the agency.

Environmental Management Commission

15A NCAC 02G, 02I, 02L, 02N, 02O, 02P - The Commission unanimously approved the reports as submitted by the agency.

Department of Revenue

17 NCAC 04 - The Commission unanimously approved the report as submitted by the agency.

Department of Transportation

19A NCAC 01, 04, 05, 06 - The Commission unanimously approved the reports as submitted by the agency.

Hearing Aid Dealers and Fitters Board

21 NCAC 22 - The Commission unanimously approved the report as submitted by the agency.

Board of Physical Therapy Examiners

21 NCAC 48 - The Commission unanimously approved the report as submitted by the agency.

Readoptions

Board of Agriculture

02 NCAC 31A, 31C, 39, 43, 53 - As reflected in the attached letter, the Commission voted to schedule the readoption of these Rules no later than November 1, 2027, pursuant to G.S. 150B-21.3A(d)(2).

Medical Care Commission

10A NCAC 13A, 13D – As reflected in the attached letter, the Commission voted to schedule the readoption of these Rules no later than September 1, 2027 pursuant to G.S. 150B-21.3A(d)(2).

Agriculture Finance Authority

24 NCAC 02 - As reflected in the attached letter, the Commission voted to schedule the readoption of these Rules no later than November 1, 2027, pursuant to G.S. 150B-21.3A(d)(2).

COMMISSION BUSINESS

The Commission unanimously voted to approve the 2026 RRC meeting schedule.

At 12:15 p.m., upon a motion by the 1st Vice Chair and a second by Commissioner Overton, the Commission voted to call the public meeting of the Rules Review Commission to enter into closed session pursuant to G.S. 143-318.11(a)(3) regarding RC v. RRC and CJETS v. RRC.

At 12:37 p.m., the Commission reconvened its public meeting of the Rules Review Commission after concluding the closed session. Commissioner Hyde did not return following the closed session.

The 1st Vice Chair announced that the Commission Election of Officers will be held at the next meeting.

The meeting adjourned at 12:36 p.m.

The next regularly scheduled meeting of the Commission is Thursday, September 25, 2025, at 10:00 a.m.

Alexander Burgos, Paralegal

Minutes approved by the Rules Review Commission:
Jeanette Doran, Chair

August 28, 2025

Rules Review Commission
Meeting
Please Print Legibly

Name	Agency
Emily Willy	NCDOT
Jay Frick	NC DWR
Ellen Roeber	NC Board PTEaminers
DAVID GADD	NC BD PT Examiners
Ann Wall	SOS
Bobby White	NC Dental Board
Tom Fitzer	Heartland Self
Tamara Pyles	NC DOR
Laura Lansford	NCDOR
Elly Young	NCDOT
Susan Keri	Heartland
Marc Hewitt	Self
Alisha Benjamin	NC DOI
Paul Cox	NCSBE
Lindsay Wakeley	"
Ann Steele	"
Robert Croom	NCDOT
Julie H. Jones	PHS/ASLVS
Kyle Hensar	OSFM

Rules Review Commission Meeting August 28, 2025**Via WebEx**

Name	Agency
Tamika Jenkins	DHHS
Dana McGhee	ICNC
Devon Horine	DHHS
Ashley Snyder	Labor
Brian Liebman	OAH
Amy Funderburk	DOI
Ryan Collins	DPI
Laura Rowe	NC treasurer
Jessica Montie	DEQ
Karen Higgins	DEQ
Carla Rose	Labor
Julie Ventaloro	OSBM
Jennifer Everett	DEQ
William Peaslee	OAH
William Upchurch	NCAGR
Anna Hayworth	NCAGR
Julie Eddins	OAH
Catherine Blum	DEQ
Shanah Black	DHHS
Eric Anderson	
Catherine Lee	Hedrick Gardner
Anna Lee Dillon	
Dena J Brown	NCLBGC
Misty PM	DHHS
Larry Ascher	
Hope Ascher	
Chris Miller	
Ashley Ratliff	NCBAR
Gabby Decker	BCBSNC
Dilcy Burton	DOJ
Whitney Waldenberg	Brocken Law Firm
Sarah Sonnenberg	
Kevin Hayes	
Terra Gang	DOR
Elizabeth Pope	NCSWB
Alex Ward	DOJ
John H Schaeffer	DOJ
Connor rose	
Anna Baird Choi	NCLBGC
Renee Metz	ABC
Ian LaBrie	
Sherri Roycroft	Brocken Law Firm
James Nguyen	



