



August 2026 | nclm.org

Legislators Gone 'Til November?

Legislation of Interest

[SJR 1091 Adjournment Resolution](#)
[HB 958 Election Law Changes](#)
[HB 834 SBOE Administrative Changes](#)
[HB 377 2026 Court Changes](#)
[SB 257/SL 2026-41 2026 Appropriations Act](#)
[HB 268 2026 Budget Technical Corrections - II](#)
[HB 562 Budget Technical Corrections Modifications](#)

Following two weeks of limited activity, legislators are unlikely to return to Raleigh until late November. As outlined in [SJR 1091 Adjournment Resolution](#), legislative leaders approved their schedule for the remainder of the year, as well as the parameters for what can be considered during these meetings. While they do plan to convene for at least a couple of days each month between now and December, legislative leaders seemed to indicate in comments this week that they do not expect either chamber to return in full until after the November elections. That places the most focus on November 30 as the date when we will see the greatest amount of activity.

So what did legislators take up during their sessions over the past couple of weeks? In addition to their adjournment resolution, the House and Senate also approved legislation addressing elections, judicial oversight, and technical corrections to the budget.

[HB 958 Election Law Changes](#) and [HB 834 SBOE Administrative Changes](#) were both given final approval this week. These bills make a variety of changes to the state's election processes and the oversight responsibilities of the State Board of Elections. Governor Josh Stein has

indicated an interest in vetoing at least HB 958, stating on [social media](#), "I will veto House Bill 958 because it makes it harder for you to vote, introduces unnecessary chaos into our elections, and invites sore losers to try to overturn an election they lost."

Legislators also approved [HB 377 2026 Court Changes](#), a bill making sweeping changes to the state's court system. This bill passed along partisan lines with House Democrats expressing significant concerns with the additional powers the bill grants the state Supreme Court chief justice. The Governor has not indicated if he intends to veto this bill.

Finally, legislators gave final approval to almost 100 pages of technical edits and corrections to the recently-passed budget, [SB 257/SL 2026-41 2026 Appropriations Act](#). This pushes the total page count of the budget north of 1300 pages. [HB 268 2026 Budget Technical Corrections - II](#) and [HB 562 Budget Technical Corrections Modifications](#) make a variety of updates to language from SB 257, including changes to directed grants that were appropriated for local governments. If you were appropriated money through SB 257, we encourage you to review both bills and remain in contact with your legislators to understand if any changes may be made in future technical corrections bills.

What they didn't cover are two veto override votes on bills of interest to local governments. [HB 171 Equality in State Agencies/Prohibition on DEI](#) has been overridden by the House, but not the Senate, while [HB 437 Drug-Free Zones/Unauthorized Public Camping](#) has not received override votes in either chamber. In both cases, attendance may have had an impact on the decision to not hold votes, so it will be important to watch the November session for possible consideration of both bills.

Legislators Send Annual Regulatory Reform Proposal to Governor

Legislation of Interest

[SB 445 Regulatory Reform Act of 2026](#)

After weeks of negotiations between the House and Senate, the General Assembly sent to Governor Josh Stein its annual regulatory reform bill after a final House vote this week. The Senate approved [SB 445 Regulatory Reform Act of 2026](#) last week after an agreement to remove "permit shot clock" provisions that NCLM opposes. That proposal would have imposed strict timelines on development reviews, with automatic approval of the application if the local government does not act within the prescribed time limit.

So what made it into the final version?

The following provisions would apply statewide:

- A new detailed limitation on window glazing requirements for street facades
- Nuisance immunity under civil law for “rural heritage events”
- Repeal of stormwater provisions enacted earlier this year
- New development fee publication requirements and rights to sue for failure to comply.
- An increase in the time period for site-specific vesting from two to five years.

Also, a select group of large cities, as determined by population, will now be required to allow residential uses in all nonagricultural commercial or industrial districts and to allow at least one accessory dwelling unit in single-family zoning districts.

SB 445 is now pending on Governor Josh Stein’s desk for a decision to sign, veto, or allow the bill to become law without his signature.

Cities to Pay Portion of SNAP Error Rate Penalty

Legislation of Interest

[SB 257/SL 2026-41 2026 Appropriations Act](#)

A provision made public for the first time in the recently-passed [state budget](#) (Sec. 9J.14, pg. 304) would require cities to pay part of the state’s Supplemental Nutrition Assistance Program (SNAP) benefit costs, if counties have a high error rate. Cities in North Carolina do not have any involvement or authority over the SNAP program, which is a federal food assistance program administered by North Carolina counties.

However, with this budget provision, state legislators pulled cities into a new funding regime imposed by Congress under the 2025 One Big Beautiful Bill Act. Specifically, Congress directed states to pay a portion of their SNAP benefit costs when that state’s error rate exceeded certain thresholds. The General Assembly, in turn, passed on the responsibility for paying North Carolina’s share down to counties and cities via the recent state budget provision.

North Carolina is the only state that would require local governments to pay this share of SNAP program costs, according to [this WFMY report](#). How it will work is that if the state’s error rate threshold is reached, the dollars to

pay back a portion of the program costs to the federal government will come from local sales tax dollars, recouped prior to distribution to counties (and therefore cities). NCLM staff confirmed this interpretation of the law with NC Department of Revenue and General Assembly staff.

If the new budget provision had been in place in FY 24-25, the most recent year for SNAP payment error data, NCLM staff estimate that cities statewide would have lost \$51.5 million in sales tax revenue; the total city and county estimate would have been [over \\$140 million](#).

