GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025

Η

HOUSE BILL 765 PROPOSED COMMITTEE SUBSTITUTE H765-PCS10467-ST-5

Short Title: Local Gov. Development Regulations Omnibus.

(Public)

Sponsors:

Referred to:

April 7, 2025

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 **SECTION 1.(a)** G.S. 160D-601, as amended by Section 3K.1 of S.L. 2024-57, reads 6 as rewritten: 7 "§ 160D-601. Procedure for adopting, amending, or repealing development regulations. 8 . . . 9 Down-Zoning. - No amendment to zoning regulations or a zoning map-a zoning (d) regulation that down-zones property shall be initiated, enacted, or enforced without the written 10 11 consent of all property owners whose property is the subject of the down-zoning amendment.amendment, unless the down-zoning amendment is initiated by the local 12 13 government. 14 For purposes of this section, "down-zoning" or "down-zone" means a zoning (e) 15 ordinance regulation that affects an area of land in one of the following ways: 16 By decreasing the development density of the land to be less dense than was (1)allowed under its previous usage. 17 18 By reducing the substantive permitted uses of the land that are specified in a (2)zoning ordinance or land development regulation to fewer uses than were 19 20 allowed under its previous usage. 21 (3)By creating any type of nonconformity on land not in a residential zoning district, including a nonconforming use, nonconforming lot, nonconforming 22 23 structure, nonconforming improvement, or nonconforming site element." 24 This section is effective when it becomes law and applies **SECTION 1.(b)** 25 retroactively to December 11, 2024. Any development ordinance affected by Section 3K.1 of S.L. 2024-57 shall be treated as if it remained in effect from June 14, 2024, to December 11, 26 27 2024. 28 SECTION 2.(a) G.S. 160D-101 reads as rewritten: 29 "§ 160D-101. Application. 30 (a) The provisions of this Article shall apply to all development regulations and programs 31 adopted pursuant to this Chapter or applicable or related local acts. To the extent there are 32 contrary provisions in local charters or acts, G.S. 160D-111 is applicable unless this Chapter

expressly provides otherwise. The provisions of this Article also apply to any other local
ordinance that substantially affects land use and development.
(b) The provisions of this Article are supplemental to specific provisions included in
other Articles of this Chapter. To the extent there are conflicts between the provisions of this



D

	General Assemb	ly Of North Carolina	Session 2025
1 2	Article and the p control.	rovisions of other Articles of this Chapter, the more sp	pecific provisions shall
3	(c) Local	governments may also apply any of the definitions and	procedures authorized
4		o any ordinance that does not substantially affect land	-
5	• •	e general police power of cities and counties, Article 8 (-
6	-	and Article 6 of Chapter 153A of the General Statutes	-
7	employ any organ	nizational structure, board, commission, or staffing arra	
8		y or all aspects of those ordinances.	
9		Chapter does not expand, diminish, or alter the scope of	
10	_	regulation authorized by other Chapters of the General	
11	· · · ·	t as provided by local act, notwithstanding any other pr	
12		not exercise development regulation authority except a	
13	• •	f State law governs a particular subject matter related	-
14		ty, a local government shall not enact or enforce develop	
15		nose established by State law, unless the development	t regulation pertains to
16	<u>floodplain manag</u>	ement regulations as described in G.S. 143-138(e)."	
17	SECT	ION 2.(b) G.S. 160D-110(a) reads as rewritten:	
18	"(a) G.S. 1	53A-4 and G.S. 160A-4 are not applicable to this Chapt	ter."
19	SECT	TON 2.(c) G.S. 153A-121 is amended by adding a new	subsection to read:
20	" <u>(d)</u> <u>This</u>	section does not apply to the adoption or enforce	ment of development
21	regulations under	Chapter 160D of the General Statutes."	
22	SECT	ION 2.(d) G.S. 160A-174 is amended by adding a new	v subsection to read:
23	" <u>(c)</u> This	section does not apply to the adoption or enforce	ment of development
24		Chapter 160D of the General Statutes."	-
25	SECT	ION 3. G.S. 160D-102 is amended by adding the follo	wing new subdivisions
26	to read:		
27	" <u>(1a)</u>	Acre The actual gross acreage of a parcel or pa	rcels. For purposes of
28		determining allowable residential density, the actual	gross acreage shall not
29		be reduced by subtracting buffers, setbacks, public of	or private streets, open
30		space or recreation areas, or other nondevelopable area	
31			
32	(3m)	Buffer yard A designated landscape area to separa	te uses or densities; to
33		reduce impacts of traffic, noise, odor; or to enhance vi	sual appearance.
34			
35	(15c)	Dwelling unit. – A single unit, subject to the North Car	olina Residential Code,
36	<u></u>	providing complete, independent living facilities for	
37		including permanent provisions for living, sleeping	-
38		sanitation.	<u> </u>
39			
40	(23m)	Nonconformity Any of the following that w	as lawfully operated.
41	<u> </u>	established, or commenced in accordance with a	
42		regulations in effect at the time the nonconformity bec	
43		long as the nonconformity is not extended, expanded,	•
44		intensified:	<u>emaigea, mereasea, er</u>
45		a. A lot, parcel, or tract of land that fails to meet a	all current development
46		regulation requirements.	
47		b. A structure that no longer complies with al	l current development
48		regulation requirements applicable to that struct	-
49		c. The use of a property for a purpose or activity	
50		<u>unlawful by a current development regulation.</u>	
50		unavitar of a carrent actorophicit regulation.	

	General Assembly Of North Carolina Session 2025	;
1 2 3	d. Any dwelling, accessory building, accessory structure, outdoor lighting, fence, wall, sign, off-street parking, vehicular surface area, or private access point."	
4	SECTION 4. G.S. 160D-108 reads as rewritten:	
5	"§ 160D-108. Permit choice and vested rights.	
6	§ 100D-100. I climit choice and vested rights.	
7	(d) Duration of Vesting. – Upon issuance of a development permit, the statutory vesting	r
8	granted by subsection (c) of this section for a development project is effective upon filing of the	
9	application in accordance with G.S. 143-755, for so long as the permit remains valid pursuant to	
10	law. Unless otherwise specified by this section or other statute, local development permits expire	
11	one year after issuance unless work authorized by the permit has substantially commenced. A	
12	local land development regulation may provide for a longer permit expiration period. For the	
13	purposes of this section, a permit is issued either in the ordinary course of business of the	
14	applicable governmental agency or by the applicable governmental agency as a court directive.	
15	Except where a longer vesting period is provided by statute or land development regulation,	,
16	the statutory vesting granted by this section, once established, expires for an uncompleted	l
17	development project if development work is intentionally and voluntarily discontinued for a	
18	period of not less than 24 consecutive months, and the statutory vesting period granted by this	
19	section for a nonconforming use of property expires if the use is intentionally and voluntarily	
20	discontinued for a period of not less than 24 consecutive months. The 24-month discontinuance	;
21	period is automatically tolled during the any of the following:	
22	(1) <u>The pendency of any board of adjustment proceeding or civil action in a State</u>	
23 24	or federal trial or appellate court regarding the validity of a development	
24 25	permit, the use of the property, or the existence of the statutory vesting period granted by this section.	ļ
23 26	(2) The 24-month discontinuance period is also tolled during the pendency of any	,
20 27	litigation involving the development project or property that is the subject of	
28	the vesting.	
29	(3) The duration of any emergency declaration issued under G.S. 166A-19.20 or	•
30	G.S. 166A-19.22 for which the defined emergency area includes the property.	
31	in whole or in part.	•
32		
33	(h) Process to Claim Vested Right. – A person claiming a statutory or common law vested	l
34	right may submit information to substantiate that claim to the zoning administrator or other	
35	officer designated by a land development regulation, who shall make an initial determination as	
36	to the existence of the vested right. The decision of the zoning administrator or officer may be	
37	appealed under G.S. 160D-405. On appeal, the existence of a vested right shall be reviewed de	
38	novo. In lieu of seeking such a determination or pursuing an appeal under G.S. 160D-405, a	
39 40	person claiming a vested right may bring an original civil action as provided by $C \leq 1600 + 1402$.	
40 41	G.S. 160D-1403.1. This subsection shall apply to the claiming of vested rights in a nonconformity under G.S. 160D-108.2.	<u> </u>
42	"	
43	SECTION 5. G.S. 160D-108.1 reads as rewritten:	
44	"§ 160D-108.1. Vested rights – site-specific vesting plans.	
45		
46	(c) Approval and Amendment of Plans. – If a site-specific vesting plan is based on an	1
47	approval required by a local development regulation, the local government shall provide	
48	whatever notice and hearing is required for that underlying approval. A duration of the underlying	
49	approval that is less than two-five years does not affect the duration of the site-specific vesting	-
50	plan established under this section. If the site-specific vesting plan is not based on such an	t

