

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

H.B. 557  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10320-STxf-24A

Short Title: Municipal Omnibus Bill.

(Public)

Sponsors: Representatives Ross and Adcock (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING  
3 MUNICIPALITIES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** G.S. 105-373 is amended by adding a new subsection to read:

6 "(i) Relief from Collecting Unpaid Taxes After Ten Years. – The governing body of any  
7 taxing unit may, in its discretion, relieve the tax collector of the charge of taxes owed that are ten  
8 or more years past due when it appears to the governing body that such taxes are uncollectable."

9 **SECTION 1.(b)** This section becomes effective for taxable years beginning on or  
10 after January 1, 2019.

11 **SECTION 2.(a)** G.S. 105-472(b) reads as rewritten:

12 "(b) Distribution Between Counties and Cities. – The Secretary shall divide the amount  
13 allocated to each taxing county among the county and its municipalities in accordance with the  
14 method determined by the county. The board of county commissioners shall, by resolution,  
15 choose one of the following methods of distribution:

16 (1) Per Capita Method. – The net proceeds of the tax collected in a taxing county  
17 shall be distributed to that county and to the municipalities in the county on a  
18 per capita basis according to the total population of the taxing county, plus the  
19 total population of the municipalities in the county. In the case of a  
20 municipality located in more than one county, only that part of its population  
21 living in the taxing county is considered its "total population". In order to  
22 make the distribution, the Secretary shall determine a per capita figure by  
23 dividing the amount allocated to each taxing county by the total population of  
24 that county plus the total population of all municipalities in the county. The  
25 Secretary shall then multiply this per capita figure by the population of the  
26 taxing county and by the population of each municipality in the county; each  
27 respective product shall be the amount to be distributed to the county and to  
28 each municipality in the county. To determine the population of each county  
29 and each municipality, the Secretary shall use the most recent annual estimate  
30 of population certified by the State Budget Officer.

31 (2) Ad Valorem Method. – The net proceeds of the tax collected in a taxing county  
32 shall be distributed to that county and the municipalities in the county in  
33 proportion to the total amount of ad valorem taxes levied by each on property  
34 having a tax situs in the taxing county during the fiscal year next preceding  
35 the distribution. For purposes of this section, the amount of the ad valorem  
36 taxes levied by a county or municipality includes ad valorem taxes levied by



1 the county or municipality in behalf of a taxing district and collected by the  
2 county or municipality. In addition, the amount of taxes levied by a county  
3 includes ad valorem taxes levied by a merged school administrative unit  
4 described in G.S. 115C-513 in the part of the unit located in the county. In  
5 computing the amount of tax proceeds to be distributed to each county and  
6 municipality, the amount of any ad valorem taxes levied but not substantially  
7 collected shall be ignored. Each county and municipality receiving a  
8 distribution of the proceeds of the tax levied under this Article shall in turn  
9 immediately share the proceeds with each district in behalf of which the  
10 county or municipality levied ad valorem taxes in the proportion that the  
11 district levy bears to the total levy of the county or municipality. Any county  
12 or municipality that fails to provide the Department of Revenue with  
13 information concerning ad valorem taxes levied by it adequate to permit a  
14 timely determination of its appropriate share of tax proceeds collected under  
15 this Article may be excluded by the Secretary from each monthly distribution  
16 with respect to which the information was not provided in a timely manner,  
17 and those tax proceeds shall then be distributed only to the remaining counties  
18 or municipalities, as appropriate. For the purpose of computing the  
19 distribution of the tax under this subsection to any county and the  
20 municipalities located in the county for any month with respect to which the  
21 property valuation of a public service company is the subject of an appeal and  
22 the Department of Revenue is restrained by law from certifying the valuation  
23 to the county and the municipalities in the county, the Department shall use  
24 the last property valuation of the public service company that has been  
25 certified.

26 The board of county commissioners in each taxing county shall, by resolution adopted during  
27 the month of ~~April~~ November of each year, determine which of the two foregoing methods of  
28 distribution shall be in effect in the county during the next succeeding fiscal year. In order for  
29 the resolution to be effective, a certified copy of it must be delivered to the Secretary in Raleigh  
30 within 15 calendar days after its adoption. If the board fails to adopt a resolution choosing a  
31 method of distribution not then in effect in the county, or if a certified copy of the resolution is  
32 not timely delivered to the Secretary, the method of distribution then in effect in the county shall  
33 continue in effect for the following fiscal year. Provided, if a board of county commissioners  
34 changes the method of distribution from the prior fiscal year, such change from the prior fiscal  
35 year shall not become effective unless written notice is provided to the affected municipalities  
36 before December 15 in the year of adoption of the resolution and copies of such written notice  
37 are submitted to the Secretary. The method of distribution in effect on the first of July of each  
38 fiscal year shall apply to every distribution made during that fiscal year."

