

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 765  
Apr 3, 2025  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10346-TQ-30

Short Title: Local Gov. Development Regulations Omnibus. (Public)

Sponsors: Representative Zenger.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REFORM LOCAL GOVERNMENT DEVELOPMENT REGULATIONS IN  
3 THIS STATE.

4 The General Assembly of North Carolina enacts:

5  
6 **HOUSING AFFORDABILITY IMPACT STATEMENTS**

7 **SECTION 1.(a)** G.S. 120-36.7 reads as rewritten:

8 **"§ 120-36.7. Long-term fiscal notes.**

9 (a) Budget Outlook; Proposed Legislation. – Every fiscal analysis of the State budget  
10 outlook shall encompass the upcoming five-year period. Every fiscal analysis of the impact of  
11 proposed legislation on the State budget shall estimate the impact for the first five fiscal years  
12 the legislation would be in effect.

13 (b) Proposed State Buildings. – Upon the request of a member of the General Assembly,  
14 the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to appropriate  
15 funds for a State building. The analysis shall estimate the projected maintenance and operating  
16 costs of the building for the first 20 fiscal years after it is completed.

17 (c) Proposed New Programs. – Upon the request of a member of the General Assembly,  
18 the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to create a  
19 new State program. The analysis shall identify and estimate all personnel costs of the proposed  
20 new program for the first five fiscal years it will operate. The analysis shall also include a  
21 five-year estimate of space requirements, an indication of whether those requirements can be  
22 satisfied using existing State-owned facilities, and estimated costs of occupying leased space  
23 where State-owned space is not available.

24 (d) Proposed Increases in Incarceration. – Every bill and resolution introduced in the  
25 General Assembly proposing any change in the law that could cause a net increase in the length  
26 of time for which persons are incarcerated or the number of persons incarcerated, whether by  
27 increasing penalties for violating existing laws, by criminalizing behavior, or by any other means,  
28 shall have attached to it at the time of its consideration by the General Assembly a fiscal note  
29 prepared by the Fiscal Research Division. The fiscal note shall be prepared in consultation with  
30 the Sentencing Policy and Advisory Commission and shall identify and estimate, for the first five  
31 fiscal years the proposed change would be in effect, all costs of the proposed net increase in  
32 incarceration, including capital outlay costs if the legislation would require increased cell space.  
33 If, after careful investigation, the Fiscal Research Division determines that no dollar estimate is  
34 possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar  
35 estimate can be given. No comment or opinion shall be included in the fiscal note with regard to



1 the merits of the measure for which the note is prepared. However, technical and mechanical  
2 defects may be noted.

3 The sponsor of each bill or resolution to which this subsection applies shall present a copy of  
4 the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon  
5 receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall  
6 prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the  
7 fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the  
8 sponsor agrees to an extension of time.

9 This fiscal note shall be attached to the original of each proposed bill or resolution that is  
10 reported favorably by any committee of the General Assembly, but shall be separate from the bill  
11 or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or  
12 resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression  
13 of legislative intent proposed by the bill or resolution.

14 If a committee of the General Assembly reports favorably a proposed bill or resolution with  
15 an amendment that proposes a change in the law that could cause a net increase in the length of  
16 time for which persons are incarcerated or the number of persons incarcerated, whether by  
17 increasing penalties for violating existing laws, by criminalizing behavior, or by any other means,  
18 the chair of the committee shall obtain from the Fiscal Research Division and attach to the  
19 amended bill or resolution a fiscal note as provided in this section.

20 (e) Proposed Increases Affecting Home Affordability. – Every bill and resolution  
21 introduced in the General Assembly proposing any change in the law that could cause a net  
22 increase or decrease in the cost of constructing, purchasing, owning, or selling a single-family  
23 residence, either directly or indirectly, shall have attached to it at the time of its consideration by  
24 the General Assembly a fiscal note prepared by the Fiscal Research Division. The fiscal note  
25 shall identify and estimate, for the first five fiscal years the proposed change would be in effect,  
26 all anticipated effects on costs of the proposed change. The fiscal note shall be prepared on the  
27 basis of a median priced single-family residence and may include an estimate for a larger  
28 development as an analysis of the long-range effect of a measure. If, after careful investigation,  
29 the Fiscal Research Division determines that no dollar estimate is possible, the note shall contain  
30 a statement to that effect, setting forth the reasons why no dollar estimate can be given. No  
31 comment or opinion shall be included in the fiscal note with regard to the merits of the measure  
32 for which the note is prepared. However, technical and mechanical defects may be noted.

33 The sponsor of each bill or resolution to which this subsection applies shall present a copy of  
34 the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon  
35 receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall  
36 prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the  
37 fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the  
38 sponsor agrees to an extension of time.

39 This fiscal note shall be attached to the original of each proposed bill or resolution that is  
40 reported favorably by any committee of the General Assembly but shall be separate from the bill  
41 or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or  
42 resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression  
43 of legislative intent proposed by the bill or resolution.

44 If a committee of the General Assembly reports favorably a proposed bill or resolution with  
45 an amendment that proposes a change in the law that could cause a net increase or decrease the  
46 cost of constructing, purchasing, owning, or selling a single-family residence, either directly or  
47 indirectly, the chair of the committee shall obtain from the Fiscal Research Division and attach  
48 to the amended bill or resolution a fiscal note as provided in this section."

49 **SECTION 1.(b)** Article 3 of Chapter 159 of the General Statutes is amended by  
50 adding a new section to read:

51 **"§ 159-42.2. Fiscal note required for ordinances affecting housing affordability.**

1       (a) Prior to adopting, amending, or repealing an ordinance that could cause a net increase  
2 or decrease in the cost of constructing, purchasing, owning, or selling a single-family residence,  
3 either directly or indirectly, the governing body of a county or city shall have a fiscal note  
4 prepared by its planning department or another department designated by the governing body.  
5 The fiscal note shall be submitted to the governing body at least five days prior to the meeting at  
6 which the ordinance is to be introduced and shall be made available to the public at that meeting.  
7 For purposes of this section, the term "introduced" has the same meaning as in G.S. 160A-75(c).  
8 In preparing the fiscal note, the planning or other department may consult with relevant trade  
9 organizations representing the real estate or home building industries. The fiscal note shall  
10 identify and estimate, for the first five fiscal years the ordinance, or the amendment or repeal  
11 thereof, would be in effect, all anticipated effects on costs of the proposed change. The fiscal  
12 note shall be prepared on the basis of a median priced single-family residence and may include  
13 an estimate for a larger development as an analysis of the long-range effect of a measure. If, after  
14 careful investigation, the planning or other department determines that no dollar estimate is  
15 possible, the fiscal note shall contain a statement to that effect, setting forth the reasons why no  
16 dollar estimate can be given. No comment or opinion shall be included in the fiscal note with  
17 regard to the merits of the measure for which the note is prepared. However, technical and  
18 mechanical defects may be noted.

19       (b) Any resident of the county or city may bring a civil action in the superior court of the  
20 county for failure of the governing body to have a fiscal note prepared as required by this section.  
21 If the court determines the governing body failed to have a fiscal note prepared as required by  
22 this section, the court shall order that a fiscal note be prepared. The court shall have no authority  
23 to determine the sufficiency of a fiscal note."

24       **SECTION 1.(c)** This section becomes effective July 1, 2025, and applies to  
25 legislation and ordinances introduced for consideration on or after that date.

26  
27 **LIMIT PLANNING AND DEVELOPMENT REGULATION AUTHORITY TO THAT**  
28 **EXPRESSLY GRANTED BY CHAPTER 160D OF THE GENERAL STATUTES**

29       **SECTION 2.(a)** G.S. 160D-101 reads as rewritten:  
30 **"§ 160D-101. Application.**

31       (a) The provisions of this Article shall apply to all development regulations and programs  
32 adopted pursuant to this Chapter or applicable or related local acts. To the extent there are  
33 contrary provisions in local charters or acts, G.S. 160D-111 is applicable unless this Chapter  
34 expressly provides otherwise. The provisions of this Article also apply to any other local  
35 ordinance that substantially affects land use and development.

36       (b) The provisions of this Article are supplemental to specific provisions included in  
37 other Articles of this Chapter. To the extent there are conflicts between the provisions of this  
38 Article and the provisions of other Articles of this Chapter, the more specific provisions shall  
39 control.

40       (c) Local governments may also apply any of the definitions and procedures authorized  
41 by this Chapter to any ordinance that does not substantially affect land use and development  
42 adopted under the general police power of cities and counties, Article 8 of Chapter 160A of the  
43 General Statutes and Article 6 of Chapter 153A of the General Statutes respectively, and may  
44 employ any organizational structure, board, commission, or staffing arrangement authorized by  
45 this Chapter to any or all aspects of those ordinances.