1 2			roval required by a development regulation, a legislative hearing with notice as 160D-602 shall be held.
$\frac{2}{3}$	-	•	rnment may approve a site-specific vesting plan upon any terms and conditions
4		0	ably be necessary to protect the public health, safety, and welfare. Conditional
5	•		in a vested right, although failure to abide by the terms and conditions of the
6			sult in a forfeiture of vested rights. A local government shall not require a
7			ive the landowner's vested rights as a condition of developmental approval. A
8			ing plan is deemed approved upon the effective date of the local government's
9			ng the plan or another date determined by the governing board upon approval.
10			e-specific vesting plan and its conditions may be amended with the approval of
11			le local government as follows: any substantial modification must be reviewed
12			the same manner as the original approval; minor modifications may be approved
13			<u>he modifications</u> are defined and authorized by local regulation.
14		<u>.</u>	
15	(e)	Durat	ion and Termination of Vested Right. –
16	(-)	(1)	A vested right for a site-specific vesting plan remains vested for a period of
17			two-five years. This vesting shall not be extended by any amendments or
18			modifications to a site-specific vesting plan unless expressly provided by the
19			local government.
20		(2)	Notwithstanding the provisions of subdivision (1) of this subsection, a local
21			government may provide for rights to be vested for a period exceeding two
22			five years but not exceeding five eight years where warranted in light of all
23			relevant circumstances, including, but not limited to, the size and phasing of
24			development, the level of investment, the need for the development, economic
25			cycles, and market conditions or other considerations. These determinations
26			are in the sound discretion of the local government and shall be made
27			following the process specified for the particular form of a site-specific
28			vesting plan involved in accordance with subsection (a) of this section.
29		(3)	Upon issuance of a building permit, the provisions of G.S. 160D-1111 and
30			G.S. 160D-1115 apply, except that a permit does not expire and shall not be
31			revoked because of the running of time while a vested right under this section
32		(4)	is outstanding.
33		(4)	A right vested as provided in this section terminates at the end of the
34 35			applicable vesting period with respect to buildings and uses for which no valid building normit applications have been filed
35 36	(\mathbf{f})	Suba	building permit applications have been filed.
30 37	(f)	(1)	equent Changes Prohibited; Exceptions. – A vested right, once established as provided for in this section, precludes any
38		(1)	zoning action development regulation by a local government which would
39			change, alter, impair, prevent, diminish, or otherwise delay the development
40			or use of the property as set forth in an approved site-specific vesting plan,
41			except under one or more of the following conditions:
42			a. With the written consent of the affected landowner.
43			b. Upon findings, by ordinance after notice and an evidentiary hearing,
44			that natural or man-made hazards on or in the immediate vicinity of
45			the property, if uncorrected, would pose a serious threat to the public
46			health, safety, and welfare if the project were to proceed as
47			contemplated in the site-specific vesting plan.
48			c. To the extent that the affected landowner receives compensation for
49			all costs, expenses, and other losses incurred by the landowner,
50			including, but not limited to, all fees paid in consideration of financing,
51			and all architectural, planning, marketing, legal, and other consulting

	General Assem	bly Of North Carolina	Session 2025
1 2 3		fees incurred after approval by the lo interest as provided under G.S. 160D include any diminution in the value of t	-106. Compensation shall not
4		the action.	
5		d. Upon findings, by ordinance after noti	
6		that the landowner or the landowner	-
7		supplied inaccurate information or ma	-
8		that made a difference in the approval	
9		site-specific vesting plan or the phased	
0		e. Upon the enactment or promulgation	
1		regulation that precludes developme	
2		site-specific vesting plan or the phase	
3		case the local government may modify	1 1
1		finding that the change in State or feder	
5		on the plan, by ordinance after notice a	• •
5	(2)	The establishment of a vested right under the	-
7		precludes the application of overlay zoning or	1 0
3		which impose additional requirements but do r	
)		intensity of use, or ordinances or regulations w	-
) 1		are applicable to all property subject to deve	
1 2		government, including, but not limited to, build	• • •
		and mechanical codes. Otherwise applicable	
3 4		become effective with respect to property whi	
+ 5		vesting plan upon the expiration or termination provided for in this section.	on of the vesting rights period
6	(3)	Notwithstanding any provision of this section.	the establishment of a vested
7	(\mathbf{J})	right does not preclude, change, or impair the a	
.8		to adopt and enforce development regulation	
9		situations or uses.nonconformities.	ins governing noncontorning
)	"		
1	SEC'	FION 6. Article 1 of Chapter 160D of the Ge	eneral Statutes is amended by
2	adding a new see	-	
3	0	Nonconformities.	
4		ndments in land development regulations are	not applicable or enforceable
5	without the write	ten consent of the owner with regard to a nonco	nformity. All of the following
6	shall apply to ve	sted rights in a nonconformity established under	this section:
7	<u>(1)</u>	The establishment of a vested right under the	his section does not preclude
8		vesting under one or more other provisions of l	aw or vesting by application of
9		common law principles.	
-0	<u>(2)</u>	A vested right, once established as provided for	
-1		law, precludes any action by a local governme	-
-2		impair, prevent, diminish, or otherwise delay	•
3		property allowed by applicable development	•
4		change in State or federal law mandating le	
-5		occurs after the nonconformity was established	ed that has a fundamental and
6		retroactive effect on the development or use.	
7	$\frac{(3)}{(4)}$	G.S. 160D-108(h) shall apply to the claiming of	
8	<u>(4)</u>	<u>Unless otherwise specified by this section or an</u>	•
9		may continue until intentionally and voluntaril	-
0		tatutory vesting period granted by this section for	
51	nonconformity 1	s intentionally and voluntarily discontinued for	a period of not less than 24

General Assem	ably Of North Carolina S	Session 2025
consecutive mo	nths. The 24-month discontinuance period shall be automatically t	olled during
any of the follow	wing events:	-
<u>(1)</u>	The pendency of any board of adjustment proceeding or civil activity	on in a State
	or federal court regarding the validity of the use of the prop	
	existence of the statutory vesting period granted by this section.	
<u>(2)</u>	The pendency of any litigation involving use of the property that i	s the subject
	of the vesting.	<i>j</i>
<u>(3)</u>	The duration of any emergency declaration issued under G.S. 16	6A-19.20 or
	G.S. 166A-19.22 for which the defined emergency area includes t	
	in whole or in part.	<u>ı </u>
(c) Reco	onstruction, re-establishment, repair, and maintenance of a nonconf	ormity shall
	ight provided the nonconformity is not extended, expanded, enlarged	•
	y the reconstruction, re-establishment, repair, or maintenance.	<u>.,</u>
•	section shall not apply to G.S. 160D-912 and G.S. 160D-912.1."	
	CTION 7. G.S. 160D-109 reads as rewritten:	
	Conflicts of interest.	
-	erning Board. – A governing board member shall not participate in or	vote on anv
	sion regarding a development regulation adopted pursuant to this Ch	•
	of the following apply:	
<u>(1)</u>	<u>The outcome of the matter being considered is reasonably like</u>	ly to have a
<u> </u>	direct, substantial, and readily identifiable financial impact on the	
	governing board member shall not vote on any zoning amendment	
<u>(2)</u>	The landowner of the property subject to a rezoning petition or t	
<u>_/</u>	for a text amendment is a person with whom the member has a clo	11
	business, or other associational relationship.	,
(3)	The member has expressed or holds a fixed opinion prior to the he	earing on the
	matter that appears not susceptible to change.	
<u>(4)</u>	The member has undisclosed ex parte communication about the r	natter.
	ointed Boards. – Members of appointed boards shall not participate i	
· / II	legislative decision regarding a development regulation adopted pur	
• •	the one or more of the following apply:	
<u>(1)</u>	<u>The outcome of the matter being considered is reasonably likel</u>	lv to have a
<u> </u>	direct, substantial, and readily identifiable financial impact on t	•
	An appointed board member shall not vote on any zoning amend	
<u>(2)</u>	The landowner of the property subject to a rezoning petition or t	
<u> </u>	for a text amendment is a person with whom the member has a cl	
	business, or other associational relationship.	,
<u>(3)</u>	The member has expressed or holds a fixed opinion prior to the he	earing on the
	matter that appears not susceptible to change.	
(4)	The member has undisclosed ex parte communication about the r	natter
	$\frac{1}{100}$ ministrative Staff. – No-If a staff member has a conflict of interest	
	administrative decision shall be assigned to the supervisor of the staf	
	member as may be designated by the development regulation. A s	
	final decision on an administrative decision required by this Chapter	
	the following apply:	If the <u>where</u>
<u>(1)</u>	<u>The outcome of that administrative decision would have a direct,</u>	substantial
<u>(1)</u>	and readily identifiable financial impact on the staff member or if	
<u>(2)</u>	<u>The applicant or other person subject to that administrative d</u>	
<u>(</u> <u></u>	person with whom the staff member has a close familial, busine	
	associational relationship. If a staff member has a conflict of in	
	this section, the decision shall be assigned to the supervisor of the	
	time section, the decision shan be assigned to the supervisor of the	stan person