Legislators did not include League-suggested language to remove cities from this new law in budget corrections bills considered this week.

This requirement would not begin to withhold cities' sales taxes until next fall, after the October 1, 2027 effective date. In the meantime, state legislators could act to rewrite this portion of state law. Or, Congress could reverse the repayment provisions, a request being pushed by national groups such as the National League of Cities and National Association of County Commissioners. Without further congressional action or significant SNAP payment improvements at the county level, it is predicted that [North Carolina and forty other states](#) will exceed the repayment threshold next year.

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Legislature approves law enforcement benefit changes and bonus

Legislation of Interest

[SB 257/SL 2026-41 2026 Appropriations Act](#)

[HB 50/SL 2025-8 LEO Special Separation Allowance Options](#)

[HB 481/SL 2026-33 Pay Exceptions/Special Separation Allowance](#)

Legislators took important steps in increasing law enforcement pay and benefits through both the 2026 budget and legislation passed over the past two years.

[SB 257/SL 2026-41 2026 Appropriations Act](#) appropriated funds for a one-time \$1,750 bonus for local law enforcement officers and directed the State Bureau of Investigation (SBI) to manage the distribution of these funds to local departments. According to the SBI guidance memo linked in the button below, municipalities will be required to submit information identifying officers who were employed as of June 30, 2026. After verifying eligibility, the SBI will distribute funds to local governments, which will then be responsible for issuing the bonus payments to qualifying officers.

While the SBI memo stresses that local governments should not send in information on officer eligibility until receiving further instructions, it does alert local law enforcement agencies that they will be contacted soon by the SBI. At that time, local agencies should be prepared to provide the contact names for their program, payroll certifier, and finance staff member who would receive remittances from the SBI. Local governments should identify these individuals now.

Legislators have also authorized changes to the law enforcement retirement system through two bills, [HB 50/SL 2025-8 LEO Special Separation Allowance Options](#) that became law in 2025 and [HB 481/SL 2026-33 Pay Exceptions/Special Separation Allowance](#) that was passed in July and provided clarifications to HB 50. The North Carolina Association of Chiefs of Police's Legislative Counsel, Fred Baggett, has developed implementation guidance for these bills' changes to the retirement system, specifically related to a special separation allowance for law enforcement officers, memos for which are both linked in buttons below.

HB 50 allows a qualified law enforcement officer to defer receipt of the special separation allowance beyond age 62. Currently, the special separation allowance ends at age 62 in all cases. HB 481, a clarification to HB 50, protects the special separation allowance of officers who retire, later return to work, and then retire a second time with an employer in the same retirement system.

[SBI LEO BONUS MEMO](#)

[HB 50 GUIDANCE](#)

[HB 481 EXPLANATION](#)

Join Us for a 2026 Short Session Wrap-Up

Join the NCLM Government Affairs team for a review and discussion of the recently concluded General Assembly "short session." Over the past few months, lawmakers adopted a state budget funding hundreds of important organizations, initiatives, and projects, and protected cities' Powell Bill funding for street maintenance, while also making significant changes to land use and zoning laws that will restrict local discretion and expose cities to new litigation risks.

Other topics of discussion during the webinar will include:

- The constitutional amendment to limit the property tax levy that will appear on the ballot this fall.
- The elimination of parking minimum requirements and other preemption issues.
- The trend toward more partisan local elections that really picked up this year.
- The lingering problem with downzoning.
- And much more!

Featuring members of the NCLM Government Affairs team

Erin Wynia, Director of Government Affairs

Patrick Buffkin, Legislative and Regulatory Counsel

Seth Palmer, Director of Urban Affairs

Whitney Murphy, Government Affairs Associate

Sophia Trentacosta, Government Affairs Project Coordinator

REGISTER FOR WEBINAR

Introducing NCLM Legislative Policy Committee

As NCLM works to build its Legislative Policy Goals for the upcoming 2027-2028 legislative biennium, NCLM President and Clayton Mayor Jody McLeod is proud to announce the new members and leadership of the NCLM Legislative Policy Committee.

The Legislative Policy Committee leads the development of the League's advocacy goals, guides the direction of our government affairs staff, and establishes key legislative priorities for the cities and towns of North Carolina. The Committee will be led by Mayor Hayley Beaty of Dallas and Mayor Pro Tem David Hunt of Ahoskie, and the full membership is linked in the button below.

"The Legislative Policy Committee plays an integral role in developing a set of policy goals that reflect the needs of municipalities across the state," said President McLeod. "Representing municipalities of varying population sizes and geographic regions, the committee will drive the League's advocacy strategy, ensuring that it encapsulates the collective priorities of cities and towns. These committee members have a firsthand understanding of municipal governance, and we are grateful for their leadership and guidance."

Over the coming weeks, please look for additional announcements regarding this fall's Legislative Policy Goals process and areas where the Committee will need your engagement.

LEGISLATIVE POLICY COMMITTEE

NC BEMO Gathers in Wilmington



Members of the North Carolina Black Elected Municipal Officials (NCBEMO) met for their annual conference last month in Wilmington. Attendees spent two days learning about economic development with guest speakers, including Congresswoman Valerie Foushee and David Webb, the Director of Intergovernmental Affairs and Outreach in the Office of Governor Josh Stein.

We want to recognize and thank Leland Council Member Veronica Carter for her amazing leadership and contributions as the NC BEMO President over the last year. And congratulations to Chadbourn Council Member Rashad Roberts on his swearing-in as the next President!

EVENT PHOTO ALBUM



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