46       ~~(d) This Chapter does not expand, diminish, or alter the scope of authority for planning~~  
47 ~~and development regulation authorized by other Chapters of the General Statutes.~~

48       (e) Notwithstanding any other provision of law, a local government may not exercise  
49 planning, zoning, subdivision, or development regulation authority except as expressly  
50 authorized by this Chapter. If a State law or rule governs a particular subject matter related to a  
51 local government's planning, zoning, subdivision, or development regulation authority, a local

1 government shall not enact or enforce planning, zoning, subdivision or development regulations  
2 standards, limitations, or requirements that are more restrictive than those established by State  
3 law, unless the regulation pertains to floodplain management regulations as described in  
4 G.S. 143-138(e)."

5 **SECTION 2.(b)** This section becomes effective January 1, 2026. Any local  
6 government ordinance in effect on, or adopted subsequent to, that date that is inconsistent with  
7 this section is void and unenforceable.

8  
9 **EXTEND DURATION OF SITE-SPECIFIC VESTING PLANS FROM TWO YEARS TO**  
10 **FIVE YEARS AND LIMIT THE APPLICABILITY OF SUBSEQUENT CHANGES TO**  
11 **LAND DEVELOPMENT REGULATIONS**

12 **SECTION 3.(a)** G.S. 160D-108.1 reads as rewritten:

13 **"§ 160D-108.1. Vested rights – site-specific vesting plans.**

14 ...

15 (c) Approval and Amendment of Plans. – If a site-specific vesting plan is based on an  
16 approval required by a local development regulation, the local government shall provide  
17 whatever notice and hearing is required for that underlying approval. A duration of the underlying  
18 approval that is less than ~~two~~ five years does not affect the duration of the site-specific vesting  
19 plan established under this section. If the site-specific vesting plan is not based on ~~such an~~  
20 approval, an approval required by a local development regulation, a legislative hearing with  
21 notice as required by G.S. 160D-602 shall be held.

22 A local government may approve a site-specific vesting plan upon any terms and conditions  
23 that may reasonably be necessary to protect the public health, safety, and welfare. Conditional  
24 approval results in a vested right, although failure to abide by the terms and conditions of the  
25 approval will result in a forfeiture of vested rights. A local government shall not require a  
26 landowner to waive the landowner's vested rights as a condition of developmental approval. A  
27 site-specific vesting plan is deemed approved upon the effective date of the local government's  
28 decision approving the plan or another date determined by the governing board upon approval.  
29 An approved site-specific vesting plan and its conditions may be amended with the approval of  
30 the owner and the local government as follows: any substantial modification must be reviewed  
31 and approved in the same manner as the original approval; minor modifications may be approved  
32 by staff, if ~~such~~ the modifications are defined and authorized by local regulation.

33 ...

34 (e) Duration and Termination of Vested Right. –

35 (1) A vested right for a site-specific vesting plan remains vested for a period of  
36 ~~two~~ five years. This vesting shall not be extended by any amendments or  
37 modifications to a site-specific vesting plan unless expressly provided by the  
38 local government.

39 (2) Notwithstanding the provisions of subdivision (1) of this subsection, a local  
40 government may provide for rights to be vested for a period exceeding ~~two~~  
41 five years but not exceeding ~~five~~ eight years where warranted in light of all  
42 relevant circumstances, including, but not limited to, the size and phasing of  
43 development, the level of investment, the need for the development, economic  
44 cycles, and market conditions or other considerations. These determinations  
45 are in the sound discretion of the local government and shall be made  
46 following the process specified for the particular form of a site-specific  
47 vesting plan involved in accordance with subsection (a) of this section.

48 (3) Upon issuance of a building permit, the provisions of G.S. 160D-1111 and  
49 G.S. 160D-1115 apply, except that a permit does not expire and shall not be  
50 revoked because of the running of time while a vested right under this section  
51 is outstanding.

- 1 (4) A right vested as provided in this section terminates at the end of the  
 2 applicable vesting period with respect to buildings and uses for which no valid  
 3 building permit applications have been filed.
- 4 (f) Subsequent Changes Prohibited; Exceptions. –
- 5 (1) A vested right, once established as provided for in this section, precludes any  
 6 ~~zoning action~~ land development regulation by a local government which  
 7 would change, alter, impair, prevent, diminish, or otherwise delay the  
 8 development or use of the property as set forth in an approved site-specific  
 9 vesting plan, except under one or more of the following conditions:
- 10 a. With the written consent of the affected landowner.
- 11 b. Upon findings, by ordinance after notice and an evidentiary hearing,  
 12 that natural or man-made hazards on or in the immediate vicinity of  
 13 the property, if uncorrected, would pose a serious threat to the public  
 14 health, safety, and welfare if the project were to proceed as  
 15 contemplated in the site-specific vesting plan.
- 16 c. To the extent that the affected landowner receives compensation for  
 17 all costs, expenses, and other losses incurred by the landowner,  
 18 including, but not limited to, all fees paid in consideration of financing,  
 19 and all architectural, planning, marketing, legal, and other consulting  
 20 fees incurred after approval by the local government, together with  
 21 interest as provided under G.S. 160D-106. Compensation shall not  
 22 include any diminution in the value of the property which is caused by  
 23 the action.
- 24 d. Upon findings, by ordinance after notice and an evidentiary hearing,  
 25 that the landowner or the landowner's representative intentionally  
 26 supplied inaccurate information or made material misrepresentations  
 27 that made a difference in the approval by the local government of the  
 28 site-specific vesting plan or the phased development plan.
- 29 e. Upon the enactment or promulgation of a State or federal law or  
 30 regulation that precludes development as contemplated in the  
 31 site-specific vesting plan or the phased development plan, in which  
 32 case the local government may modify the affected provisions, upon a  
 33 finding that the change in State or federal law has a fundamental effect  
 34 on the plan, by ordinance after notice and an evidentiary hearing.
- 35 (2) The establishment of a vested right under this section ~~does not preclude~~  
 36 precludes the application of overlay zoning or other development regulations  
 37 which impose additional requirements but do not affect the allowable type or  
 38 intensity of use, or ordinances or regulations which are general in nature and  
 39 are applicable to all property subject to development regulation by a local  
 40 government, including, but not limited to, building, fire, plumbing, electrical,  
 41 and mechanical codes. Otherwise applicable new development regulations  
 42 become effective with respect to property which is subject to a site-specific  
 43 vesting plan upon the expiration or termination of the vesting rights period  
 44 provided for in this section.
- 45 (3) Notwithstanding any provision of this section, the establishment of a vested  
 46 right does not preclude, change, or impair the authority of a local government  
 47 to adopt and enforce development regulations governing nonconforming  
 48 situations or uses.

49 ...."

50 **SECTION 3.(b)** This section is effective when it becomes law and applies to  
 51 applications and appeals filed on or after that date.

1  
2 **STRENGTHEN PROHIBITION ON LOCAL GOVERNING BOARD CONFLICTS OF**  
3 **INTEREST**

4 **SECTION 4.(a)** G.S. 160D-109 reads as rewritten:

5 **"§ 160D-109. Conflicts of interest.**

6 (a) Governing Board. – A governing board member shall not participate in or vote on any  
7 legislative decision regarding a development regulation adopted pursuant to this Chapter ~~where~~  
8 ~~the outcome of the matter being considered is reasonably likely to have a direct, substantial, and~~  
9 ~~readily identifiable financial impact on the member. A governing board member shall not vote~~  
10 ~~on any zoning amendment if the landowner of the property subject to a rezoning petition or the~~  
11 ~~applicant for a text amendment is a person with whom the member has a close familial, business,~~  
12 ~~or other associational relationship where:~~

13 (1) The outcome of the matter being considered is reasonably likely to have a  
14 direct, substantial, and readily identifiable impact on the member.

15 (2) The landowner of the property subject to a rezoning petition or the applicant  
16 for a text amendment is a person with whom the member has a close familial,  
17 business, or other associational relationship.

18 (3) The member has a fixed opinion prior to the hearing on the matter that is not  
19 susceptible to change.

20 (4) The member has undisclosed ex parte communication about the matter.

21 (b) Appointed Boards. – Members of appointed boards shall not participate in or vote on  
22 any advisory or legislative decision regarding a development regulation adopted pursuant to this  
23 Chapter ~~where the outcome of the matter being considered is reasonably likely to have a direct,~~  
24 ~~substantial, and readily identifiable financial impact on the member. An appointed board member~~  
25 ~~shall not vote on any zoning amendment if the landowner of the property subject to a rezoning~~  
26 ~~petition or the applicant for a text amendment is a person with whom the member has a close~~  
27 ~~familial, business, or other associational relationship where:~~

28 (1) The outcome of the matter being considered is reasonably likely to have a  
29 direct, substantial, and readily identifiable impact on the member.