**STATE OF NORTH CAROLINA
OFFICE OF ADMINISTRATIVE HEARINGS**

August 29, 2025

Anna Hayworth

Sent via email to: Anna.Hayworth@ncagr.gov

Re: Readoption deadline for 02 NCAC 31A, 31C, 39, 43, 53

Dear Ms. Hayworth:

Attached to this letter is a list of rules subject to readoption pursuant to the periodic review and expiration of existing rules as set forth in G.S. 150B-21.3A. After consultation with your agency, the Rules Review Commission established a readoption date for these rules at the Rules Review Commission meeting on June 26, 2025.

Pursuant to G.S. 150B-21.3A(d)(2), the rules listed in the attachment shall be readopted by the agency no later than **November 1, 2027**.

If you have any questions regarding the Commission's actions, please let me know.

Sincerely,

/s/ Travis Wiggs
Travis Wiggs
RRC Counsel

Melissa Owens Lassiter, Director
Chief Administrative Law Judge

John C. Evans
Senior Administrative Law Judge

An Equal Employment Opportunity Employer
1711 New Hope Church Road, Raleigh, NC 27609
Telephone: (984) 236-1850 | Facsimile: (984) 236-1871
www.oah.nc.gov

RRC DETERMINATION
 PERIODIC RULE REVIEW
 February 27, 2025
 APO Review: April 30, 2025
 Agriculture, Board of
 Total: 121

RRC Determination: Necessary

02 NCAC 31A .0101	02 NCAC 43L .0314	02 NCAC 43L .0612
02 NCAC 31A .0102	02 NCAC 43L .0315	02 NCAC 43L .0613
02 NCAC 31C .0101	02 NCAC 43L .0316	02 NCAC 43L .0614
02 NCAC 31C .0102	02 NCAC 43L .0317	02 NCAC 43L .0615
02 NCAC 31C .0103	02 NCAC 43L .0318	02 NCAC 43L .0616
02 NCAC 31C .0104	02 NCAC 43L .0319	02 NCAC 43L .0617
02 NCAC 39 .0101	02 NCAC 43L .0320	02 NCAC 43L .0618
02 NCAC 43A .0102	02 NCAC 43L .0321	02 NCAC 43L .0619
02 NCAC 43B .0101	02 NCAC 43L .0322	02 NCAC 43L .0620
02 NCAC 43B .0102	02 NCAC 43L .0323	02 NCAC 43L .0621
02 NCAC 43C .0101	02 NCAC 43L .0324	02 NCAC 43L .0622
02 NCAC 43C .0102	02 NCAC 43L .0325	02 NCAC 43L .0623
02 NCAC 43C .0103	02 NCAC 43L .0326	02 NCAC 43L .0624
02 NCAC 43C .0104	02 NCAC 43L .0327	02 NCAC 43L .0625
02 NCAC 43C .0105	02 NCAC 43L .0328	02 NCAC 43L .0626
02 NCAC 43C .0106	02 NCAC 43L .0329	02 NCAC 43L .0627
02 NCAC 43C .0107	02 NCAC 43L .0330	02 NCAC 43L .0628
02 NCAC 43C .0108	02 NCAC 43L .0331	02 NCAC 43L .0629
02 NCAC 43D .0101	02 NCAC 43L .0332	02 NCAC 43L .0630
02 NCAC 43D .0102	02 NCAC 43L .0333	02 NCAC 43L .0631
02 NCAC 43D .0103	02 NCAC 43L .0334	02 NCAC 43L .0632
02 NCAC 43D .0104	02 NCAC 43L .0335	02 NCAC 43L .0634
02 NCAC 43D .0105	02 NCAC 43L .0336	02 NCAC 43L .0635
02 NCAC 43D .0106	02 NCAC 43L .0337	02 NCAC 43L .0636
02 NCAC 43E .0102	02 NCAC 43L .0338	02 NCAC 43L .0637
02 NCAC 43E .0103	02 NCAC 43L .0501	02 NCAC 43L .0638
02 NCAC 43E .0104	02 NCAC 43L .0502	02 NCAC 43L .0639
02 NCAC 43G .0101	02 NCAC 43L .0503	02 NCAC 43L .0640
02 NCAC 43G .0102	02 NCAC 43L .0504	02 NCAC 43L .0641
02 NCAC 43G .0103	02 NCAC 43L .0505	02 NCAC 43L .0642
02 NCAC 43G .0105	02 NCAC 43L .0601	02 NCAC 43L .0643
02 NCAC 43G .0106	02 NCAC 43L .0602	02 NCAC 43L .0644
02 NCAC 43L .0303	02 NCAC 43L .0603	02 NCAC 43L .0645
02 NCAC 43L .0306	02 NCAC 43L .0604	02 NCAC 43L .0646
02 NCAC 43L .0307	02 NCAC 43L .0605	02 NCAC 43L .0647
02 NCAC 43L .0308	02 NCAC 43L .0606	02 NCAC 43L .0648
02 NCAC 43L .0309	02 NCAC 43L .0607	02 NCAC 43L .0649
02 NCAC 43L .0310	02 NCAC 43L .0608	02 NCAC 43L .0650
02 NCAC 43L .0311	02 NCAC 43L .0609	02 NCAC 53 .0101
02 NCAC 43L .0312	02 NCAC 43L .0610	
02 NCAC 43L .0313	02 NCAC 43L .0611	



