ANALYSIS · ASHEVILLE, NC

Can They Charge the *Shelter*?

The camping bill carries a second law, and this one is aimed at the places that help. Here's exactly who it reaches, who it doesn't, and why the real danger is the threat, not the courtroom.

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You hear it at every meeting about homelessness: the shelters and the day centers and the people handing out food are part of the problem. They draw people in. They draw the drugs in. North Carolina's House Bill 437 takes that complaint and answers it with a criminal law. Governor Josh Stein vetoed the bill on July 8, 2026, and legislative leaders have promised an override.

The bill's camping ban itself cannot touch a nonprofit; it lets neighbors sue city hall, not the shelter. But a second, quieter law in the same bill can reach a shelter directly, and in the worst case expose the organization that runs one to a felony charge. It's narrower than it sounds. No one is known to have been charged under anything like it. That doesn't make it harmless.

FIRST, WHAT IT IS NOT

The camping ban *cannot* be used to sue the shelter

The camping ban is enforced by a lawsuit against the local government. Residents and business owners could sue their own local government, the City of Asheville or Buncombe County, for allowing regular camping or sleeping on public property. So could the attorney general. The suit asks a court to make the local government stop. It can come only after written notice and 15 business days to fix the problem. Even then, it can come only if the local government failed to take all reasonable steps within its powers to fix the problem in that time. Among its other limits, the suit wouldn't cover a state-certified designated site, a declared emergency, or any time before the camping section would take effect on June 30, 2027. No one could use that provision to sue the AHOPE day center, or the Western Carolina Rescue Ministries shelter, or the church basement that opens on a cold night.

The headlines about "letting people sue" refer to that suit. The risk to nonprofits is somewhere else in the bill, and it works in a completely different way.

THE SECOND LAW

A *felony* at the shelter door

The part of the bill that reaches providers is called the **Drug-Free Homeless Service Zones Act**. It draws a zone around a publicly funded shelter: the building, the grounds, and the area within 100 feet, but only if a sign is permanently posted outside the main entrance. Sell, deliver, or make drugs inside that zone, or have them there with intent to do any of those, and your offense jumps to a Class E felony. The jump applies when you know or reasonably should know it is a zone. The law presumes the posted sign tells you. The zone and the jump work like the drug-free zones we already have around schools and parks.

North Carolina already punishes anyone who knowingly maintains a building or other place where drugs are kept or sold, or where people go to use them. Done intentionally, that is a Class I felony. What this bill adds is narrower and sharper. It points that kind of charge at a government-funded shelter and raises it to a Class H felony. The felony applies when the shelter "intentionally allows" someone else to deal drugs inside a posted zone. The drug-free school-zone law was written to reach the seller standing near the school, not the school. This one reaches the operator of the shelter.

100 ft
Posted "drug-free homeless service zone" around a funded shelter (NC, proposed)

Class H
Felony for an operator who "intentionally allows" drug dealing in the zone (NC, proposed)

Dec 2026
Effective date of the drug-free zones if the bill becomes law; vetoed July 8, 2026, override pledged (NC)

THE FINE PRINT

The *limits* are most of the story

The felony covers dealing: selling, delivering, or making drugs, or having them with intent to do any of those. It doesn't reach a person using or carrying their own drugs, or a person giving away less than five grams of marijuana. It applies only to shelters that take government money to shelter homeless people; a privately funded one is outside it. The zone needs a posted sign to exist at all, and nothing in the final bill requires anyone to put one up. In the bill as first filed, the operator of a service that primarily serves homeless people had to post the sign.

The felony turns entirely on the words "intentionally allows," which the bill never defines. The bill draws no line between running a low-barrier shelter for people who use drugs and "allowing" a sale. There is also no safe harbor, meaning no protection written into the bill for a shelter that calls the police or shows someone the door.

Even the state's needle-exchange law doesn't protect a shelter that hosts one from this felony. That law protects a program's staff, volunteers and participants only from possession charges. It covers needles, syringes and other injection supplies obtained from or returned to a program, and the drug traces left in used ones. It applies only when the person claiming protection shows written proof that the supplies came from a program.