30 (2) The landowner of the property subject to a rezoning petition or the applicant  
31 for a text amendment is a person with whom the member has a close familial,  
32 business, or other associational relationship.

33 (3) The member has a fixed opinion prior to the hearing on the matter that is not  
34 susceptible to change.

35 (4) The member has undisclosed ex parte communication about the matter.

36 ...."

37 **SECTION 4.(b)** G.S. 160D-605 reads as rewritten:

38 **"§ 160D-605. Governing board statement.**

39 (a) Plan Consistency. – When adopting or rejecting any zoning text or map amendment,  
40 the governing board shall approve a brief statement describing whether its action is consistent or  
41 inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan  
42 consistency statement may also be met by a clear indication in the minutes of the governing board  
43 that at the time of action on the amendment the governing board was aware of and considered  
44 the planning board's recommendations and any relevant portions of an adopted comprehensive  
45 or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent  
46 with the adopted plan, the zoning amendment has the effect of also amending any future land-use  
47 map in the approved plan, and no additional request or application for a plan amendment is  
48 required. A plan amendment and a zoning amendment may be considered concurrently. The plan  
49 consistency statement is ~~not~~ subject to judicial review. If a zoning map amendment qualifies as  
50 a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement describing plan

1 consistency may address the overall rezoning and describe how the analysis and policies in the  
2 relevant adopted plans were considered in the action taken.

3 ...."

4  
5 **ESTABLISH JURISDICTION FOR LAND THAT LIES WITHIN MORE THAN ONE**  
6 **LOCAL GOVERNMENT**

7 **SECTION 5.** G.S. 160D-203 reads as rewritten:

8 "**§ 160D-203. Split jurisdiction.**

9 (a) If a parcel of land lies within the planning and development regulation jurisdiction of  
10 more than one local government, for the purposes of this Chapter, the local governments may,  
11 by mutual agreement pursuant to Article 20 of Chapter 160A of the General Statutes and with  
12 the written consent of the landowner, assign exclusive planning and development regulation  
13 jurisdiction under this Chapter for the entire parcel to any one of those local governments. ~~Such~~  
14 ~~a~~The mutual agreement shall only be applicable to development regulations and shall not affect  
15 taxation or other nonregulatory matters. The mutual agreement shall be evidenced by a resolution  
16 formally adopted by each governing board and recorded with the register of deeds in the county  
17 where the property is located within 14 days of the adoption of the last required resolution.

18 (b) Notwithstanding subsection (a) of this section, if a parcel of land lies within the  
19 planning and development regulation jurisdiction of more than one local government and only  
20 one local government has the ability to provide water and sewer services to the parcel at the time  
21 a site plan for the parcel is submitted, the local government that has the ability to provide public  
22 water and sewer services shall have planning and development regulation jurisdiction over the  
23 entire parcel. If all of the local governments have the ability to either provide public water  
24 services or public sewer services to the parcel, but not both, at the time a site plan for the parcel  
25 is submitted, the owner of the parcel may designate which local government's planning and  
26 development regulations shall apply to the land. If all or none of the local governments have the  
27 ability to provide public water and sewer services to the parcel at the time a site plan for the  
28 parcel is submitted, the local government where the majority of the parcel is located shall have  
29 jurisdiction over the land."

30  
31 **CLARIFY LOCAL GOVERNMENT FEES RELATED TO DEVELOPMENT**  
32 **REGULATIONS**

33 **SECTION 6.** G.S. 160D-402(d) reads as rewritten:

34 "(d) Financial Support. – The local government may appropriate for the support of the  
35 staff any funds that it deems necessary. It shall have power to fix ~~reasonable~~ fees for support,  
36 administration, and implementation of programs authorized by this ~~Chapter, and all Chapter.~~ All  
37 such fees shall not exceed the amount reasonably required to support, administer, and implement  
38 programs authorized by this Chapter, and shall be used for no other purposes. When an  
39 inspection, for which the permit holder has paid a fee to the local government, is performed by a  
40 marketplace pool Code-enforcement official upon request of the State Fire Marshal under  
41 G.S. 143-151.12(9)a., the local government shall promptly return to the permit holder the fee  
42 collected by the local government for such inspection. This subsection applies to the following  
43 types of inspection: plumbing, electrical systems, general building restrictions and regulations,  
44 heating and air-conditioning, and the general construction of buildings."

45  
46 **REQUIRE DECISIONS ON USES PERMITTED BY RIGHT TO BE DETERMINED**  
47 **ADMINISTRATIVELY IN LARGE CITIES**

48 **SECTION 7.** G.S. 160D-403 reads as rewritten:

49 "**§ 160D-403. Administrative development approvals and determinations.**

50 (a) Development Approvals. – To the extent consistent with the scope of regulatory  
51 authority granted by this Chapter, no person shall commence or proceed with development

1 without first securing any required development approval from the local government with  
2 jurisdiction over the site of the development. A development approval shall be in writing and  
3 may contain a provision requiring the development to comply with all applicable State and local  
4 laws. A local government may issue development approvals in print or electronic form. Any  
5 development approval issued exclusively in electronic form shall be protected from further  
6 editing once issued. Applications for development approvals may be made by the landowner, a  
7 lessee or person holding an option or contract to purchase or lease land, or an authorized agent  
8 of the landowner. An easement holder may also apply for development approval for ~~such~~the  
9 development as is authorized by the easement.

10 (b) Determinations and Notice of Determinations. – A development regulation enacted  
11 under the authority of this Chapter may designate the staff member or members charged with  
12 making determinations under the development regulation. For cities with a population of 125,000  
13 people or more, approvals concerning an application for a project that is a permitted use in the  
14 zoning district where the project is located shall be made only by the city's administrative staff,  
15 as described in G.S. 160D-402.

16 ...."

## 17 **REQUIRE REZONING AND SITE PLAN DECISIONS IN NO MORE THAN 90 DAYS**

18 **SECTION 8.(a)** Article 7 of Chapter 160D of the General Statutes is amended by  
19 adding a new section to read:

### 20 **"§ 160D-707. Review period for rezoning decisions.**

21 Within 14 calendar days of the filing of an application for amendment of a zoning map or  
22 zoning regulations, a local government or its designated administrative staff, as described under  
23 G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant  
24 of the application's completeness and (ii) if the local government or its designated administrative  
25 staff determines the application is incomplete, specify all the deficiencies in the notice to the  
26 applicant. The applicant may file an amended application or supplemental information to cure  
27 the deficiencies identified by the local government or its designated administrative staff for a  
28 completeness review, which shall be completed within 14 calendar days after receiving an  
29 amended application or supplemental application from the applicant. Upon the date the  
30 application is deemed complete, the local government or its designated administrative staff shall  
31 issue a receipt letter or electronic response stating that the application is complete and that a  
32 90-calendar day review period has started as of that date. The local government shall approve or  
33 deny the application within 90 calendar days of the original date the application was deemed  
34 complete by the local government or its designated administrative staff, except that if the  
35 applicant requests a continuance of the application, the review period shall be tolled for the  
36 duration of any continuance. The time period for review may be extended only by agreement  
37 with the applicant if the application cannot be reviewed within the specified time limitation due  
38 to circumstances beyond the control of the local government. The extension shall not exceed six  
39 months. Failure of the local government or its designated administrative staff to act before the  
40 expiration of the time period allowed for review shall constitute an approval of the application,  
41 and the local government shall issue a written approval upon demand by the applicant."

42 **SECTION 8.(b)** G.S. 160D-403 is amended by adding a new subsection to read:

43 **"(a1)** Within 14 calendar days of the filing of an application for a development approval, a  
44 local government or its designated administrative staff, as described under G.S. 160D-402, shall  
45 (i) determine whether the application is complete and notify the applicant of the application's  
46 completeness and (ii) if the local government or its designated administrative staff determines  
47 the application is incomplete, specify all the deficiencies in the notice to the applicant. The  
48 applicant may file an amended application or supplemental information to cure the deficiencies  
49 identified by the local government or its designated administrative staff for a completeness  
50 review, which shall be completed within 14 calendar days after receiving an amended application  
51



1 or supplemental application from the applicant. Upon the date the application is deemed  
2 complete, the local government or its designated administrative staff shall issue a receipt letter  
3 or electronic response stating that the application is complete and that a 90-calendar day review  
4 period has started as of that date. The local government shall approve or deny the application  
5 within 90 calendar days of the original date the application was deemed complete by the local  
6 government or its designated administrative staff, except that if the applicant requests a  
7 continuance of the application, the review period shall be tolled for the duration of any  
8 continuance. The time period for review may be extended only by agreement with the applicant  
9 if the application cannot be reviewed within the specified time limitation due to circumstances  
10 beyond the control of the local government. The extension shall not exceed six months. Failure  
11 of the local government or its designated administrative staff to act before the expiration of the  
12 time period allowed for review shall constitute an approval of the application, and the local  
13 government shall issue a written approval upon demand by the applicant."