	General Assemb	oly Of North Carolina	Session 2025
1 2		or such other staff person as may be designated by the or other ordinance. No	development regulation
2 3	<u>(3)</u>	<u>The staff member shall be is financially interested or a</u>	employed by a business
4	<u>(5)</u>	that is financially interested in a development subject	
5		Chapter unless the staff member is the owner of the lar	
6		No	ia of building involved.
7	<u>(4)</u>	<u>The staff member member</u> , or other individual or an e	employee of a company
8	<u></u>	contracting with a local government to provide staf	
9		support, is engaging in any work that is inconsistent w	with his or her duties or
10		with the interest of the local government, as de-	termined by the local
11		government.	
12	"		
13		FION 8. G.S. 160D-203 reads as rewritten:	
14	"§ 160D-203. Sj		
15		arcel of land lies within the planning and development re	
16		ocal government, for the purposes of this Chapter, the l	
17	• •	ment pursuant to Article 20 of Chapter 160A of the Ge	
18		ent of the landowner, assign exclusive planning and c	1 0
19 20	-	r this Chapter for the entire parcel to any one of those le	cai governments. Such
20 21	<u>a mutuai agreem</u>	ent government, the following shall apply: If only one local government has the ability to pro-	ovide water and sewer
21	<u>(1)</u>	services to the parcel at the time a site plan for the	
22		local government that has the ability to provide p	
23 24		services shall have planning and development regulati	
25		entire parcel.	ion jurisaletion over the
26	<u>(2)</u>	If all of the local governments have the ability to eith	er provide public water
27	<u></u>	services or public sewer services to the parcel, but not	
28		plan for the parcel is submitted, the landowner may	
29		government's planning and development regulations s	hall apply to the land.
30	<u>(3)</u>	If all or none of the local governments have the ability	
31		and sewer services to the parcel at the time a site	plan for the parcel is
32		submitted, the local government where the majority	of the parcel is located
33		shall have jurisdiction over the land.	
34		urisdiction established by this section shall only be app	
35	0	shall not affect taxation or other nonregulatory matters.	e
36		ed by a resolution formally adopted by each governing b	
37	U	eds in the county where the property is located within	14 days of the adoption
38 39	of the last require		nooda og novynittan.
39 40		TION 9. G.S. 160D-402, as amended by S.L. 2024-49, dministrative staff.	reads as rewritten:
40 41	0	prization. – Local governments may appoint adm	inistrators inspectors
42		cers, planners, technicians, and other staff to develop, a	-
43		ulations authorized by this Chapter. Local governments	
44		ber charged with making determinations under th	-
45		ulations for purposes of G.S. 160D-703.	
46		s. – Duties assigned to staff may include, but are not	limited to, drafting and
47		ans and development regulations to be adopted pur	-
48		ether applications for development approvals are co	-
49		cations for development approvals; providing notice	
50		ng decisions and determinations regarding de	
51	implementation;	determining whether applications for development app	provals meet applicable

1 standards as established by law and local ordinance; conducting inspections; issuing or denying 2 certificates of compliance or occupancy; enforcing development regulations, including issuing 3 notices of violation, orders to correct violations, and recommending bringing judicial actions 4 against actual or threatened violations; keeping adequate records; and any other actions that may 5 be required in order adequately to enforce the laws and development regulations under their 6 jurisdiction. A development regulation may require that designated staff members take an oath 7 of office. The local government shall have the authority to enact ordinances, procedures, and fee 8 schedules relating to the administration and the enforcement of this Chapter. The administrative 9 and enforcement provisions related to building permits set forth in Article 11 of this Chapter shall be followed for those permits. 10 Alternative Local Government Staff Arrangements. – A local government may enter 11 (c)

11 (c) Alternative <u>Local Government</u> Staff Arrangements. – A local government may enter 12 into contracts with another city, county, or combination thereof under which the parties agree to 13 create a joint staff for the enforcement of State and local laws specified in the agreement. The 14 governing boards of the contracting parties may make any necessary appropriations for this 15 purpose.

16 In lieu of joint staff, a governing board may designate staff from any other city or county to 17 serve as a member of its staff with the approval of the governing board of the other city or county. 18 A staff member, if designated from another city or county under this section, subsection, shall, 19 while exercising the duties of the position, be considered an agent of the local government 20 exercising those duties. The governing board of one local government may request the governing 21 board of a second local government to direct one or more of the second local government's staff 22 members to exercise their powers within part or all of the first local government's jurisdiction, 23 and they shall thereupon be empowered to do so until the first local government officially 24 withdraws its request in the manner provided in G.S. 160D-202.

The contract or designation of staff under this subsection shall specify at least one individual
 designated as charged with making determinations under each local government's development
 regulations for purposes of G.S. 160D-703.

28 (c1) Alternative Contract Staff Arrangements. – A local government may contract with an 29 individual, company, council of governments, regional planning agency, metropolitan planning 30 organization, or rural planning agency to designate an individual who is not a city or county employee to work under the supervision of the local government to exercise the functions 31 32 authorized by this section. The local government shall have the same potential liability, if any, 33 for inspections conducted by an individual who is not an employee of the local government as it 34 does for an individual who is an employee of the local government. The company or individual 35 with whom the local government contracts shall have errors and omissions and other insurance 36 coverage acceptable to the local government. The contract shall require at least one individual 37 designated as charged with making determinations under that local government's development 38 regulations for purposes of G.S. 160D-703.

39 Financial Support. – The local government may appropriate for the support of the (d) 40 staff any funds that it deems necessary. It shall have power to fix reasonable fees for support, 41 administration, and implementation of programs authorized by this Chapter. Chapter, and those 42 fees shall not exceed the actual direct and reasonable costs required to support, administer, and 43 implement programs authorized by this Chapter. All fees collected by a building inspection 44 department for the administration and enforcement of provisions set forth in Article 11 of this Chapter shall be used to support the administration and operations of the building inspection 45 46 department and for no other purposes. When an inspection, for which the permit holder has paid 47 a fee to the local government, is performed by a marketplace pool Code-enforcement official 48 upon request of the State Fire Marshal under G.S. 143-151.12(9)a., the local government shall 49 promptly return to the permit holder the fee collected by the local government for such inspection. 50 This subsection applies to the following types of inspection: plumbing, electrical systems,

general building restrictions and regulations, heating and air-conditioning, and the general 1 2 construction of buildings." 3 SECTION 10. G.S. 160D-403, as amended by S.L. 2024-49, reads as rewritten: 4 "§ 160D-403. Administrative development approvals and determinations. 5 Development Approvals. - To the extent consistent with the scope of regulatory (a) 6 development regulation authority granted by this Chapter, no person shall commence or proceed 7 with development without first securing any required development approval from the local 8 government with jurisdiction over the site of the development. A development approval shall be 9 in writing and may contain a provision requiring the development to comply with all applicable 10 State and local laws. A local government may issue development approvals in print or electronic 11 form. Any development approval issued exclusively in electronic form shall be protected from 12 further editing once issued. Applications for development approvals may be made by the 13 landowner, a lessee or person holding an option or contract to purchase or lease land, or an 14 authorized agent of the landowner. An easement holder may also apply for development approval 15 for such the development as is authorized by the easement. Time Period for Approval. – Within 14 calendar days of the filing of an application 16 (a1) 17 for a development approval, a local government or its designated administrative staff, as described under G.S. 160D-402, shall (i) determine whether the application is complete and 18 19 notify the applicant of the application's completeness and, (ii) if the local government or its 20 designated administrative staff determines the application is incomplete, specify all of the deficiencies in the notice to the applicant. The applicant may file an amended application or 21 supplemental information to cure the deficiencies identified by the local government or its 22 designated administrative staff for a completeness review, which shall be completed within 14 23 24 calendar days after receiving an amended application or supplemental application from the 25 applicant. Upon the date the application is deemed complete, the local government or its 26 designated administrative staff shall issue a receipt letter or electronic response stating that the 27 application is complete and that a 90-calendar day review period has started as of that date. The 28 local government shall approve or deny the application within 90 calendar days of the date the 29 application was deemed complete by the local government or its designated administrative staff, 30 except that if the applicant requests a continuance of the application, the review period shall be tolled for the duration of any continuance. The time period for review may be extended only by 31 32 agreement with the applicant if the application cannot be reviewed within the specified time 33 limitation due to circumstances beyond the control of the local government. The extension shall 34 not exceed six months. Failure of the local government or its designated administrative staff to 35 act before the expiration of the time period allowed for review shall constitute an approval of the 36 application, and the local government shall issue a written approval upon demand by the 37 applicant. 38 . . . 39 Duration of Development Approval. – Unless a different period is specified by this (c) 40 Chapter or other specific applicable law, including for a development agreement, a development approval issued pursuant to this Chapter expires one year after the date of issuance if the work 41 42 authorized by the development approval has not been substantially commenced. Local 43 development regulations may provide for development approvals of shorter duration for temporary land uses, special events, temporary signs, and similar development. Local 44 development regulations may also provide for development approvals of longer duration for 45 46 specified types of development approvals. Nothing in this subsection limits any vested rights secured under G.S. 160D-108 or G.S. 160D-108.1.G.S. 160D-108, 160D-108.1, or 160D-108.2. 47 48" 49 SECTION 11. G.S. 160D-605(a) reads as rewritten: 50 Plan Consistency. - When adopting or rejecting any zoning text or map amendment, "(a) the governing board shall approve a brief statement describing whether its action is consistent or 51