**STATE OF NORTH CAROLINA
OFFICE OF ADMINISTRATIVE HEARINGS**

August 28, 2025

Shanah Black, Medical Care Commission
Sent via email only to: shanah.black@dhhs.nc.gov

Re: Readoption deadline for 10A NCAC 13A, 13D

Dear Ms. Black,

Attached to this letter is a list of rules subject to readoption pursuant to the periodic review and expiration of existing rules as set forth in G.S. 150B-21.3A. After consultation with your agency, the Rules Review Commission established a readoption date for these rules at the August 28, 2025, Rules Review Commission meeting.

Pursuant to G.S. 150B-21.3A(d)(2), the rules listed in the attachment shall be readopted by the agency no later than **September 1, 2027**.

If you have any questions regarding the Commission's actions, please let me know.

Sincerely,

/s/ Seth Ascher
Seth Ascher
Commission Counsel

Melissa Owens Lassiter, Director
Chief Administrative Law Judge

John C. Evans
Senior Administrative Law Judge

An Equal Employment Opportunity Employer
1711 New Hope Church Road, Raleigh, NC 27609
Telephone: (984) 236-1850 | Facsimile: (984) 236-1871
www.oah.nc.gov

RRC DETERMINATION
PERIODIC RULE REVIEW
January 30, 2025
APO Review: April 02, 2025
Medical Care Commission
Total: 64

RRC Determination: Necessary

10A NCAC 13A .0101	10A NCAC 13D .2307
10A NCAC 13A .0201	10A NCAC 13D .2308
10A NCAC 13A .0202	10A NCAC 13D .2309
10A NCAC 13A .0203	10A NCAC 13D .2401
10A NCAC 13D .2001	10A NCAC 13D .2402
10A NCAC 13D .2101	10A NCAC 13D .2501
10A NCAC 13D .2102	10A NCAC 13D .2502
10A NCAC 13D .2103	10A NCAC 13D .2503
10A NCAC 13D .2104	10A NCAC 13D .2504
10A NCAC 13D .2105	10A NCAC 13D .2601
10A NCAC 13D .2106	10A NCAC 13D .2602
10A NCAC 13D .2107	10A NCAC 13D .2603
10A NCAC 13D .2108	10A NCAC 13D .2604
10A NCAC 13D .2109	10A NCAC 13D .2605
10A NCAC 13D .2201	10A NCAC 13D .2606
10A NCAC 13D .2202	10A NCAC 13D .2607
10A NCAC 13D .2203	10A NCAC 13D .2701
10A NCAC 13D .2204	10A NCAC 13D .2801
10A NCAC 13D .2205	10A NCAC 13D .2802
10A NCAC 13D .2206	10A NCAC 13D .2901
10A NCAC 13D .2207	10A NCAC 13D .2902
10A NCAC 13D .2208	10A NCAC 13D .3003
10A NCAC 13D .2209	10A NCAC 13D .3101
10A NCAC 13D .2210	10A NCAC 13D .3102
10A NCAC 13D .2211	10A NCAC 13D .3103
10A NCAC 13D .2212	10A NCAC 13D .3104
10A NCAC 13D .2301	10A NCAC 13D .3201
10A NCAC 13D .2302	10A NCAC 13D .3202
10A NCAC 13D .2303	10A NCAC 13D .3401
10A NCAC 13D .2304	10A NCAC 13D .3402
10A NCAC 13D .2305	10A NCAC 13D .3403
10A NCAC 13D .2306	10A NCAC 13D .3404