14 **SECTION 8.(c)** This section is effective when it becomes law and applies to  
15 applications filed on or after that date.

## 17 **LIMIT ZONING REGULATION AUTHORITY**

18 **SECTION 9.** G.S. 160D-702 reads as rewritten:

### 19 **"§ 160D-702. Grant of power.**

20 (a) A local government may adopt zoning regulations. Except as provided in subsections  
21 (b) and (c) of this section, a zoning regulation may regulate and restrict the height, number of  
22 stories, and size of buildings and other structures; the percentage of lots that may be occupied;  
23 the size of yards, courts, and other open spaces; the density of population; the location and use  
24 of buildings, structures, and land. A local government may regulate development, including  
25 floating homes, over estuarine waters and over lands covered by navigable waters owned by the  
26 State pursuant to G.S. 146-12. A zoning regulation shall provide density credits or severable  
27 development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11.  
28 Where appropriate, a zoning regulation may include requirements that street and utility  
29 rights-of-way be dedicated to the public, that provision be made of recreational space and  
30 facilities, and that performance guarantees be provided, all to the same extent and with the same  
31 limitations as provided for in G.S. 160D-804 and G.S. 160D-804.1.

32 (b) Any regulation relating to building design elements adopted under this Chapter may  
33 not be applied to any structures subject to regulation under the North Carolina Residential Code  
34 except under one or more of the following circumstances:

- 35 (1) The structures are located in an area designated as a local historic district  
36 pursuant to Part 4 of Article 9 of this Chapter.
- 37 (2) The structures are located in an area designated as a historic district on the  
38 National Register of Historic Places.
- 39 (3) The structures are individually designated as local, State, or national historic  
40 landmarks.
- 41 (4) The regulations are directly and substantially related to the requirements of  
42 applicable safety codes adopted under G.S. 143-138.
- 43 (5) Where the regulations are applied to manufactured housing in a manner  
44 consistent with G.S. 160D-908 and federal law.
- 45 (6) Where the regulations are adopted as a condition of participation in the  
46 National Flood Insurance Program.

47 Regulations prohibited by this subsection may not be applied, directly or indirectly, in any  
48 zoning district or conditional ~~district unless voluntarily consented to by the owners of all the~~  
49 ~~property to which those regulations may be applied as part of and in the course of the process of~~  
50 ~~seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval,~~  
51 district, nor may any such regulations be applied indirectly as part of a review pursuant to

1 G.S. 160D-604 or G.S. 160D-605 of any proposed zoning amendment for consistency with an  
2 adopted comprehensive plan or other applicable officially adopted plan.

3 For the purposes of this subsection, the phrase "building design elements" means exterior  
4 building color; type or style of exterior cladding material; style or materials of roof structures or  
5 porches; exterior nonstructural architectural ornamentation; location or architectural styling of  
6 windows and doors, including garage doors; the number and types of rooms; and the interior  
7 layout of rooms. The phrase "building design elements" does not include any of the following:  
8 (i) the height, bulk, orientation, or location of a structure on a zoning lot, (ii) the use of buffering  
9 or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect  
10 the privacy of neighbors, or (iii) regulations adopted pursuant to this Article governing the  
11 permitted uses of land or structures subject to the North Carolina Residential Code.

12 Nothing in this subsection affects the validity or enforceability of private covenants or other  
13 contractual agreements among property owners relating to building design elements.

14 (c) A zoning or other development regulation shall not do any of the following:

15 (1) Set a minimum width, length, or square footage of any structures subject to  
16 regulation under the North Carolina Residential Code.

17 ~~(2) Require a parking space to be larger than 9 feet wide by 20 feet long unless  
18 the parking space is designated for handicap, parallel, or diagonal parking.~~

19 (2a) Establish or require parking or parking space requirements or allocations  
20 except as required by the Americans with Disabilities Act. This subsection  
21 applies to parking space sizes, parking spaces required within a particular  
22 development, the location of parking spaces within a particular development,  
23 and the configuration of parking spaces within a particular development.

24 (3) Require additional fire apparatus access roads into developments of one- or  
25 two-family dwellings that are not in compliance with the required number of  
26 fire apparatus access roads into developments of one- or two-family dwellings  
27 set forth in the Fire Code of the North Carolina Residential Code for One- and  
28 Two-Family Dwellings.

29 (4) Except as provided under G.S. 160A-307, set a minimum width, length, or  
30 square footage for driveways within a development unless the driveway abuts  
31 a public road. A "public road" means any road, street, highway, thoroughfare,  
32 or other way of passage that is owned and maintained by a city or the  
33 Department of Transportation. This subdivision shall not be construed to  
34 expand, diminish, or alter the Department of Transportation's authority to  
35 regulate driveways adjacent to roads owned by the State.

36 (5) Set design standards for roads within a development in excess of those  
37 required by the Department of Transportation, except that a city may set  
38 design standards for roads within a development in excess of those required  
39 by the Department of Transportation if the city accepts ownership and  
40 maintenance responsibility for the road prior to or in conjunction with site  
41 plan approval. Confirmation of conformity of the improvements consistent  
42 with local government design specifications, regulations, or ordinances under  
43 this section shall be conducted consistent with G.S. 160D-804.1(1c). Upon  
44 confirmation that the improvements have been made consistent with  
45 G.S. 160D-804.1(1c), the local government shall record with the register of  
46 deeds a plat evincing ownership of the road by the city.

47 (6) Require installation of sidewalks or improvement of existing sidewalks for  
48 any commercial or school property unless the sidewalk (i) is connected to an  
49 existing sidewalk or (ii) will connect to a planned adjacent sidewalk that the  
50 local government believes, based on a development approval, will be

constructed within two years of the commercial or school property site plan approval.

- (7) For cities with a population of 125,000 people or more, establish setback or buffer yard requirements for a multifamily development that exceeds 15 units per acre."

**REQUIRE ZONING DISTRICTS TO BE BASED ON DENSITY AND CLARIFY PROHIBITION ON CONDITIONS NOT AUTHORIZED BY LAW**

**SECTION 10.(a)** G.S. 160D-102 is amended by adding a new subdivision to read:

"(15a) Dwelling unit. – A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation."

**SECTION 10.(b)** G.S. 160D-703 reads as rewritten:

**"§ 160D-703. Zoning districts.**

(a) Types of Zoning Districts. – A~~Except as provided in subsection (a1) of this section,~~ a local government may divide its territorial jurisdiction into zoning districts of any number, shape, and area deemed best suited to carry out the purposes of this Article. Within those districts, it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. Zoning districts may include, but are not ~~be~~ limited to, the following:

- (1) Conventional districts, in which a variety of uses are allowed as permitted uses or uses by right and that may also include uses permitted only with a special use permit.
- (2) Conditional districts, in which site plans or individualized development conditions are imposed.
- (3) Form-based districts, or development form controls, that address the physical form, mass, and density of structures, public spaces, and streetscapes.
- (4) Overlay districts, in which different requirements are imposed on certain properties within one or more underlying conventional, conditional, or form-based districts.
- (5) Districts allowed by charter.

(a1) Residential Zoning Districts Classified Based on Density. – A local government shall classify residential zoning districts based on the number of dwelling units allowed per acre. A local government shall not classify residential zoning districts based on the minimum lot size allowed in the district.

(a2) Permitted Uses in Counties. – In areas zoned for residential use, a zoning or other development regulation in a county shall allow the following uses by right:

- (1) In a county with a population of 49,999 or less, the siting of no fewer than four dwelling units per acre.
- (2) In a county with a population between 50,000 and 274,999, the siting of no fewer than five dwelling units per acre.
- (3) In a county with a population of 275,000 or more, the siting of no fewer than six dwelling units per acre.

(a3) Permitted Uses in Cities. – A city zoning or other development regulation in a city shall allow the following uses by right:

- (1) In areas zoned for residential use in a city with a population of 19,999 or less, the siting of no fewer than four dwelling units per acre.
- (2) In areas zoned for residential use in a city with a population between 20,000 and 124,999, the siting of no fewer than five dwelling units per acre.
- (3) In areas zoned for residential use in a city with a population of 125,000 or more, the siting of no fewer than six dwelling units per acre. The minimum

dwelling unit requirement may be met by duplexes, triplexes, and quadruplexes, which shall be permitted by right.

