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End of Session Bulletin

The NCLM Government Affairs team is pleased to present the [End-of-Session Bulletin](#) for the legislative short session. This comprehensive document provides a detailed review of legislation affecting municipalities considered so far through the 2026 legislative session. While legislators are expected to return to Raleigh in late November to conclude any outstanding work before the end of the session, this document covers key bills considered during the majority of this year's session. It also includes an examination of [Legislative Goal](#) achievements and an assessment of our defensive efforts to protect municipal authority.

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

END OF SESSION BULLETIN

Join us in Winston-Salem for the NCLM Legislative Summit!

September 30 - REGISTRATION IS OPEN!



Have your say in the League's legislative agenda-setting process by attending our one-day [Legislative Summit on September 30 in Winston-Salem](#). City officials at the summit will be asked to look past the fall elections and toward the 2027 legislative session, giving input on legislative issues of top importance to cities.

NCLM Educates Legislators on Impact of SNAP Error Rate Penalty

Bring your ideas and be prepared to talk with your colleagues from around the state! The summit will also feature state-wide speakers including a bipartisan panel of political consultants who will discuss prospects for the November election.

Legislation of Interest

[REGISTER FOR SUMMIT](#)

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

This week, NCLM President Jody McLeod sent a [letter](#) to North Carolina legislators urging reconsideration of a policy adopted in the state budget that will reduce cities' sales tax revenue due to changes to the Supplemental Nutrition Assistance Program (SNAP).

In early 2025, the United States Congress, through [HR 1, the "One Big Beautiful Bill Act,"](#) made changes to the SNAP program, requiring states to pay a larger share of its costs starting in **October 2027**. The larger share is based on an error-rate calculation intended to incentivize local agencies to process SNAP applications and benefit-recipient reporting more promptly and accurately.

In the 2026 state budget, [SB 257/SL 2026-41 2026 Appropriations Act](#), legislators decided to pass along the costs associated with these penalties to cities and counties by withholding sales taxes. By law, North Carolina counties are responsible for SNAP program applications and benefits.

Based on an [NCLM analysis](#) of the language in SB 257/SL 2026-41 and the SNAP error rate data, the **total estimated cost to both counties and cities is \$150 million**. Of that amount, cities would be directly responsible for **roughly one-third, or \$51**

million. Please note that this analysis was conducted assuming the hypothetical losses based on data from the 2024-2025 fiscal year.

In this week's letter, NCLM requested that cities be held harmless from these costs, acknowledging that cities do not control or administer the SNAP program in North Carolina and therefore have no ability to affect the program's error rate, currently or in the future. The earliest lawmakers might consider this request is late November, when they are expected to return to Raleigh to hold a "lame duck" session.

Governor Stein Signs and Vetoes Bills; Legislators Hit Pause

Legislation of Interest

[HB 437 Drug-Free Zones/Unauthorized Public Camping](#)

[HB 958 Election Law Changes](#)

[HB 377 2026 Court Changes](#)

[SB 50 Freedom to Carry NC](#)

[HB 171 Equality in State Agencies/Prohibition on DEI](#)

[HB 96 Expedited Removal of Unauthorized Persons](#)

Governor Josh Stein issued his [seventeenth veto](#) of his term in August, clearing his desk of all legislation presented by the General Assembly as they concluded their session in early July.

Of the three bills he vetoed in August, one is of particular interest to municipalities - [HB 437 Drug-Free Zones/Unauthorized Public Camping](#). This legislation has two primary impacts on local governments. First, it forbids cities and towns from allowing camping on public property. Second, it authorizes cities and towns to designate a specific area where public camping is allowed, but makes the city or town responsible for the conditions there, including ensuring that illicit drugs are not used and that the area remains safe and clean. This bill was the subject of significant opposition from housing and homelessness activists, and Governor Stein highlighted his concerns with the bill in his [veto message](#), stating, "I have long called for funding to crack down on drug trafficking, invest in behavioral health, and expand affordable housing options - because homelessness and substance misuse are real problems that deserve real solutions, not this bill."

The Governor also vetoed [HB 958 Election Law Changes](#), a bill that would make changes to the state's election laws, limiting early voting, and [HB 377 2026 Court Changes](#), which would allow the Chief Justice of the State Supreme Court to suspend judges from office without pay while the judge is under investigation for alleged wrongdoing.

These three bills join three others that are pending veto override consideration by one or both chambers. Those bills are [SB 50 Freedom to Carry NC](#), [HB 171 Equality in](#)

[State Agencies/Prohibition on DEI](#), and [HB 96 Expedited Removal of Unauthorized Persons](#). All of these bills remain eligible for consideration through the end of 2026 and may be a part of the legislature's "lame duck session" in late November.

SBI Provides Additional Guidance on LEO Bonuses

Legislation of Interest

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

As we have discussed in previous Bulletins, the General Assembly in [SB 257/SL 2026-41 2026 Appropriations Act](#) appropriated funds for a one-time \$1,750 bonus for local law enforcement officers. It directed the State Bureau of Investigation (SBI) to manage the distribution of these funds to local departments.

Over the past two months, the SBI has released multiple guidance memos, including a new FAQ document linked in the button below.

Under SBI's guidance, municipalities will be required to submit information identifying officers who were employed as of June 30, 2026. After verifying eligibility, SBI will distribute funds to local governments, which will then issue bonus payments to qualifying officers.

LEO BONUS FAQ



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