1 inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan 2 consistency statement may also be met by a clear indication in the minutes of the governing board 3 that at the time of action on the amendment the governing board was aware of and considered 4 the planning board's recommendations and any relevant portions of an adopted comprehensive 5 or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent 6 with the adopted plan, the zoning amendment has the effect of also amending any future land-use 7 map in the approved plan, and no additional request or application for a plan amendment is 8 required. A plan amendment and a zoning amendment may be considered concurrently. The plan 9 consistency statement is not subject to judicial review. If a zoning map amendment qualifies as 10 a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement describing plan consistency may address the overall rezoning and describe how the analysis and policies in the 11 12 relevant adopted plans were considered in the action taken."

13

SECTION 12. G.S. 160D-702 reads as rewritten:

14 "§ 160D-702. Grant of power.

(1)

(3)

15 (a) A local government may adopt zoning regulations. Except as provided in subsections 16 (b) and (c) of this section, a zoning regulation may regulate and restrict the height, number of 17 stories, and size of buildings and other structures; the percentage of lots that may be occupied; 18 the size of yards, courts, and other open spaces; the density of population; the location and use 19 of buildings, structures, and land. A local government may regulate development, including 20 floating homes, over estuarine waters and over lands covered by navigable waters owned by the 21 State pursuant to G.S. 146-12. A zoning regulation shall provide density credits or severable 22 development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11. 23 Where appropriate, a zoning regulation may include requirements that street and utility 24 rights-of-way be dedicated to the public, that provision be made of recreational space and 25 facilities, and that performance guarantees be provided, all to the same extent and with the same 26 limitations as provided for in G.S. 160D-804 and G.S. 160D-804.1.

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

- 30 31
- 32 33

The structures are located in an area designated as a local historic district pursuant to Part 4 of Article 9 of this Chapter.

The structures are individually designated as local, State, or national historic

- (2) The structures are located in an area designated as a historic district on the National Register of Historic Places.
- 34
 - 35 36

37

38

- (4) The regulations are
- (4) The regulations are directly and substantially related to the requirements of applicable safety codes adopted under G.S. 143-138.
- (5) Where the regulations are applied to manufactured housing in a manner consistent with G.S. 160D-908 and federal law.
- 39 40 41
- (6) Where the regulations are adopted as a condition of participation in the National Flood Insurance Program.

Regulations prohibited by this subsection may not be applied, directly or indirectly, in any zoning district or conditional district unless voluntarily consented to by the owners of all the property to which those regulations may be applied as part of and in the course of the process of seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval, <u>district, nor may any such regulations be applied indirectly as part of a review pursuant to</u> **G.S.** 160D-604 or **G.S.** 160D-605 of any proposed zoning amendment for consistency with an adopted comprehensive plan or other applicable officially adopted plan.

For the purposes of this subsection, the phrase "building design elements" means exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of

		۲
windows	and do	pors, including garage doors; the number and types of rooms; and the interior
layout of	rooms	. The phrase "building design elements" does not include any of the following:
(i) the hei	ght, bu	lk, orientation, or location of a structure on a zoning lot, (ii) the use of buffering
	U	ninimize visual impacts, to mitigate the impacts of light and noise, or to protect
the privacy of neighbors, or (iii) regulations adopted pursuant to this Article governing the		
-	•	f land or structures subject to the North Carolina Residential Code.
-		his subsection affects the validity or enforceability of private covenants or other
		ements among property owners relating to building design elements.
(c)		ning or other development regulation shall not do any of the following:
(0)	(1)	Set a minimum width, length, or square footage of any structures subject to
	(1)	regulation under the North Carolina Residential Code.
	(2)	Require a <u>or otherwise specify the size of parking space spaces, placement of</u>
	(2)	parking spaces, configuration of parking spaces, or allocation of parking
		<u>spaces</u> to be larger than 9 feet wide by 20 feet long unless the parking space
		is designated for handicap, parallel, or diagonal parking.greater than those
		required by the Americans with Disabilities Act.
	(2)	
	(3)	Require additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of
		fire apparatus access roads into developments of one- or two-family dwelling
		set forth in the <u>North Carolina</u> Fire Code of the North Carolina Residentia
	(4)	Code for One- and Two-Family Dwellings.Code.
	<u>(4)</u>	Except as provided under G.S. 160A-307, set a minimum width, length, o
		square footage for driveways within a development unless the driveway abut
		a public road. This subdivision shall not be construed to expand, diminish, o
		alter the Department of Transportation's authority to regulate driveway
		adjacent to public roads owned by the State.
	<u>(5)</u>	Except as provided in this subdivision, set design standards for public road
		within a development in excess of those required by the Department of
		Transportation. A city may set design standards for public roads within
		development in excess of those required by the Department of Transportation
		if the city is financially responsible for the cost of the excess and accept
		ownership and maintenance responsibility for the public road prior to, or i
		conjunction with, site plan approval. Confirmation of conformity of th
		improvements consistent with the city's design standards under this subsection
		shall be conducted consistent with G.S. 160D-804.1(1c). Upon confirmation
		that the improvements have been made consistent with G.S. 160D-804.1(1c)
		the city shall record with the register of deeds a plat evidencing the city
		ownership of the public road.
	<u>(6)</u>	Require installation of sidewalks or improvement of existing sidewalks for
		any residential, commercial, or school property unless the sidewalk is either
		of the following:
		<u>a.</u> <u>Connected to an existing sidewalk.</u>
		b. Will be connected to a planned adjacent sidewalk that the loca
		government believes, based on a development approval, will b
		constructed within two years of the residential, commercial, or school
		property site plan approval.
		For cities with a population of 125,000 or more, according to the most recer
	(7)	
	<u>(7)</u>	
	<u>(7)</u>	decennial federal census, establish setback or buffer yard requirements for
(d)		<u>decennial federal census, establish setback or buffer yard requirements for</u> <u>multifamily development that exceeds 15 units per acre.</u> <u>rercising its authority under this section, a local government shall support it</u>

General Assembly Of North Carolina Session 2025 zoning map, zoning regulations, or zoning amendment and the health, safety, and welfare of the 1 2 public through finding of facts and information, other than mere personal preferences or 3 speculation, that a reasonable person would accept in support of a conclusion. 4 For purposes of this section, the term "public road" shall mean any road, street, (e) 5 highway, thoroughfare, or other way of passage that is owned and maintained by a city or the 6 Department of Transportation." 7 SECTION 13. G.S. 160D-703 reads as rewritten: 8 "§ 160D-703. Zoning districts. 9 Types of Zoning Districts. – A-Except as provided in subsection (a1) of this section, (a) 10 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, 11 12 it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of 13 buildings, structures, or land. Zoning By illustration, zoning districts may include, but are not be 14 limited to, include any of the following: 15 Conventional districts, in which a variety of uses are allowed as permitted uses (1)or uses by right and that may also include uses permitted only with a special 16 17 use permit. Conditional districts, in which site plans or individualized development 18 (2)19 conditions are imposed. 20 (3) Form-based districts, or development form controls, that address the physical 21 form, mass, and density of structures, public spaces, and streetscapes. 22 (4) Overlay districts, in which different requirements are imposed on certain 23 properties within one or more underlying conventional, conditional, or 24 form-based districts. 25 Districts allowed by charter. (5) 26 Residential Zoning Districts Classified Based on Density. - A local government shall (a1) 27 classify residential zoning districts based on the number of dwelling units allowed per acre. A 28 local government shall not classify residential zoning districts based on the minimum lot size 29 allowed in the district. 30 (a2) Permitted Uses in Counties. - In areas zoned for residential use, a county zoning regulation shall allow the following uses by right in an area with public sewer connections: 31 32 In a county with a population of 49,999 or less, according to the most recent (1)33 decennial federal census, the siting of no fewer than four dwelling units per 34 acre. 35 In a county with a population between 50,000 and 274,999, according to the (2) 36 most recent decennial federal census, the siting of no fewer than five dwelling 37 units per acre. In a county with a population of 275,000 or more, according to the most recent 38 (3) 39 decennial federal census, the siting of no fewer than six dwelling units per 40 acre. Permitted Uses in Cities. – A city zoning regulation shall allow the following uses by 41 (a3) 42 right in an area with public sewer connections: 43 In areas zoned for residential use in a city with a population of 19,999 or less, (1)according to the most recent decennial federal census, the siting of no fewer 44 45 than four dwelling units per acre. 46 (2)In areas zoned for residential use in a city with a population between 20,000 and 124,999, according to the most recent decennial federal census, the siting 47 of no fewer than five dwelling units per acre. 48 In areas zoned for residential use in a city with a population of 125,000 or 49 (3) 50 more, according to the most recent decennial federal census, the siting of no