(4) In areas zoned for non-agricultural commercial, business, or industrial use in a city with a population of 125,000 or more, all of the following:

a. Duplexes.

b. Triplexes.

c. Quadruplexes.

d. Multifamily housing structures with more than four residential dwelling units, with a maximum height restriction of not less than 60 feet.

(a4) Exemption from Local Design Standards and Buffer Yards. – In a city with a population of 125,000 people or more, structures and uses allowable under subdivision (3) or (4) of subsection (a3) of this section shall not be subject to either of the following:

(1) Local design standards, except those adopted as a condition of participation in the National Flood Insurance Program.

(2) Landscape buffering regulations.

(a5) Applicability of Permitted Uses. – Subsections (a2) and (a3) of this section, as applicable, apply to all structures subject to the North Carolina Residential Code and shall apply regardless of whether the structures are located on multiple lots or on a single lot. Subsections (a2) and (a3) of this section do not apply to land used for a bona fide farm purpose as described in G.S. 160D-903 or an open space land purpose as described in G.S. 160D-1307.

(b) Conditional Districts. – Property may be placed in a conditional district only in response to a petition by all owners of the property to be included. Specific conditions may be proposed by the petitioner or the local government or its agencies, but only those conditions approved by the local government and consented to by the petitioner in writing may be incorporated into the zoning regulations. ~~Unless consented to by the petitioner in writing,~~ Notwithstanding any other provision of law, in the exercise of the authority granted by this section, a local government may not (i) require, enforce, or incorporate into the zoning regulations any condition or requirement not authorized by otherwise applicable law, regulations, or require as a condition of approval of any site plan, development agreement, conditional zoning permit, or any other instrument any condition, requirement, or deed restriction not specifically authorized by law, or any condition or requirement that the courts have held to be unenforceable if imposed directly by the local government, or (ii) accept any offer by the petitioner to consent to any condition not specifically authorized by law, including, without limitation, taxes, impact fees, building design elements within the scope of G.S. 160D-702(b), driveway-related improvements in excess of those allowed in G.S. 136-18(29) and G.S. 160A-307, or other unauthorized limitations on the development or use of land. Conditions and site-specific standards imposed in a conditional district shall be limited to those that address the conformance of the development and use of the site to local government ordinances, plans adopted pursuant to G.S. 160D-501, or the impacts reasonably expected to be generated by the development or use of the site. The zoning regulation may provide that defined minor modifications in conditional district standards that do not involve a change in uses permitted or the density of overall development permitted may be reviewed and approved administratively. Any other modification of the conditions and standards in a conditional district shall follow the same process for approval as are applicable to zoning map amendments. If multiple parcels of land are subject to a conditional zoning, the owners of individual parcels may apply for modification of the conditions so long as the modification would not result in other properties failing to meet the terms of the conditions. Any modifications approved apply only to those properties whose owners petition for the modification.

(b1) Limitations. – For parcels where multifamily structures are an allowable use, a local government may not impose a harmony requirement for permit approval if the development

1 contains affordable housing units for families or individuals with incomes below eighty percent  
2 (80%) of the area median income.

3 (c) Uniformity Within Districts. – Except as authorized by the foregoing, all regulations  
4 shall be uniform for each class or kind of building throughout each district but the regulations in  
5 one district may differ from those in other districts.

6 (d) Standards Applicable Regardless of District. – A zoning regulation or unified  
7 development ordinance may also include development standards that apply uniformly  
8 jurisdiction-wide rather than being applicable only in particular zoning districts.

9 (e) Definition. – For purposes of this section, the term "acre" means the actual gross  
10 acreage of a parcel or parcels within a zoning district and shall not be reduced for purposes of  
11 determining allowable residential density by subtracting buffers, setbacks, public or private  
12 streets, open space or recreation areas, or other nondevelopable areas from the density  
13 calculation."

14 **SECTION 10.(c)** This section becomes effective January 1, 2026. Any local  
15 government ordinance in effect on, or adopted subsequent to, that date that is inconsistent with  
16 this section is void and unenforceable.

## 17 18 ADMINISTRATIVE SUBDIVISION APPROVALS

19 **SECTION 11.** G.S. 160D-803 reads as rewritten:

20 "**§ 160D-803. Review process, filing, and recording of subdivision plats.**

21 (a) Any subdivision regulation adopted pursuant to this Article shall contain provisions  
22 setting forth the procedures and standards to be followed in granting or denying approval of a  
23 subdivision plat prior to its registration.

24 (b) A subdivision regulation shall provide that the following agencies be given an  
25 opportunity to make recommendations concerning an individual subdivision plat before the plat  
26 is approved:

27 (1) The district highway engineer as to proposed State streets, State highways,  
28 and related drainage systems.

29 (2) The county health director or local public utility, as appropriate, as to  
30 proposed water or sewerage systems.

31 (3) Any other agency or official designated by the governing board.

32 (c) The subdivision regulation ~~may shall~~ provide that final decisions on preliminary plats  
33 and final plats are administrative and to be made by ~~any of the following:~~

34 (1) ~~The governing board.~~

35 (2) ~~The governing board on recommendation of a designated body.~~

36 (3) ~~A designated planning board, technical review committee of local government staff  
37 members, or other designated body or staff person.~~

38 ~~If the final decision on a subdivision plat is administrative, the decision may be assigned to a  
39 staff person or committee comprised entirely of staff persons, and notice of the decision shall be  
40 as provided by G.S. 160D-403(b). If the final decision on a subdivision plat is quasi-judicial, the  
41 decision shall be assigned to the governing board, the planning board, the board of adjustment,  
42 or other board appointed pursuant to this Chapter, and the procedures set forth in G.S. 160D-406  
43 shall apply.~~

44 (d) After the effective date that a subdivision regulation is adopted, no subdivision within  
45 a local government's planning and development regulation jurisdiction shall be filed or recorded  
46 until it shall have been submitted to and approved by ~~the governing board or appropriate body,~~ a  
47 staff person or committee comprised entirely of staff persons, as specified in the subdivision  
48 regulation, and until this approval shall have been entered on the face of the plat in writing by an  
49 authorized representative of the local government. The review officer, pursuant to G.S. 47-30.2,  
50 shall not certify a subdivision plat that has not been approved in accordance with these provisions

1 nor shall the clerk of superior court order or direct the recording of a plat if the recording would  
2 be in conflict with this section."  
3

4 **ALLOW TINY HOUSES AND ACCESSORY DWELLING UNITS IN RESIDENTIAL**  
5 **DISTRICTS IN LARGE CITIES**

6 **SECTION 12.** Article 9 of Chapter 160D of the General Statutes is amended by  
7 adding two new sections to read:

8 **"§ 160D-974. Tiny houses in residential districts in large cities.**

9 (a) Applicability. – This section applies only to cities with a population of 125,000 people  
10 or more.

11 (b) Definitions. – As used in this section, the term "tiny house" means a detached  
12 single-family dwelling unit that is no greater than 600 square feet, built to standards applicable  
13 to the North Carolina Residential Code, and is either constructed or mounted on a foundation and  
14 is connected to utilities. The term does not include a recreational vehicle or manufactured home  
15 that has not been affixed to real property.

16 (c) Small Housing in Residential Zones. – A city shall allow small housing in areas zoned  
17 for residential or mixed-use residential, including those that allow for the development of  
18 detached single-family dwellings.

19 (d) Regulation and Scope. – Nothing in this section affects the validity or enforceability  
20 of private covenants or other contractual agreements among property owners relating to dwelling  
21 type restrictions. Any regulation adopted pursuant to this section shall not apply to an area  
22 designated as a local historic district (i) pursuant to Part 4 of Article 9 of this Chapter or (ii) on  
23 the National Register of Historic Places, unless approved by the local historic preservation  
24 authority. For septic systems, a city may require a new system or an upgrade to an existing system  
25 if it is determined that the existing system is incapable of handling extra capacity.

26 **"§ 160D-975. Accessory dwelling units.**

27 (a) Applicability. – This section applies only to cities with a population of 125,000 people  
28 or more.

29 (b) A city shall allow the development of at least one accessory dwelling unit which  
30 conforms to the North Carolina Residential Code, including applicable provisions from the North  
31 Carolina Fire Code, for each detached single-family dwelling that is greater than 600 square feet,  
32 in areas zoned for residential use that allow for development of detached single-family dwellings.  
33 An accessory dwelling unit may be built or sited concurrently with the primary dwelling or after  
34 the primary dwelling has been constructed or sited. Nothing in this section shall prohibit a local  
35 government from permitting accessory dwelling units in any area not otherwise required under  
36 this section. For the purposes of this section, the term "accessory dwelling unit" means an  
37 attached or detached residential structure that is used in connection with or that is accessory to a  
38 primary single-family dwelling and that has less total square footage than the primary  
39 single-family dwelling.