**STATE OF NORTH CAROLINA
OFFICE OF ADMINISTRATIVE HEARINGS**

August 29, 2025

Anna Hayworth

Sent via email to: Anna.Hayworth@ncagr.gov

Re: Readoption deadline for 24 NCAC 02

Dear Ms. Hayworth:

Attached to this letter is a list of rules subject to readoption pursuant to the periodic review and expiration of existing rules as set forth in G.S. 150B-21.3A. After consultation with your agency, the Rules Review Commission established a readoption date for these rules at the Rules Review Commission meeting on June 26, 2025.

Pursuant to G.S. 150B-21.3A(d)(2), the rules listed in the attachment shall be readopted by the agency no later than **November 1, 2027**.

If you have any questions regarding the Commission's actions, please let me know.

Sincerely,

/s/ Travis Wiggs

Travis Wiggs
RRC Counsel

Melissa Owens Lassiter, Director
Chief Administrative Law Judge

John C. Evans
Senior Administrative Law Judge

An Equal Employment Opportunity Employer
1711 New Hope Church Road, Raleigh, NC 27609
Telephone: (984) 236-1850 | Facsimile: (984) 236-1871
www.oah.nc.gov

RRC DETERMINATION
PERIODIC RULE REVIEW
February 27, 2025
APO Review: April 30, 2025
Agricultural Finance Authority
Total: 6

RRC Determination: Necessary
24 NCAC 02A .0101
24 NCAC 02A .0102
24 NCAC 02A .0103
24 NCAC 02B .0101
24 NCAC 02B .0102
24 NCAC 02C .0101



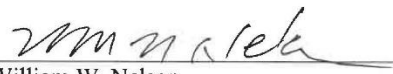

OATH OF OFFICE
for the
Rules Review Commission

I, William W. "Bill" Nelson, do solemnly swear (affirm) that I will support the Constitution of the United States.

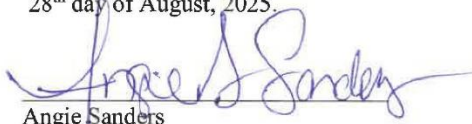
I, William W. "Bill" Nelson, do solemnly swear (affirm) that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; and that I will endeavor to support, maintain and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, William W. "Bill" Nelson, do solemnly swear (affirm) that I will well and truly execute the duties of my office as a member of the Rules Review Commission according to the best of my skill and ability, according to law, so help me God.

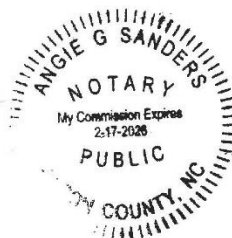
This 28th day of August, 2025.


William W. Nelson

Linda F. Nelson
Administrative Law Judge

Sworn and subscribed before me this the
28th day of August, 2025.