	General Assemb	ly Of North Carolina	Session 2025
1		fewer than six dwelling units per acre. The minimum	<u>m dwelling unit</u>
2		requirement may be met by duplexes, triplexes, and quadrup	<u>plexes.</u>
3	<u>(4)</u>	In areas zoned for non-agricultural commercial, business, o	r industrial use in
4		a city with a population of 125,000 or more, according to	the most recent
5		decennial federal census, the siting of buildings and structu	res subject to the
6		North Carolina Residential Code and multifamily housin	g structures with
7		more than four residential dwelling units, with a maximum	height restriction
8		of not less than 60 feet.	
9		ption from Local Design Standards and Buffer Yards	
10		6,000 or more, according to the most recent decennial federal	
11	and structures st	ubject to the North Carolina Residential Code and uses	allowable under
12	subdivision (3) c	r (4) of subsection (a3) of this section shall not be subjec	t to either of the
13	following:		
14	<u>(1)</u>	Local design standards, except those adopted as a condition	<u>n of participation</u>
15		in the National Flood Insurance Program.	
16	<u>(2)</u>	Buffer yards or other landscape buffering regulations.	
17	<u>(a5)</u> <u>Applie</u>	cability of Permitted Uses Subsections (a2) and (a3) of the	nis section do not
18	apply to land use	d for a bona fide farm purpose as described in G.S. 160D-903	or an open space
19		escribed in G.S. 160D-1307.	
20		tional Districts Property may be placed in a conditiona	-
21	1 1	ition by all owners of the property to be included. Specific c	•
22		petitioner or the local government or its agencies, but only	
23		local government and consented to by the petitioner in	
24	-	the zoning regulations. Unless consented to by the petit	-
25		any other provision of law, in the exercise of the authority	
26		government may not (i) require, enforce, or incorporate	-
27	•	ondition or requirement not authorized by otherwise applicabl	
28	•	quirement, or deed restriction not specifically authorized by	· · · •
29	-	porate into the zoning regulations any condition or requirement	
30		inenforceable if imposed directly by the local government, of	
31	• •	oner to consent to any condition not specifically authorized b	
32		on, taxes, impact fees, building design elements within	
33), driveway-related improvements in excess of the	
34 25	. ,	and G.S. 160A-307, or other unauthorized limitations on the	-
35		s subsection shall also apply to the approval of any site p	
36		tional zoning permit, or any other instrument under this Ch	÷
37	-	standards imposed in a conditional district shall be limited to	
38		of the development and use of the site to local government to $C = 160D$ 501, or the importence reasonable expected to be	-
39 40	1 I	to G.S. 160D-501, or the impacts reasonably expected to be	•
40	-	use of the site. The zoning regulation may provide that	
41		conditional district standards that do not involve a change in	-
42	-	erall development permitted may be reviewed and approved	-
43	•	cation of the conditions and standards in a conditional distric	
44 45	-	approval as are applicable to zoning map amendments. If m	
45 46	-	to a conditional zoning, the owners of individual parcel	
46 47		he conditions so long as the modification would not result in the terms of the conditions. Any modifications approved ap	
47 48	-	the terms of the conditions. Any modifications approved a	pry only to those
48 49		owners petition for the modification.	wahla uga a lagal
47	(b1) Limita	ations For parcels where multifamily structures are an allow	wable use, a local

49 (b1) Limitations. – For parcels where multifamily structures are an allowable use, a local
 50 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 4	(c) Uniformity Within Districts. – Except as authorized by the foregoing, all <u>zoning</u> regulations shall be uniform for each class or kind of building throughout each district but the
5	zoning regulations in 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) <u>Staff Approvals. – Development approvals for a development that is a permitted use</u>
10	in the zoning district where the development is located shall be made only by the designated staff
11	member as described in G.S. 160D-402.
12	(f) Basis for Conditional District. – In exercising its authority under subsection (b) of this
13	section, a local government shall support its determinations with facts and information, other
14	than mere personal preferences or speculation, that a reasonable person would accept in support
15	of a conclusion there is a rational and substantial relationship between the conditional district and
16	the health, safety, and welfare of the public."
17	SECTION 14. Article 7 of Chapter 160D of the General Statutes is amended by
18	adding a new section to read:
19	" <u>§ 160D-707. Review period for rezoning decisions.</u>
20	Within 14 calendar days of the filing of an application for amendment of a zoning map or
21	zoning regulations, a local government or its designated administrative staff, as described under
22	G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant
23	of the application's completeness and, (ii) if the local government or its designated administrative
24	staff determines the application is incomplete, specify all the deficiencies in the notice to the
25	applicant. The applicant may file an amended application or supplemental information to cure
26	the deficiencies identified by the local government or its designated administrative staff for a
27	completeness review, which shall be completed within 14 calendar days after receiving an
28	amended application or supplemental application from the applicant. Upon the date the
29	application is deemed complete, the local government or its designated administrative staff shall
30	issue a receipt letter or electronic response stating that the application is complete and that a
31	<u>90-calendar day review period has started as of that date. The local government shall approve or</u>
32	deny the application within 90 calendar days of the date the application was deemed complete
33	by the local government or its designated administrative staff, except that if the applicant requests
34	a continuance of the application, the review period shall be tolled for the duration of any
35	continuance. The time period for review may be extended only by agreement with the applicant
36	if the application cannot be reviewed within the specified time limitation due to circumstances
37	beyond the control of the local government. The extension shall not exceed six months. Failure
38	of the local government or its designated administrative staff to act before the expiration of the
39	time period allowed for review shall constitute an approval of the application, and the local
40	government shall issue a written approval upon demand by the applicant."
41	SECTION 15. G.S. 160D-803 reads as rewritten:
42	"§ 160D-803. Review process, filing, and recording of subdivision plats.
43	(a) Any subdivision regulation adopted pursuant to this Article shall contain provisions
44 45	setting forth the procedures and standards to be followed in granting or denying approval of a subdivision plat prior to its registration
45 46	subdivision plat prior to its registration. (b) A subdivision regulation shall provide that the following agencies be given on
46 47	(b) A subdivision regulation shall provide that the following agencies be given an apportunity to make recommendations concerning an individual subdivision plat before the plat
47 48	opportunity to make recommendations concerning an individual subdivision plat before the plat
48 49	is approved: (1) The district highway engineer as to proposed State streets. State highways
49 50	(1) The district highway engineer as to proposed State streets, State highways, and related drainage systems.