39 **SECTION 2.(b)** This section is effective when it becomes law and applies to  
40 resolutions determining the method of distribution adopted on or after that date.

41 **SECTION 3.** G.S. 75-41(e) reads as rewritten:

42 "(e) A violation of this section renders the automatic renewal clause void and  
43 unenforceable. Nothing in this section creates liability for any public officer or employee of a  
44 political subdivision of the State for disbursement of public funds pursuant to a contract rendered  
45 void under this subsection."

46 **SECTION 4.(a)** G.S. 143B-135.56(b)(2) reads as rewritten:

47 "(2) Thirty percent (30%) to provide matching funds to local governmental units  
48 or public authorities as defined in G.S. 159-7 on a dollar-for-dollar basis for  
49 local park and recreation ~~purposes.~~ purposes, to local governmental units  
50 identified as a tier one area as defined in G.S. 143B-437.08, or to a local  
51 governmental unit located within a tier one area as defined in

1 G.S. 143B-437.08. The appraised value of land that is donated to a local  
 2 government unit or public authority may be applied to the matching  
 3 requirement of this subdivision. These funds shall be allocated by the North  
 4 Carolina Parks and Recreation Authority based on criteria patterned after the  
 5 Open Project Selection Process established for the Land and Water  
 6 Conservation Fund administered by the National Park Service of the United  
 7 States Department of the Interior."

8 **SECTION 4.(b)** This section becomes effective July 1, 2019, and applies to  
 9 allocations on or after that date.

10 **SECTION 5.(a)** G.S. 157-3(12) reads as rewritten:

11 "(12) "Housing project" shall include all real and personal property, buildings and  
 12 improvements, stores, offices, lands for farming and gardening, and  
 13 community facilities acquired or constructed or to be acquired or constructed  
 14 pursuant to a single plan or ~~undertaking~~undertaking to do any of the  
 15 following:

- 16 a. To demolish, clear, remove, alter or repair unsanitary or unsafe  
 17 ~~housing; and/or~~housing.  
 18 b. To provide safe and sanitary dwelling accommodations for persons of  
 19 low income, or moderate income, or low and moderate ~~income;~~  
 20 ~~and/or~~income.  
 21 c. To provide safe and sanitary housing for persons of low income, or  
 22 moderate income, or low and moderate income, through payment of  
 23 either or both of the following from any source:  
 24 1. ~~rent subsidies from any source; and/or~~Rent subsidies.  
 25 2. Relocation assistance.  
 26 d. To provide grants, loans, interest supplements and other programs of  
 27 financial assistance (including rent subsidies in furtherance of a  
 28 program of home ownership) to persons of low income, or moderate  
 29 income, or low and moderate income, so that such persons may  
 30 become owners of their own housing or rehabilitate their own ~~housing;~~  
 31 ~~and/or~~housing.  
 32 e. To provide grants, loans, interest supplements and other programs of  
 33 financial assistance to public or private developers of housing for  
 34 persons of low income, or moderate income, or low and moderate  
 35 income.

36 "Housing project" also includes any project that provides housing for  
 37 persons of other than low or moderate income, as long as at least twenty  
 38 percent (20%) of the units in the project are set aside for the exclusive use of  
 39 persons of low income.

40 The term "housing project" may also be applied to the planning of the  
 41 buildings and improvements, the acquisition of property, the demolition of  
 42 existing structures, the construction, reconstruction, alteration and repair of  
 43 the improvements and all other work in connection therewith."

44 **SECTION 5.(b)** G.S. 160A-497 reads as rewritten:

45 **"§ 160A-497. Senior citizens programs.**

46 (a) Any city or county may undertake programs for the assistance and care of its senior  
 47 citizens including but not limited to programs for in-home services, food service, counseling,  
 48 recreation and transportation, and may appropriate funds for such programs.