Angie Sanders
Notary Public

My Commission Expires: February 17, 2026



LIST OF APPROVED PERMANENT RULES

August 28, 2025 Meeting

ELECTIONS, STATE BOARD OF

<u>Reporting of Independent Expenditures</u>	08 NCAC	21	.0102
<u>Electronic Filing</u>	08 NCAC	21	.0106
<u>Reporting Periods</u>	08 NCAC	21	.0108
<u>Inactive Status for a Candidate or Committee</u>	08 NCAC	21	.0204
<u>Petitions</u>	08 NCAC	22	.0101
<u>Definitions</u>	08 NCAC	22	.0102
<u>Initiation of Petitions</u>	08 NCAC	22	.0103
<u>Petition Signature Sheets</u>	08 NCAC	22	.0104
<u>Petition Circulators</u>	08 NCAC	22	.0105
<u>Submission of Signature Sheets</u>	08 NCAC	22	.0106
<u>Copies of Signature Sheets and Return of Original Signature...</u>	08 NCAC	22	.0107
<u>Petition Signature Verification by County Boards of Elect...</u>	08 NCAC	22	.0201
<u>Petition Signature Verification Determinations</u>	08 NCAC	22	.0202
<u>Counting of Signatures Towards A Petition's Signature Req...</u>	08 NCAC	22	.0203
<u>New Party Petitions</u>	08 NCAC	22	.0301
<u>Prospective Party Name</u>	08 NCAC	22	.0302
<u>Changes in Prospective Party State Chair's Information</u>	08 NCAC	22	.0303
<u>Continuing A New Party Petition</u>	08 NCAC	22	.0304
<u>General Purpose and Intent of The New Party</u>	08 NCAC	22	.0305
<u>Sufficiency of New Party Elections</u>	08 NCAC	22	.0306
<u>Unaffiliated Candidate Petitions</u>	08 NCAC	22	.0401
<u>Processing Unaffiliated Candidate Petitions</u>	08 NCAC	22	.0402
<u>Write-In Candidate Petitions</u>	08 NCAC	22	.0501
<u>Processing Write-In Candidate</u>	08 NCAC	22	.0502
<u>In Lieu of Filing Fee Petition</u>	08 NCAC	22	.0601

INSURANCE, DEPARTMENT OF

<u>Definitions: License Application</u>	11 NCAC	24	.0101
<u>Fees</u>	11 NCAC	24	.0102
<u>Financial Statements</u>	11 NCAC	24	.0103
<u>Determination of Financial Responsibility</u>	11 NCAC	24	.0104
<u>Claim Processing by PBMs</u>	11 NCAC	24	.0105
<u>Payment of Claims</u>	11 NCAC	24	.0106
<u>General Administration</u>	11 NCAC	24	.0107
<u>Claims Processing</u>	11 NCAC	24	.0108

LABOR, DEPARTMENT OF

<u>Training on Human Trafficking</u>	13 NCAC	01D	.0101
<u>Human Trafficking Awareness Signage</u>	13 NCAC	01D	.0102

PRIVATE PROTECTIVE SERVICES BOARD

<u>Definitions</u>	14B NCAC	16	.0103
<u>Prohibited Acts</u>	14B NCAC	16	.0105
<u>Advertising</u>	14B NCAC	16	.0116

<u>Declaratory Ruling Procedures</u>	14B NCAC	16	.0117
<u>Experience Requirements for a Polygraph License</u>	14B NCAC	16	.0501
<u>Polygraph Trainee Permit Requirements</u>	14B NCAC	16	.0502
<u>Polygraph Examination Requirements</u>	14B NCAC	16	.0503
<u>Training Requirements for Unarmed Security Guards</u>	14B NCAC	16	.0707
<u>Accreditation Standards</u>	14B NCAC	16	.1203
<u>Training Requirements for Unarmed Car Service Guards</u>	14B NCAC	16	.1307
<u>Experience Requirements for a Close Personal Protection L...</u>	14B NCAC	16	.1501
<u>Training Requirements for Close Personal Protection License</u>	14B NCAC	16	.1502

ALARM SYSTEMS LICENSING BOARD

<u>Declaratory Ruling Procedures</u>	14B NCAC	17	.0109
--------------------------------------	----------	----	-------

PUBLIC HEALTH, COMMISSION FOR

<u>Control of Per-And Polyfluoralkyl Substances</u>	15A NCAC	18C	.1540
---	----------	-----	-------

EDUCATION, STATE BOARD OF

<u>Local Rules And Regulations</u>	16 NCAC	06B	.0103
<u>Supervisory And Safety Practices</u>	16 NCAC	06B	.0107

GENERAL CONTRACTORS, LICENSING BOARD FOR

<u>Classification</u>	21 NCAC	12A	.0202
<u>Application for Licensure</u>	21 NCAC	12A	.0303
<u>Character References</u>	21 NCAC	12A	.0308
<u>Improper Practice</u>	21 NCAC	12A	.0701
<u>Renewal and Expiration of Instructor Approval</u>	21 NCAC	12B	.0402