40 (c) Development and permitting of an accessory dwelling unit shall not be subject to any  
41 of the following requirements:

42 (1) Owner-occupancy of any dwelling unit, including an accessory unit.

43 (2) Minimum parking requirements or other parking restrictions, including the  
44 imposition of additional parking requirements where an existing structure is  
45 converted for use as an accessory dwelling unit.

46 (3) Conditional use zoning.

47 (d) In permitting accessory dwelling units under this section, a city shall not do any of  
48 the following:

49 (1) Prohibit the connection of the accessory dwelling unit to existing utilities  
50 serving the primary dwelling unit.

1           (2) Charge any fee, other than a building permit fee, that exceeds the amount  
2           charged for any single-family dwelling unit similar in nature.

3           (e) Except as otherwise provided in this section, a city may regulate accessory dwelling  
4 units pursuant to this Chapter, provided that the regulations do not act to discourage development  
5 or siting of accessory dwelling units through unreasonable costs or delay. Nothing in this section  
6 shall affect the validity or enforceability of private covenants or other contractual agreements  
7 among property owners relating to dwelling type restrictions.

8           (f) A city may impose a setback minimum for accessory dwelling units of 5 feet or the  
9 setback minimum imposed generally upon lots in the same zoning classification, whichever is  
10 less."

## 12 **AMEND REQUIREMENTS FOR ESTABLISHMENT OF HISTORIC DISTRICTS**

13           **SECTION 13.** G.S. 160D-944 reads as rewritten:

### 14 **"§ 160D-944. Designation of historic districts.**

15           (a) Any local government may, as part of a zoning regulation adopted pursuant to Article  
16 7 of this Chapter or as a development regulation enacted or amended pursuant to Article 6 of this  
17 Chapter, designate and from time to time amend one or more historic districts within the area  
18 subject to the regulation. Historic districts established pursuant to this Part shall consist of areas  
19 that are deemed to be of special significance in terms of their history, prehistory, architecture, or  
20 culture and to possess integrity of design, setting, materials, feeling, and association.

21           A development regulation may treat historic districts either as a separate use district  
22 classification or as districts that overlay other zoning districts. Where historic districts are  
23 designated as separate use districts, the zoning regulation may include as uses by right or as  
24 special uses those uses found by the preservation commission to have existed during the period  
25 sought to be restored or preserved or to be compatible with the restoration or preservation of the  
26 district.

27           (b) No historic district or districts shall be designated under subsection (a) of this section  
28 until all of the following occur:

29           (1) An investigation and report describing the significance of the buildings,  
30 structures, features, sites, or surroundings included in the proposed district and  
31 a description of the boundaries of the district have been prepared.

32           (2) The Department of Natural and Cultural Resources, acting through the State  
33 Historic Preservation Officer or his or her designee, has made an analysis of  
34 and recommendations concerning the report and description of proposed  
35 boundaries. Failure of the Department to submit its written analysis and  
36 recommendations to the governing board within 30 calendar days after a  
37 written request for the analysis has been received by the Department relieves  
38 the governing board of any responsibility for awaiting the analysis, and the  
39 governing board may at any subsequent time take any necessary action to  
40 adopt or amend its zoning regulation.

41           (3) Seventy-five percent (75%) of the property owners in the proposed district  
42 sign a petition requesting designation of the district.

43           (c) The governing board may also, in its discretion, refer the report and proposed  
44 boundaries under subsection (b) of this section to any local preservation commission or other  
45 interested body for its recommendations prior to taking action to amend the zoning regulation.  
46 With respect to any changes in the boundaries of a district, subsequent to its initial establishment,  
47 or the creation of additional districts within the jurisdiction, the investigative studies and reports  
48 required by subdivision (1) of subsection (b) of this section shall be prepared by the preservation  
49 commission and shall be referred to the planning board for its review and comment according to  
50 procedures set forth in the zoning regulation. Changes in the boundaries of an initial district or

1 proposal for additional districts shall also be submitted to the Department of Natural and Cultural  
2 Resources in accordance with the provisions of subdivision (2) of subsection (b) of this section.

3 On receipt of these reports and recommendations, the local government may proceed in the  
4 same manner as would otherwise be required for the adoption or amendment of any appropriate  
5 zoning ~~regulation~~-regulation, except that the governing board shall unanimously approve the  
6 adoption of the district.

7 (d) G.S. 160D-914 applies to zoning or other development regulations pertaining to  
8 historic districts, and the authority under that statute for the ordinance to regulate the location or  
9 screening of solar collectors may encompass requiring the use of plantings or other measures to  
10 ensure that the use of solar collectors is not incongruous with the special character of the district."  
11

## 12 **REQUIRE ONLY A SHELL PERMIT FOR THE CONSTRUCTION OF** 13 **MULTIFAMILY DEVELOPMENTS**

14 **SECTION 14.(a)** G.S. 160D-1110(d) reads as rewritten:

15 "(d) A local government shall not do any of the following:

- 16 (1) Require more than one building permit for the complete installation or  
17 replacement of any natural gas, propane gas, or electrical appliance on an  
18 existing structure when the installation or replacement is performed by a  
19 person licensed under G.S. 87-21 or G.S. 87-43. The cost of the building  
20 permit for this work shall not exceed the cost of any one individual trade  
21 permit issued by that local government. The local government shall not  
22 increase the costs of any fees to offset the loss of revenue caused by this  
23 provision.
- 24 (2) Require more than one building permit for simultaneous projects at the time  
25 of the application located at the same address and subject to the North Carolina  
26 Residential Code.
- 27 (3) Require more than a shell permit for the construction of a multifamily  
28 development project. Upon the request of the permittee, the local government  
29 shall issue certificates of occupancy for individual units in a multifamily  
30 development project permitted under a shell permit as the units meet the  
31 criteria for issuance of a certificate of occupancy. For purposes of this  
32 subdivision, "shell permit" means a permit that allows for the structural  
33 construction of a building but does not result in the issuance of a certificate of  
34 occupancy."

35 **SECTION 14.(b)** This section is effective when it becomes law and applies to permit  
36 applications filed on or after that date.  
37

## 38 **EXPAND CAUSES FOR CIVIL ACTION INVOLVING CLAIMS INVOLVING** 39 **QUESTIONS OF INTERPRETATION AND CLARIFY STANDING IN SUCH CASES**

40 **SECTION 15.** G.S. 160D-1403.1 reads as rewritten:

41 "**§ 160D-1403.1. Civil action for declaratory relief, injunctive relief, other remedies; joinder**  
42 **of complaint and petition for writ of certiorari in certain cases.**

43 (a) Civil Action. – Except as otherwise provided in this section for claims involving  
44 questions of interpretation, in lieu of any remedies available under G.S. 160D-405 or  
45 G.S. 160D-108(h), a person with standing, as defined in subsection (b) of this section, may bring  
46 an original civil action seeking declaratory relief, injunctive relief, damages, or any other  
47 remedies provided by law or equity, in superior court or federal court to challenge the  
48 enforceability, validity, or effect of a local land development regulation or decision for any of  
49 the following claims:

- 50 (1) The ordinance, either on its face or as applied, is unconstitutional.



- 1 (2) The ordinance, either on its face or as applied, is ultra vires, preempted,  
2 arbitrary or capricious, or is otherwise in excess of statutory authority.
- 3 (3) The ordinance, either on its face or as applied, constitutes a taking of property.
- 4 (4) The decision of an administrative staff member, local government  
5 decision-making board or governing board, or a local government official  
6 made pursuant to a local government's authority under G.S. 160D-702,  
7 G.S. 160D-703, or both, is ultra vires, preempted, in excess of its statutory  
8 authority, made upon unlawful procedure, made in error of law, arbitrary and  
9 capricious, or an abuse of discretion.

10 If the decision being challenged is from an administrative official charged with enforcement  
11 of a local land development regulation, the party with standing must first bring any claim that the  
12 ordinance was erroneously interpreted to the applicable board of adjustment pursuant to  
13 G.S. 160D-405. An adverse ruling from the board of adjustment may then be challenged in an  
14 action brought pursuant to this subsection with the court hearing the matter de novo together with  
15 any of the claims listed in this subsection.