Two more gaps matter. The bill defines the "operator" as the business or organization that receives the public money for the shelter, including a funded contractor or subcontractor. It never says which person actually goes to court, the director or the overnight staffer. And it is written for shelters, including transitional housing. That leaves a day center in a gray area, while **permanent supportive housing**, where people have their own apartments, falls outside the bill. Serving a meal to someone who later uses drugs down the block is not a crime, however you read the law. But the bill never says where its reach stops, and that gap is a warning in itself.

One kind of shelter gets a different zone: a domestic-violence shelter whose residents could be put in danger if its location or purpose became known. It gets that zone only if a sign is permanently posted inside, within five feet of the main entrance. Its zone is the interior plus any outdoor area that can only be reached by going through the building, such as a courtyard. There is no 100-foot ring, and the public sidewalk out front does not count. A sign out front would give the location away, so the law keeps that one indoors.

HOW IT GOT HERE

It started *broader*, then got *tougher*

The version above isn't the one that was filed. This part of the bill got tougher in one direction and narrower in another as it went through the legislature.

It got tougher. When the bill was filed, the operator faced only a misdemeanor. A House committee turned that misdemeanor into a Class H felony. The threat to the people who run shelters was sharpened on purpose.

It also got narrower, once in committee and again at the very end. The House committee shrank the zone from 300 feet to 100, made it exist only where a sign is permanently posted, and dropped the filed version's rule that the operator post one. As written for most of its life, the law did not stop at shelters. It reached "permanent supportive housing" and, in a catch-all clause, any funded group that "primarily provides treatment, preventive care, or other services to homeless persons." That language would have swept in clinics, day centers, soup kitchens, and harm-reduction programs like needle exchanges. On the Senate floor, an amendment stripped out permanent supportive housing and the catch-all, leaving the law aimed at funded emergency and temporary shelters and transitional housing. The reach the drafters first wanted shows what they were after. The narrower text is the one that would become law.

ASHEVILLE

Who it would *actually reach* here

In Asheville, the shelters in range are the publicly funded ones, such as ABCCM's veteran and family beds, which run on Veterans Affairs grants and a county contract.

The Salvation Army's Center of Hope downtown has drawn federal money for shelter operations through city and county pandemic-relief grants and a one-time Helene recovery grant from HUD. That money ran out in 2026, and Asheville and Buncombe County say they have no plans to fund the shelter further. The shelter is pausing its long-term program until at least the spring of 2027 while keeping **Code Purple** winter beds. AHOPE blurs the line. Most of the year it is a day center, and its core funding pays for day services and **coordinated entry**, not shelter. On that funding alone, it would be out of range. But in winter it runs overnight Code Purple beds. AHOPE would be back in range only if public money pays for those beds once the law is in force. The same goes for the Center of Hope's winter beds.

Three places sit at or outside the line, for three different reasons. Homeward Bound's Compass Point is permanent supportive housing, which the final bill carved out. The Steady Collective, a local syringe program, is not a shelter at all. And Western Carolina Rescue Ministries, a downtown shelter doing the same work as the others, says it has taken no government money in more than 40 years. But its own tax returns report government grants in 2022, 2023 and 2024, and none in 2025. The law would reach it only if it receives local, state or federal money to shelter homeless people once the law is in force. Even then, the sign would have to be posted for the zone to exist.

The 100-foot ring matters more than it sounds. Downtown, these shelters front the sidewalk, and a city street is not 100 feet wide. So a posted zone would not just cover a shelter's lot. It would blanket the public sidewalks around it. Where two funded sites sit close, the zones would overlap. The map of the zones is, more or less, the map of the problem the bill says it is solving.

IN

Funded emergency and temporary shelters and transitional housing

If they take local, state, or federal money to shelter homeless people and permanently post the sign at the main entrance, the zone applies.

IN

The shelter's operator

The funded organization itself, if it "intentionally allows" drug dealing in its zone.

OUT

Permanent supportive housing

Apartments like Compass Point were carved out by the final amendment.

OUT

Privately funded shelters

No government money for shelter, no zone. A shelter that takes none falls outside the line, even though it does the same work.

THE RECORD

Has any of this *ever actually happened*?