	General Assembly Of North CarolinaSession 2025
1 2	(2) The county health director or local public utility, as appropriate, as to proposed water or sewerage systems.
3	(3) Any other agency or official designated by the governing board.
4	(c) The subdivision regulation may shall provide that final decisions on preliminary plats
5	and final plats are <u>administrative and to be made by any of the following:</u>
6	(1) The governing board.
7	(2) The governing board on recommendation of a designated body.
8 9	(3) A designated planning board, technical review committee of local government staff members, or other designated body or staff person.
10	If the final decision on a subdivision plat is administrative, the decision may be assigned to a
11	staff person or committee comprised entirely of staff persons, and notice of the decision shall be
12	as provided by G.S. 160D-403(b). If the final decision on a subdivision plat is quasi-judicial, the
13	decision shall be assigned to the governing board, the planning board, the board of adjustment,
14	or other board appointed pursuant to this Chapter, and the procedures set forth in G.S. 160D-406
15	shall apply.
16	(d) After the effective date that a subdivision regulation is adopted, no subdivision within
17	a local government's planning and development regulation jurisdiction shall be filed or recorded
18	until it shall have been submitted to and approved by the governing board or appropriate body, a
19	staff person or committee comprised entirely of staff persons, as specified in the subdivision
20	regulation, and until this approval shall have been entered on the face of the plat in writing by an
21	authorized representative of the local government. Within 10 days after approving a preliminary
22	or final plat, an authorized representative of the local government shall enter the approval on the
23	face of the preliminary or final plat. The review officer, pursuant to G.S. 47-30.2, shall not certify
24	a subdivision plat that has not been approved in accordance with these provisions nor shall the
25	clerk of superior court order or direct the recording of a plat if the recording would be in conflict
26	with this section.
27	(e) Notwithstanding G.S. 160D-403(c), once approval has been entered on the face of the
28	plat in accordance with this section, the approval shall be valid and not expire unless the
29	landowner applies for, and receives, a subsequent development approval."
30	SECTION 16. G.S. 160D-912 reads as rewritten:
31	"§ 160D-912. Outdoor advertising.
32	(a) As used in this section, the term "off-premises outdoor advertising" includes
33	off-premises outdoor advertising <u>signs</u> visible from the main-traveled way of any road.
34	(b) A local government may require the removal of an off-premises outdoor advertising
35	sign that is nonconforming under a local ordinance not in compliance with a development
36	regulation and may regulate the use of off-premises outdoor advertising within its planning and
37	development regulation jurisdiction in accordance with the applicable provisions of this Chapter
38	and subject to G.S. 136-131.1 and G.S. 136-131.2.
39 40	(c) A local government shall give written notice of its intent to require removal of
40	off-premises outdoor advertising not in compliance with a development regulation by sending a
41	letter by certified mail to the last known address of the owner of the <u>off-premises</u> outdoor advertising and the average of the property on which the off premises outdoor advertising is
42	advertising and the owner of the property on which the <u>off-premises</u> outdoor advertising is
43 44	located.(d) No local government may enact or amend an ordinance of general applicability to
44 45	
43 46	require the removal of any nonconforming, lawfully erected off-premises outdoor advertising sign-that is not in compliance with a development regulation without the payment of monetary
40 47	compensation to the owners of the off-premises outdoor advertising, except as provided below.
47 48	The payment of monetary compensation is not required if:
40 49	(1) The local government and the owner of the nonconforming off-premises
49 50	outdoor advertising enter into a relocation agreement pursuant to subsection
50 51	(g) of this section.
51	(8) of this section.

	General Assem	bly Of North Carolina	Session 2025
1	(2)	The local government and the owner of the nonce	off-premises
2		outdoor advertising enter into an agreement pursuant	to subsection (k) of this
3		section.	
4	(3)	The off-premises outdoor advertising is determined to	be a public nuisance or
5		detrimental to the health or safety of the populace.	
6	(4)	The removal is required for opening, widening, ex	
7		streets or sidewalks, or for establishing, extending, e	
8		any of the public enterprises listed in G.S. 160	
9		government allows the off-premises outdoor advertis	ing to be relocated to a
10		comparable location.	
11	(5)	The off-premises outdoor advertising is subject to	-
12		statutes, ordinances, or regulations generally applical	ble to the demolition or
13	(1 4)	removal of damaged structures.	
14		subsection Subsection (d) of this section shall be co	
15	•	action in the rights afforded to owners of <u>off-premises</u> of	00
16	U	and federal-aid primary highways in this State as pro	
17	-	the General Statutes. Nothing in this section shall be co	
18		owners or operators of nonconformities as set forth	
19 20		2 or the rights of owners or operators of outdoor adverti	sing signs in Article 11
20		of the General Statutes.	off manipage outdoor
21		etary compensation is the fair market value of the	-
22 23		ace immediately prior to its removal and without considered by the ordinance requiring	
23 24		any diminution in value caused by the ordinance requirin	g its removal. Monetary
24 25	(1)	nall be determined based on the following: The factors listed in G.S. 105-317.1(a).	
23 26	(1) (2)	The listed property tax value of the property and an	v documents recording
20 27	(2)	value submitted to the taxing authority.	ly documents regarding
28	(f) If the	e parties are unable to reach an agreement under subsecti	on (e) of this section on
20 29	. ,	ensation to be paid by the local government to the owner	
30	• •	door advertising sign for its removal and the local gover	
31		l of the sign, off-premises outdoor advertising, the local	
32		perior court for a determination of the monetary comp	• • •
33	-	netary compensation, the court shall consider the factor	-
34	-	n. Upon payment of monetary compensation for the sig	
35		local government shall own the sign.off-premises outdoor	-
36		eu of paying monetary compensation, a local governm	
37		the owner of a nonconforming off-premises outdoor adv	-
38	and reconstruct	the sign. off-premises outdoor advertising. The agree	ement shall include the
39	following:		
40	(1)	Provision for relocation of the sign-off-premises outd	oor advertising to a site
41		reasonably comparable to or better than the existing l	ocation. In determining
42		whether a location is comparable or better, the followi	ng factors shall be taken
43		into consideration:	
44		a. The size and format of the sign.off-premises of	utdoor advertising.
45		b. The characteristics of the proposed relocation s	. .
46		traffic count, area demographics, zoning, and	
47		differential in the sign owner's cost to the o	
48		outdoor advertising to lease the replacement s	ite.
49		c. The timing of the relocation.	

General Assembly Of North CarolinaSession 2025
(2) Provision for payment by the local government of the reasonable costs of
relocating and reconstructing the sign, off-premises outdoor advertising
including the following:
a. The actual cost of removing the sign.off-premises outdoor advertising
b. The actual cost of any necessary repairs to the real property fo
damages caused in the removal of the sign.off-premises outdoo
advertising.
c. The actual cost of installing the sign off-premises outdoor advertisin
at the new location.
d. An amount of money equivalent to the income received from the leas
of the sign off-premises outdoor advertising for a period of up to 3
days if income is lost during the relocation of the sign.off-premise
outdoor advertising.
(h) For the purposes of relocating and reconstructing a nonconforming off-premise
outdoor advertising sign-pursuant to subsection (g) of this section, a local government, consister
with the welfare and safety of the community as a whole, may adopt a resolution or adopt of
modify its ordinances to provide for the issuance of a permit or other approval, includin
conditions as appropriate, or to provide for dimensional, spacing, setback, or use variances as
deems appropriate.
(i) If a local government has offered to enter into an agreement to relocate
nonconforming off-premises outdoor advertising sign-pursuant to subsection (g) of this section
and within 120 days after the initial notice by the local government the parties have not been ab
to agree that the site or sites offered by the local government for relocation of the signature
off-premises outdoor advertising are reasonably comparable to or better than the existing sit
the parties shall enter into binding arbitration to resolve their disagreements. Unless a different
method of arbitration is agreed upon by the parties, the arbitration shall be conducted by a panel
of three arbitrators. Each party shall select one arbitrator, and the two arbitrators chosen by th
parties shall select the third member of the panel. The American Arbitration Association rule
shall apply to the arbitration unless the parties agree otherwise.
(j) If the arbitration results in a determination that the site or sites offered by the loc
government for relocation of the nonconforming sign off-premises outdoor advertising are no
comparable to or better than the existing site, and the local government elects to proceed with the
removal of the sign, off-premises outdoor advertising, the parties shall determine the monetar
compensation under subsection (e) of this section to be paid to the owner of the sign. off-premise
outdoor advertising. If the parties are unable to reach an agreement regarding monetan
compensation within 30 days of the receipt of the arbitrators' determination and the loc
government elects to proceed with the removal of the sign, off-premises outdoor advertising the
the local government may bring an action in superior court for a determination of the monetar
compensation to be paid by the local government to the owner for the removal of the signature
off-premises outdoor advertising. In determining monetary compensation, the court sha
consider the factors set forth in subsection (e) of this section. Upon payment of monetar
compensation for the sign, off-premises outdoor advertising, the local government shall own the
sign.off-premises outdoor advertising.
(k) Notwithstanding the provisions of this section, a local government and a
off-premises outdoor advertising sign owner may enter into a voluntary agreement allowing for
the removal of the sign-off-premises outdoor advertising after a set period of time in lieu
monetary compensation. A local government may adopt an ordinance or resolution providing for
a relocation, reconstruction, or removal agreement.