49 (b) Any city council or county may contract with any other governmental agency, or with  
 50 any public or private association, corporation or organization in undertaking senior citizens  
 51 programs, and may appropriate funds to any such governmental agency, or to any such public or

1 private association, corporation or organization for the purpose of carrying out such programs.  
2 In the event funds appropriated for the purposes of this section are turned over to any agency or  
3 organization other than the city or county for expenditure, no such expenditure shall be made  
4 until the city or county has approved it, and all such expenditures shall be accounted for by the  
5 agency or organization at the end of the fiscal year for which they were appropriated.

6 (c) For purposes of this section, the words "senior citizens" shall mean citizens of a city  
7 or county who are at least ~~60-55~~ years of age."

8 **SECTION 6.(a)** G.S. 160A-31(i) reads as rewritten:

9 "(i) A municipality has no authority to adopt a resolution or petition itself under this Part  
10 for annexation of property it does not own or have any legal interest in. ~~For the purpose of this~~  
11 ~~subsection, a municipality has no legal interest in a State-maintained street unless it owns the~~  
12 ~~underlying fee and not just an easement.~~The city council may include in the ordinance of  
13 annexation a description of the area to be annexed any State-maintained street, street  
14 rights-of-way, or easement."

15 **SECTION 6.(b)** G.S. 160A-58.1(a)(2) reads as rewritten:

16 "(2) It is signed by the city for the annexation of property the city does not own or  
17 have a legal interest in. ~~For the purpose of this subdivision, a city has no legal~~  
18 ~~interest in a State-maintained street unless it owns the underlying fee and not~~  
19 ~~just an easement.~~The city council may include in the ordinance of annexation  
20 a description of the area to be annexed any State-maintained street, street  
21 rights-of-way, or easement."

22 **SECTION 6.(c)** G.S. 160A-58.7(b) reads as rewritten:

23 "(b) A city has no authority to adopt a resolution or petition itself under this Part for  
24 annexation of property it does not own or have any legal interest in. ~~For the purpose of this~~  
25 ~~subsection, a city has no legal interest in a State-maintained street unless it owns the underlying~~  
26 ~~fee and not just an easement.~~The city council may include in the ordinance of annexation a  
27 description of the area to be annexed any State-maintained street, street rights-of-way, or  
28 easement."

29 **SECTION 7.** G.S. 160A-536(d1) reads as rewritten:

30 "(d1) Additional Requirements for Certain Contracts. – In addition to the requirements of  
31 subsection (d) of this section, if the city enters into a contract with ~~a private agency~~any person  
32 or entity other than its own forces or another governmental agency for a service district under  
33 subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:

- 34 (1) The city shall solicit input from the residents and property owners as to the  
35 needs of the service district prior to entering into the contract.
- 36 (2) Prior to entering into, or the renewal of, any contract under this section, the  
37 city shall use a bid process to determine which ~~private agency~~person or entity  
38 other than its own forces or another governmental agency is best suited to  
39 achieve the needs of the service district. The city shall determine criteria for  
40 selection of the ~~private agency~~person or entity other than its own forces or  
41 another governmental agency and shall select a ~~private agency~~in accordance  
42 with those criteria. If the city determines that a multiyear contract with a  
43 private agency person or entity other than its own forces or another  
44 governmental agency is in the best interest of the city and the service district,  
45 the city may enter into a multiyear contract not to exceed five years in length.
- 46 (3) The city shall hold a public hearing prior to entering into the contract, which  
47 shall be noticed by publication in a newspaper of general circulation, for at  
48 least two successive weeks prior to the public hearing, in the service district.
- 49 (4) The city shall require the ~~private agency~~person or entity other than its own  
50 forces or another governmental agency with which the city contracted to  
51 report annually to the city, by presentation in a city council meeting and in

1 written report, regarding the needs of the service district, completed projects,  
2 and pending projects. Prior to the annual report, the ~~private agency person or~~  
3 entity other than its own forces or another governmental agency shall seek  
4 input of the property owners and residents of the service district regarding  
5 needs for the upcoming year.

6 (5) The contract shall specify the scope of services to be provided by the ~~private~~  
7 agency person or entity other than its own forces or another governmental  
8 agency. Any changes to the scope of services shall be approved by the city  
9 council."

10 **SECTION 8.** G.S. 162A-211 is amended by adding a new subsection to read:

11 "(a1) Revenue from system development fees calculated using the combined cost method  
12 may be expended for previously completed capital improvements for which capacity exists and  
13 for capital rehabilitation projects."

14 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes  
15 law.