No. Not here, not anywhere we could find. Since the Supreme Court opened the door to camping bans in June 2024, the charges, the citations, and the lawsuits have landed almost entirely on the people sleeping outside and the cities that let them. No service provider in the country is known to have been convicted, fined, or held liable for "contributing to" camping. The operator felony in this bill would be the first of its kind, and it is not law yet. The closest anyone has come is Fremont, California, which briefly made it a local offense to "aid" an encampment, then walked the language back. California has since barred cities from penalizing people or groups that give homeless residents legal services, medical care, or things they need to survive, such as food and water.

Where shelters and harm-reduction programs have actually ended up in court, they have mostly won. After a Montana city pulled a warming shelter's permit, the shelter won the permit back, an apology, and about $140,000 in legal fees in a settlement. A Washington church that ran a needle exchange beat the county that tried to shut it down, and the county paid roughly $500,000 in fees. Even when the helpers won, they still had to fight for it.

People point to a Tennessee law and say the state created "charity liability" for letting people camp, but Tennessee did not. That law is about long-term housing for undocumented immigrants. It leaves out the temporary overnight housing a homeless shelter provides. We found no case of it being used against a charity. It's a different law, not a preview of this one.

0	$140K	$500K
Providers known to have been convicted, fined, or held liable anywhere for "contributing to" camping	Fees a Montana city paid a warming shelter to settle a permit fight	Fees a Washington county paid a church over its needle exchange

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THE REAL RISK

The *threat* does the work

So where's the real risk? It is not the prison cell, and saying otherwise would be the same scare the bill itself runs on. A shelter operator is very unlikely to be charged under this law, and even less likely to be convicted, because a prosecutor would have to prove the shelter meant to let the sale happen. The risk that remains is quieter and more certain.

Even if prosecutors almost never bring the charge, the felony still changes everything the day the sign goes up at the door. A low-barrier shelter exists to take the person no one else will, including the person who is using. A needle exchange exists to meet that person where they are. This felony is aimed at the organization and defined by a word as loose as "allows." Hang it over that work, and the safe move becomes serving fewer people, screening harder, and dropping the services that draw scrutiny. When Pueblo, Colorado, restricted its syringe program, researchers found signs that access to other harm-reduction services got worse in the months that followed. The charge does not have to be filed to do its work.

About 140 service providers signed a letter against the bill before its April 2025 House vote. The letter warned of a felony conviction and jail time. Providers also worried about what it might cost to hire armed security and fence off their property to keep drug crimes from happening there. In June 2026 the North Carolina Housing Coalition warned that the bill would shift costs and liabilities onto local taxpayers and organizations.

Set against those costs, the benefit of the zones is unproven. Drug-free zones around schools, the model this bill borrows from, have been studied. A 2008 Prison Policy Initiative report on the 1,000-foot school zones in Massachusetts found that they did not move drug activity away from children. It said that was because the zones' boundaries were nearly impossible to reliably estimate and avoid. The report also found that the zones led to higher rates of incarceration for Black, Latino, urban and poor defendants. It recommended 100-foot zones with marked property lines. This bill's zone is 100 feet and exists only where a sign is posted, so the school-zone record does not tell us whether a shelter version would deter the dealing it targets.

> ***The threat is the policy.***

THE ALTERNATIVE

What would actually make a shelter *safer*

Say the real worry is dealers going after the people who come through a shelter door. That's a fair worry, and there are ways to meet it that do not aim a felony at the shelter. Pay for the security and the on-site treatment that the bill does not fund. Write in the safe harbor the law leaves out, so an operator who reports a dealer or bars him is protected instead of exposed. Keep harm reduction legal and funded, because the program that knows the people it serves is the one that spots the dealer first. And build enough housing that a shelter is not the only roof on offer. Each of those makes a shelter safer. A felony that would almost never be charged is unlikely to.

THE TAKEAWAY

The law can make a shelter *flinch*.

So, can they charge the shelter? On paper, narrowly, yes. They could charge only the funded ones, only for someone else's dealing in a posted zone, and only if a prosecutor can prove the shelter meant to let it happen. In practice, almost certainly not, because of that last condition and because the law isn't even in force. But the damage wouldn't really come from a charge. The camping ban couldn't add a single bed. What this law can do is make the places that help afraid to keep the door open as wide as the need. The people sleeping outside do not disappear when the shelter flinches. They just lose the one place that was still letting them in.

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