a relocation, reconstruction, or removal agreement. 48 49

1	outdoor advertising provided the affected property off-premises outdoor advertising remains in		
2	place until the compensation is paid.		
3	(m) This section does not apply to any ordinance in effect on July 1, 2004. A local		
4	government may amend an ordinance in effect on July 1, 2004, to extend application of the		
5	ordinance to off-premises outdoor advertising located in territory acquired by annexation or		
6 7	located in the extraterritorial jurisdiction of the city. A local government may repeal or amend		
8	an ordinance in effect on July 1, 2004, so long as the amendment to the existing ordinance does not reduce the period of amortization in effect on June 19, 2020.		
o 9	(n) The provisions of this section shall not be used to interpret, construe, alter, or		
10	otherwise modify the exercise of the power of eminent domain by an entity pursuant to Chapter		
10	40A or Chapter 136 of the General Statutes.		
12	(o) Nothing in this section shall limit a local government's authority to use amortization		
12	as a means of phasing out nonconforming uses other than off-premises outdoor advertising."		
14	SECTION 17. G.S. 160D-912.1 reads as rewritten:		
15	"§ 160D-912.1. On-premises advertising.		
16	(a) As used in this section, the following definitions apply:		
17	(1) Monetary compensation. – An amount equal to the sum of (i) the greater of		
18	the fair market value of the nonconforming on-premises advertising sign that		
19	is not in compliance with a development regulation in place immediately prior		
20	to the removal or the diminution in value of the real estate resulting from the		
21	removal of the <u>on-premises advertising</u> sign and (ii) the cost of a new		
22	on-premises advertising sign that conforms to the local government's		
23	development regulations.		
24	(2) On-premises advertising sign. – A sign visible from any local or State road or		
25	highway that advertises activities conducted on the property upon which it is		
26	located or advertises the sale or lease of the property upon which it is located.		
27	(3) Reconstruction. – Erecting or constructing anew, including any new or		
28	modern instrumentalities, parts, or equipment that were allowed under the		
29	local development rules in place at the time the <u>on-premises advertising sign</u>		
30	was erected.		
31	(b) Notwithstanding any local development regulation to the contrary, a lawfully erected		
32	on-premises advertising sign may be relocated or reconstructed within the same parcel so long		
33	as the square footage of the total advertising surface area is not increased, and the <u>on-premises</u>		
34 25	<u>advertising</u> sign complies with the local development <u>rules regulations</u> in place at the time the		
35	on-premises advertising sign was erected. The construction work related to the relocation of the		
36 37	lawfully erected on-premises advertising sign shall commence within two years after the date of removal. The local government shall have the burden to prove that the on-premises advertising		
38	sign was not lawfully erected.		
39	(c) A local government may require the removal of a lawfully erected on-premises		
40	advertising sign under a local development regulation only if the local government pays the		
41	owner of the <u>on-premises advertising</u> sign monetary compensation for the removal. Upon		
42	payment of monetary compensation, the local government shall own the <u>on-premises advertising</u>		
43	sign and remove it in a timely manner.		
44	(d) Nothing in this section shall be construed to diminish the rights given to owners or		
45	operators of nonconforming uses, including nonconforming structures, nonconformities as set		
46	forth in G.S. 160D-108 G.S. 160D-108 and G.S. 160D-108.2 or the rights of owners or operators		
47	of outdoor advertising signs in Article 11 of Chapter 136. Chapter 136 of the General Statutes."		
48	SECTION 18. G.S. 160D-944 reads as rewritten:		
49	"§ 160D-944. Designation of historic districts.		
50	(a) Any local government may, as part of a zoning regulation adopted pursuant to Article		
51	7 of this Chapter or as a development regulation enacted or amended pursuant to Article 6 of this		

Chapter, designate and from time to time amend one or more historic districts within the area 1 2 subject to the development regulation. Historic districts established pursuant to this Part shall 3 consist of areas that are deemed to be of special significance in terms of their history, prehistory, 4 architecture, or culture and to possess integrity of design, setting, materials, feeling, and 5 association. 6 A development regulation may treat historic districts either as a separate use district 7 classification or as districts that overlay other zoning districts. Where historic districts are 8 designated as separate use districts, the zoning development regulation may include as uses by 9 right or as special uses those uses found by the preservation commission to have existed during 10 the period sought to be restored or preserved or to be compatible with the restoration or preservation of the district. 11 12 (b) No historic district or districts shall be designated under subsection (a) of this section 13 until all of the following occur: 14 (1)An investigation and report describing the significance of the buildings, 15 structures, features, sites, or surroundings included in the proposed district and 16 a description of the boundaries of the district have been prepared. 17 (2)The Department of Natural and Cultural Resources, acting through the State 18 Historic Preservation Officer or his or her designee, has made an analysis of 19 and recommendations concerning the report and description of proposed 20 boundaries. Failure of the Department to submit its written analysis and 21 recommendations to the governing board within 30 calendar days after a 22 written request for the analysis has been received by the Department relieves 23 the governing board of any responsibility for awaiting the analysis, and the 24 governing board may at any subsequent time take any necessary action to 25 adopt or amend its zoning regulation. 26 Seventy-five percent (75%) of the property owners in the proposed district (3) 27 sign a petition requesting designation of the district. 28 The governing board may also, in its discretion, refer the report and proposed (c) 29 boundaries under subsection (b) of this section to any local preservation commission or other 30 interested body for its recommendations prior to taking action to amend the zoning development 31 regulation. With respect to any changes in the boundaries of a district, subsequent to its initial 32 establishment, or the creation of additional districts within the jurisdiction, the investigative 33 studies and reports required by subdivision (1) of subsection (b) of this section shall be prepared 34 by the preservation commission and shall be referred to the planning board for its review and 35 comment according to procedures set forth in the zoning development regulation. Changes in the 36 boundaries of an initial district or proposal for additional districts shall also be submitted to the 37 Department of Natural and Cultural Resources in accordance with the provisions of subdivision 38 (2) of subsection (b) of this section. 39 On receipt of these reports and recommendations, the local government may proceed in the 40 same manner as would otherwise be required for the adoption or amendment of any appropriate zoning regulation. development regulation, except that the governing board shall unanimously 41 42 approve the adoption of the district. 43 (d) G.S. 160D-914 applies to zoning or other development regulations pertaining to 44 historic districts, and the authority under that statute for the ordinance to regulate the location or 45 screening of solar collectors may encompass requiring the use of plantings or other measures to

46 ensure that the use of solar collectors is not incongruous with the special character of the district."
 47 SECTION 19. Article 9 of Chapter 160D of the General Statutes is amended by

47 **SECTION 19.** Article 9 of Chapter 160D of the General Statutes is amended by 48 adding the following two new sections to read:

49 "<u>§ 160D-974. Tiny houses in residential districts in certain cities.</u>

General Ass	embly Of North Carolina Se	ession 2025
(a) T	iny Housing in Residential Zones. – A city shall allow tiny housing in a	areas zoned
		forceability
		_
	• • • • •	
		<u>stem n n is</u>
		a detached
	• •	* *
		tured nome
		125.000 am
		125,000 or
	•	
-	from permitting accessory dwelling units in any area not otherwise req	uired under
		bject to any
of the follow		
<u>(2</u>		
		structure is
		<u>t do any of</u>
the following	<u>;</u>	
<u>(1</u>		ing utilities
	serving the primary dwelling unit.	
<u>(2</u>	<u>Charge any fee, other than a building permit fee, that exceeds</u>	the amount
	charged for any single-family dwelling unit similar in nature.	
<u>(d)</u> <u>E</u>	xcept as otherwise provided in this section, a city may regulate accesso	ry dwelling
units pursuar	t to this Chapter, provided that the development regulations do not act to	discourage
development	or siting of accessory dwelling units through unreasonable costs or dela	ay. Nothing
-		• •
	• • •	
		i feet or the
	or the purposes of this section, the term "accessory dwelling unit" means	an attached
	•	
dwelling.		<u> </u>
	(a) T for residential detached sing (b) R of private cov type restriction an area desig National Reg National Reg For septic sy determined th (c) D single-family to the North O is connected that has not b (d) A more, accord " 's 160D-975 (a) (a) A conforms to t Carolina Fire in areas zone An accessory the primary C government this section. (b) D of the following (1) (2) (1) (2) (1) (2) (2) (d) E units pursuand (2) (a) A ((a) Tiny Housing in Residential Zones. — A city shall allow tiny housing in a for residential or mixed-use residential, including those that allow for the deve detached single-family dwellings. (b) Regulation and Scope. — Nothing in this section affects the validity or en of private covenants or other contractual agreements among property owners relating type restrictions. Any development regulation adopted pursuant to this section shall ran area designated as a local historic district (i) pursuant to Part 4 of this Article on National Register of Historic Places, unless approved by the local historic preservatio For septic systems, a city may require a new system or an upgrade to an existing sy determined that the existing system is incapable of handling increased capacity. (c) Definitions. — As used in this section, the term "tiny housing" means single-family dwelling unit that is no greater than 600 square feet, built to standards to he North Carolina Residential Code, and is either constructed or mounted on a four is connected to utilities. The term does not include a recreational vehicle or manufac that has not been affixed to real property. (d) Applicability. — This section applies only to cities with a population of more, according to the most recent decennial federal census. *B60D-975. Accessor dwelling units in certain cities. (a) A city shall allow the development of at least one accessory dwelling conforms to the North Carolina Residential Code, including applicable provisions frot Carolina Fire Code, for each detached single-family dwelling that is greater than 600 in areasz zoned for residential use that allow for development of etached single-family An accessory dwelling unit may be built or sited concurrently with the primary dwell the primary dwelling has been constructed or sited. Nothing in this section, han imposition of additional parking requirements. (d) Development and permitting of an accessory dwelling unit. shall not be s