16 (b) Standing. – Any of the following criteria provide standing to bring an action under  
17 this section:

- 18 (1) The person has an ownership, leasehold, or easement interest in, or possesses  
19 an option or contract to purchase the property that is the subject matter of a  
20 final and binding decision made by an administrative official charged with  
21 applying or enforcing a land development regulation.
- 22 (2) The person was a development permit applicant before the decision-making  
23 board whose decision is being challenged.
- 24 (3) The person was a development permit applicant who is aggrieved by a final  
25 and binding decision of an administrative official charged with applying or  
26 enforcing a land development regulation.
- 27 (4) An association, organization, society, or entity whose membership is  
28 comprised of an individual or entity identified in subdivision (2) or (3) of this  
29 subsection.

30 ...

31 (g) Definitions. – The definitions in G.S. 143-755 apply in this section. For purposes of  
32 this section, the term "local government official" means an elected official or appointed member  
33 of a decision-making board or governing board or a local government's administrative staff  
34 member."

## 36 EXPAND PRIVATE REMEDIES FOR VIOLATIONS OF CHAPTER 160D

37 SECTION 16. Article 14 of Chapter 160D of the General Statutes is amended by  
38 adding a new section to read:

### 39 "§ 160D-1403.3. Private remedies.

40 In addition to any other remedy otherwise provided by law, any person, association,  
41 organization, society, or entity may bring a civil action to enforce the provisions of this Chapter  
42 and recover damages, costs, and disbursements, including costs of investigation and reasonable  
43 attorneys' fees, and receive other equitable relief as determined by the court."

## 45 PERSONAL LIABILITY FOR CERTAIN ACTS OF LOCAL GOVERNMENT

### 46 OFFICIALS

47 SECTION 17.(a) G.S. 160D-110 reads as rewritten:

### 48 "§ 160D-110. Chapter construction.

- 49 (a) G.S. 153A-4 and G.S. 160A-4 are not applicable to this Chapter.
- 50 (b) "Written" or "in writing" is deemed to include electronic documentation.

1 (c) Unless specified otherwise, in the absence of evidence to the contrary, delivery by  
2 first-class mail shall be deemed received on the third business day following deposit of the item  
3 for mailing with the United States Postal Service, and delivery by electronic mail shall be deemed  
4 received on the date sent."

5 **SECTION 17.(b)** Article 14 of Chapter 160D of the General Statutes is amended by  
6 adding a new section to read:

7 "**§ 160D-1406. Civil liability in certain instances.**

8 (a) In addition to any other remedy available, actual damages resulting from any  
9 development decision, or lack thereof, may be recovered by civil action instituted by any person  
10 with standing as described in G.S. 160D-1402(c) from any member or members of the  
11 decision-making board who did any of the following with respect to the development decision:

12 (1) Engaged in impermissible violations of due process.

13 (2) Considered evidence or other material gained outside of an evidentiary  
14 hearing when making a quasi-judicial decision.

15 (3) Acted maliciously, arbitrarily, and capriciously, or unlawfully.

16 (b) If a court determines that a member of a decision-making board is liable under  
17 subsection (a) of this section, the court may also award punitive damages.

18 (c) Subject to the common law of legislative privilege and legislative immunity, a court  
19 may compel disclosure of information if, in the presiding judge's opinion, the disclosure is  
20 necessary to a proper administration of justice.

21 (d) Attorneys' fees and costs shall be awarded in accordance with G.S. 6-21.7."

22 **SECTION 17.(c)** G.S. 6-21.7 reads as rewritten:

23 "**§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of their authority.**

24 (a) In any action in which a city or county is a party, upon a finding by the court that the  
25 city or county violated a statute or case law setting forth unambiguous limits on its authority, the  
26 court shall award reasonable attorneys' fees and costs to the party who successfully challenged  
27 the city's or county's action. In any action in which a member of a decision-making board under  
28 Chapter 160D of the General Statutes is found to be liable under G.S. 160D-1406, the court shall  
29 award reasonable attorneys' fees and costs to the party who successfully challenged the acts of  
30 the member of a decision-making board under Chapter 160D of the General Statutes.

31 (b) In any action in which a city or county is a party, upon finding by the court that the  
32 city or county took action inconsistent with, or in violation of, G.S. 160D-108(b) or  
33 G.S. 143-755, the court shall award reasonable attorneys' fees and costs to the party who  
34 successfully challenged the local government's failure to comply with any of those provisions.

35 (c) In all other ~~matters~~, matters not covered by subsection (a) or (b) of this section, the  
36 court may award reasonable attorneys' fees and costs to the prevailing private litigant.

37 (d) For purposes of this section, "unambiguous" means that the limits of authority are not  
38 reasonably susceptible to multiple constructions."

39 **SECTION 17.(d)** G.S. 153A-121 reads as rewritten:

40 "**§ 153A-121. General ordinance-making power.**

41 (a) A county may by ordinance define, regulate, prohibit, or abate acts, omissions, or  
42 conditions detrimental to the health, safety, or welfare of its citizens and the peace and dignity of  
43 the county; and may define and abate nuisances.

44 (b) This section does not authorize a county to regulate or control vehicular or pedestrian  
45 traffic on a street or highway under the control of the Board of Transportation, nor to regulate or  
46 control any right-of-way or right-of-passage belonging to a public utility, electric or telephone  
47 membership corporation, or public agency of the State. In addition, no county ordinance may  
48 regulate or control a highway right-of-way in a manner inconsistent with State law or an  
49 ordinance of the Board of Transportation.

50 (c) This section does not impair the authority of local boards of health to adopt rules and  
51 regulations to protect and promote public health.

1       (d) This section does not apply to the adoption or enforcement of development  
 2 regulations under Chapter 160D of the General Statutes."

3               **SECTION 17.(e)** G.S. 160A-174 reads as rewritten:

4 **"§ 160A-174. General ordinance-making power.**

5       (a) A city may by ordinance define, prohibit, regulate, or abate acts, omissions, or  
 6 conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity  
 7 of the city, and may define and abate nuisances.

8       (b) A city ordinance shall be consistent with the Constitution and laws of North Carolina  
 9 and of the United States. An ordinance is not consistent with State or federal law when:

- 10           (1) The ordinance infringes a liberty guaranteed to the people by the State or  
 11 federal Constitution;
- 12           (2) The ordinance makes unlawful an act, omission or condition which is  
 13 expressly made lawful by State or federal law;
- 14           (3) The ordinance makes lawful an act, omission, or condition which is expressly  
 15 made unlawful by State or federal law;
- 16           (4) The ordinance purports to regulate a subject that cities are expressly forbidden  
 17 to regulate by State or federal law;
- 18           (5) The ordinance purports to regulate a field for which a State or federal statute  
 19 clearly shows a legislative intent to provide a complete and integrated  
 20 regulatory scheme to the exclusion of local regulation;
- 21           (6) The elements of an offense defined by a city ordinance are identical to the  
 22 elements of an offense defined by State or federal law.

23 The fact that a State or federal law, standing alone, makes a given act, omission, or condition  
 24 unlawful shall not preclude city ordinances requiring a higher standard of conduct or condition.

25       (c) This section does not apply to the adoption or enforcement of development  
 26 regulations under Chapter 160D of the General Statutes."

27  
 28 **REQUIRE THE DIVISION OF HIGHWAYS TO ACCEPT PERFORMANCE**  
 29 **GUARANTEES PENDING COMPLETION OF SUBDIVISION STREETS**

30               **SECTION 18.** G.S. 136-102.6 reads as rewritten:

31 **"§ 136-102.6. Compliance of subdivision streets with minimum standards of the Board of**  
 32 **Transportation required of developers.**

33       (a) The owner of a tract or parcel of land which is subdivided from and after October 1,  
 34 1975, into two or more lots, building sites, or other divisions for sale or building development  
 35 for residential purposes, where ~~such the~~ subdivision includes a new street or the changing of an  
 36 existing street, shall record a map or plat of the subdivision with the register of deeds of the  
 37 county in which the land is located. The map or plat shall be recorded prior to any conveyance  
 38 of a portion of said land, by reference to ~~said the~~ map or plat.

39       (b) The right-of-way of any new street or change in an existing street shall be delineated  
 40 upon the map or plat with particularity and ~~such the~~ streets shall be designated to be either public  
 41 or private. Any street designated on the plat or map as public shall be conclusively presumed to  
 42 be an offer of dedication to the public of ~~such the~~ street.

43       (c) The right-of-way and design of streets designated as public shall be in accordance  
 44 with the minimum right-of-way and construction standards established by the Board of  
 45 Transportation for acceptance on the State highway system. If a municipal or county subdivision  
 46 control ordinance is in effect in the area proposed for subdivision, the map or plat required by  
 47 this section shall not be recorded by the register of deeds until after it has received final plat  
 48 approval by the municipality or county, and until after it has received a certificate of approval by  
 49 the Division of Highways as ~~herein provided in this section~~ as to those streets regulated in  
 50 subsection (g). The certificate of approval may be issued by a district engineer of the Division of  
 51 Highways of the Department of Transportation.

1       (c1) Notwithstanding anything to the contrary in this section, the Division of Highways  
 2 shall accept a performance guarantee as provided under G.S. 160D-804.1 to ensure completion  
 3 of streets that are required by a municipal or county subdivision control ordinance. On receipt of  
 4 the performance guarantee, the Division of Highways shall issue a certificate of approval to the  
 5 municipality or county as to those streets.

6       (d) The right-of-way and construction plans for ~~such~~the public streets in residential  
 7 subdivisions, including plans for street drainage, shall be submitted to the Division of Highways  
 8 for review and approval, prior to the recording of the subdivision plat in the office of the register  
 9 of deeds. The plat or map required by this section shall not be recorded by the register of deeds  
 10 without a certification pursuant to G.S. 47-30.2 and, if determined to be necessary by the Review  
 11 Officer, a certificate of approval by the Division of Highways of the plans for the public street as  
 12 being in accordance with the minimum standards of the Board of Transportation for acceptance  
 13 of the subdivision street on the State highway system for maintenance. The Review Officer shall  
 14 not certify a map or plat subject to this section unless the new streets or changes in existing streets  
 15 are designated either public or private. The certificate of approval shall not be deemed an  
 16 acceptance of the dedication of the streets on the subdivision plat or map. Final acceptance by  
 17 the Division of Highways of the public streets and placing them on the State highway system for  
 18 maintenance shall be conclusive proof that the streets have been constructed according to the  
 19 minimum standards of the Board of Transportation. The Board of Transportation must approve  
 20 the addition of subdivision street improvements designated as public to the State highway system  
 21 for maintenance pursuant to this subsection within 90 days after the Department of  
 22 Transportation receives a petition for road addition and the Department determines those  
 23 subdivision streets meet the minimum standards of the Board of Transportation.

24       ...."

## 25       **LIMIT CURB CUT REGULATIONS**

26       **SECTION 19.** G.S. 160A-307 reads as rewritten:

### 27       "**§ 160A-307. Curb cut regulations.**

28       (a) ~~A~~Except as expressly permitted by Chapter 160D of the General Statutes, a city may  
 29 not regulate by ordinance regulate~~the~~ size, location, direction of traffic flow, and manner of  
 30 construction of driveway connections into any street or alley. ~~The~~To the extent allowed by  
 31 Chapter 160D of the General Statutes, the ordinance may require the construction or  
 32 reimbursement of the cost of construction and public dedication of medians, acceleration and  
 33 deceleration lanes, and traffic storage lanes for driveway connections into any street or alley if  
 34 all of the following apply:

- 35       (1) The city has shown through substantial evidence the need for ~~such~~the  
 36 improvements is reasonably attributable to the traffic using the driveway.  
 37       (2) The city has shown through substantial evidence the improvements serve the  
 38 traffic of the driveway.

39       (b) No street or alley under the control of the Department of Transportation may be  
 40 improved without the consent of the Department of Transportation. A city shall not require the  
 41 applicant to acquire right-of-way from property not owned by the applicant. However, an  
 42 applicant may voluntarily agree to acquire such right-of-way.

43       (c) For purposes of this section, "substantial evidence" means facts and information,  
 44 other than mere personal preferences or speculation, that a reasonable person would accept in  
 45 support of a conclusion.

## 46       **PROVIDE FOR RESERVATION OF WATER AND SEWER CAPACITY FOR PROPOSED DEVELOPMENT**

47       **SECTION 20.(a)** Article 11 of Chapter 162A of the General Statutes is amended by  
 48 adding a new section to read:  
 49  
 50  
 51

1 **"§ 162A-901. Reservation of water and sewer capacity for proposed development.**

2 (a) On receiving a completed application for service commitment to a proposed  
3 development, a public water system, public sewer system, or public water and sewer system  
4 servicing the site for the proposed development shall respond within 30 days as to whether the  
5 public system has capacity to serve the proposed development. For the purposes of this section,  
6 "proposed development" means a project for which a complete development application is  
7 submitted and that has received, or there is pending, required development approval under  
8 Chapter 160D of the General Statutes.

9 (b) Reservation of capacity in a public system shall be provided only to applicants with  
10 an active application for development approval under Chapter 160D of the General Statutes. A  
11 local government or public authority shall not reserve capacity in a public system for any  
12 speculative or future development or general purpose not associated with a specific proposed  
13 development.

14 (c) Unless the public system does not have capacity to serve the proposed development  
15 or is under a moratorium precluding expansion imposed under G.S. 160D-107 or by a State  
16 agency, a public system shall reserve the necessary capacity for the proposed development for  
17 24 months from the date of the completed application for service commitment. If the public  
18 system lacks sufficient capacity to serve a proposed development, the public system shall, within  
19 90 days of notice of reservation denial to the applicant, prepare a plan for expansion of the public  
20 system capacity. The plan shall include the estimated time line, funding sources, and steps  
21 necessary to implement the plan to expand the public system capacity.

22 (d) Upon costs associated with the proposed development having been incurred by the  
23 applicant in reliance on the public system capacity reservation, neither the public system nor a  
24 local government shall deny access to the public system in which capacity is reserved for the  
25 proposed development during the 24-month period. After the initial 24-month period, the public  
26 system shall extend the reservation of capacity until the construction of the proposed  
27 development is completed provided (i) the development application remains active or (ii) work  
28 on the development project has commenced and continues under a valid development permit.

29 (e) No less than 90 days prior the end of the initial 24-month reservation period, the  
30 public system shall notify the development applicant that the reservation of capacity will expire."

31 **SECTION 20.(b)** For applicants that, on or after July 1, 2020, received a service  
32 commitment from a public water system, public sewer system, or public water and sewer system  
33 confirming availability of capacity for the applicant's development project, but whose capacity  
34 needs have not been provided, the system shall reserve, allocate, and provide those applicants  
35 with the capacity assured in the system's service commitment in the chronological order that the  
36 service commitment was issued before the system reserves, allocates, or provides capacity to  
37 another applicant.

38  
39 **ALLOW PACKAGE PLANT WASTEWATER TREATMENT SYSTEMS**

40 **SECTION 21.** Article 11 of Chapter 130A of the General Statutes is amended by  
41 adding a new section to read:

42 **"§ 130A-343.5. Wastewater systems for property within service area of a public or**  
43 **community wastewater system.**

44 (a) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and  
45 162A-14(2), a property owner may install a wastewater system in accordance with this Article to  
46 serve any undeveloped or unimproved property located so as to be served by a public or  
47 community wastewater system.

48 (b) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and  
49 162A-14(2), a property owner of developed or improved property located so as to be served by  
50 a public or community wastewater system may install a wastewater system in accordance with  
51 this Article if the public or community wastewater system has not yet installed sewer lines

1 directly available to the property or otherwise cannot provide wastewater service to the property  
2 at the time the property owner desires wastewater service.

3 (c) Upon compliance with this Article, the property owner installing a wastewater system  
4 pursuant to subsection (a) or (b) of this section shall not be required to connect to the public or  
5 community wastewater system for so long as the wastewater system installed in accordance with  
6 this Article remains compliant and in use. A property owner may opt to connect to the public or  
7 community wastewater system if the property owner so desires.

8 (d) Nothing in this section shall require a property owner to install a wastewater system  
9 in accordance with this Article if the property is located so as to be served by a public or  
10 community wastewater system and the public or community wastewater system is willing to  
11 provide wastewater service to the property.

12 (e) This section shall not apply, and a public or community wastewater system may  
13 mandate connection to that public or community wastewater system, in any of the following  
14 situations:

15 (1) The wastewater system in accordance with this Article serving the property  
16 has failed and cannot be repaired.

17 (2) The public authority or unit of government operating the public water system  
18 is being assisted by the Local Government Commission.

19 (3) The public authority or unit of government operating the public or community  
20 wastewater system is in the process of expanding or repairing the public or  
21 community wastewater system and is actively making progress to having  
22 wastewater lines installed directly available to provide wastewater service to  
23 that property within the 24 months of the time the property owner applies for  
24 a permit under this Article."

## 25 SEVERABILITY CLAUSE AND EFFECTIVE DATE

26 **SECTION 22.(a)** If any provision of this act or the application thereof to any person  
27 or circumstances is held invalid, such invalidity shall not affect other provisions or applications  
28 of this act that can be given effect without the invalid provision or application and, to this end,  
29 the provisions of this act are declared to be severable.

30 **SECTION 22.(b)** Except as otherwise provided, this act is effective when it becomes  
31 law.  
32