	General Assembly Of North Carolina Session 2025
1	(g) This section applies only to cities with a population of 125,000 or more, according to
2	the most recent decennial federal census."
3	SECTION 20. G.S. 160D-1102(c) reads as rewritten:
4	"(c) No later than October 1 of 2023, 2024, and 2025, <u>each year</u>, every local government
5	shall publish an annual financial report on how it used fees from the prior fiscal year for the
6	support, administration, and implementation of its building code enforcement program as
7	required by G.S. 160D-402(d). This report is in addition to any other financial report required by
8	law."
9	SECTION 21. G.S. 160D-1110(d) is amended by adding a new subdivision to read:
10	"(3) Require more than a shell permit for the construction of a multifamily
1	development. Upon the request of the permittee, the local government shall
2	issue certificates of occupancy for individual units in a multifamily
3	development permitted under a shell permit as the units meet the criteria for
4	issuance of a certificate of occupancy. For purposes of this subdivision, "shell
5	permit" means a permit that allows for the structural construction of a building
6	but does not result in the issuance of a certificate of occupancy."
7	SECTION 22. G.S. 160D-1403 reads as rewritten:
8	"§ 160D-1403. Appeals of decisions on subdivision plats.
19	(a) When a subdivision regulation adopted under this Chapter provides that the decision
20	whether to approve or deny a preliminary or final subdivision plat is quasi judicial, then that
21	decision of the board is subject to review by the superior court by a proceeding in the nature of
22	certiorari. G.S. 160D-406 and this section apply to those appeals.
23	(b) When a subdivision regulation adopted under this Chapter provides that the decision
24	whether to approve or deny a preliminary or final subdivision plat is administrative, or for For
25	any other administrative decision implementing a subdivision regulation, the following applies:
26	(1) If made by the governing board or planning board, the decision is subject to
27	review by filing an action in superior court seeking appropriate declaratory or
28	equitable relief within 30 days from receipt of the written notice of the
29	decision, which shall be made as provided in G.S. 160D-403(b).
30	(2) If made by the staff or a staff committee, the decision is subject to appeal as
31	provided in G.S. 160D-405.
32	(c) For purposes of this section, a subdivision regulation is deemed to authorize a
33	quasi-judicial decision if the decision-making entity under G.S. 160D-803(c) is authorized to
34	decide whether to approve or deny the plat based not only upon whether the application complies
35	with the specific requirements set forth in the regulation but also on whether the application
36	complies with one or more generally stated standards requiring a discretionary decision to be
37	made."
38	SECTION 23. G.S. 160D-1403.1 reads as rewritten:
39	"§ 160D-1403.1. Civil action for declaratory relief, injunctive relief, other remedies; joinder
40	of complaint and petition for writ of certiorari in certain cases.
41	(a) Civil Action. – Except as otherwise provided in this section for claims involving
42	questions of interpretation, in lieu of any remedies available under G.S. 160D-405 or
43	G.S. 160D-108(h), a person with standing, as defined in subsection (b) of this section, may bring
44	an original civil action seeking declaratory relief, injunctive relief, damages, or any other
45	remedies provided by law or equity, in superior court or federal court to challenge the
46	enforceability, validity, or effect of a local land development regulation or development approval
40 47	for any of the following claims:
48	(1) The ordinance, development regulation, either on its face or as applied, is
+o 49	(1) The orumance, <u>development regulation</u>, either on its face of as applied, is unconstitutional.
1 フ	

	General Assemb	oly Of North Carolina	Session 2025
1	(2)	The ordinance, development regulation, either on its fac	e or as applied, is ultra
2		vires, preempted, arbitrary or capricious, or is otherwis	
3	(2)	authority.	. f
4 5	(3)	The ordinance, <u>development regulation</u> , either on it constitutes a taking of property.	s face or as applied,
6	<u>(4)</u>	The development approval is ultra vires, preempted, in	excess of its statutory
7	<u> </u>	authority, made upon unlawful procedure, made in erro	
8		capricious, or an abuse of discretion.	
9	(a1) Appea	als of Administrative Decisions If the decision develo	pment approval being
10	challenged under	r subsection (a) of this section is from an administrative	e official charged with
11	enforcement of a	local land development regulation, the party with standi	ng must first bring any
12	claim that the or	dinance development regulation was erroneously interp	reted to the applicable
13		ent pursuant to G.S. 160D-405. An adverse ruling from the	
14	may then be chal	llenged in an action brought pursuant to this subsection	with the court hearing
15	the matter de nov	to together with any of the claims listed in this subsection	1.
16		ing 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 in	
19		an option or contract to purchase the property that is	
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 befor	e the decision-making
23		board whose decision is being challenged.	
24	(3)	The person was a development permit applicant who	
25		and binding decision of an administrative official cha	rged with applying or
26		enforcing a land development regulation.	
27	<u>(4)</u>	An association, organization, society, or entity w	
28		comprised of an individual or entity identified in subdi-	vision (2) or (3) of this
29		subsection.	
30	(\cdot, \cdot) Define	iting The definitions definition of Udardament as	
31		itions. – The definitions definition of "development pe	<u>rmit</u> in G.S. 143-755
32	shall apply in this		· · · · · · · · · · · · · · · · · · ·
33 24	adding a new sec	FION 24. Article 14 of Chapter 160D of the General S	tatutes is amended by
34 35	U		
35 36		Private remedies. o any other remedy otherwise provided by law, any personal sector of the sector	n with standing under
30 37		1(b) may bring a civil action to enforce the provision	
38		s, costs, and disbursements, including costs of investi	-
39		nd receive other equitable relief as determined by the cou	
40		FION 25.(a) Article 14 of Chapter 160D of the General S	
41	adding a new sec	· · · · · · · · · · · · · · · · · · ·	Statutes is amended by
42	U	<u>Civil liability in certain instances.</u>	
43		dition to any other remedy available, actual damage	s resulting from any
10		ision, or lack thereof, may be recovered by civil action	
44	-	decision-making board individually. A civil action und	
		y person with standing as described in G.S. 160D-14	
45		y person with standing as described in 0.5. 100D-14	$J_2(C)$ to recover civit
45 46	instituted by any	ny member or members of the decision-making board	
45 46 47	instituted by any damages from a		
44 45 46 47 48 49	instituted by any damages from a	ny member or members of the decision-making board	
45 46 47 48	instituted by any damages from a following with re	ny member or members of the decision-making board espect to the development decision:	l who did any of the

	General Assembly Of North Carolina	Session 2025
1	(3) Acted maliciously, arbitrarily and capriciously, or unlawfully.	
2	(4) Acted grossly negligent or wrongfully.	,
3	(b) If a court determines that a member of a decision-making board	is liable under
4	subsection (a) of this section, the court may also award punitive damages.	
5	(c) Notwithstanding the common law of legislative privilege and legislat	
6	court may compel disclosure of information if, in the presiding judge's opinion, t	he disclosure is
7	necessary to a proper administration of justice.	
8 9	(d) <u>Attorneys' fees and costs shall be awarded in accordance with G.S. 6-SECTION 25.(b)</u> G.S. 6-21.7 reads as rewritten:	<u>21.7.</u> "
10	"§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of their	-authority.
11	(a) In any action in which a city or county is a party, upon a finding by the	ne court that the
12	city or county violated a statute or case law setting forth unambiguous limits on i	
13	court shall award reasonable attorneys' fees and costs to the party who successf	•
14	the city's or county's action. In any action in which a member of a decision-making	
15	Chapter 160D of the General Statutes is found to be liable under G.S. 160D-1406	
16	award reasonable attorneys' fees and costs to the party who successfully challer	-
17	the member of a decision-making board under Chapter 160D of the General Stat	
18	(b) In any action in which a city or county is a party, upon finding by the	
19 20	city or county took action inconsistent with, or in violation of, G.S. 1 $G = 142.755$ the court shall award reasonable attermays' face and costs to	
20 21	G.S. 143-755, the court shall award reasonable attorneys' fees and costs to successfully challenged the local government's failure to comply with any of tho	
21	(c) In all other matters, matters not covered by subsection (a) or (b) of t	-
22	court may award reasonable attorneys' fees and costs to the prevailing private liti	
24	(d) For purposes of this section, "unambiguous" means that the limits of a	0
25	reasonably susceptible to multiple constructions."	
26	SECTION 26. G.S. 63-31(e) reads as rewritten:	
27	"(e) All airport zoning regulations adopted under this Article shall be reaso	nable, and none
28	shall require the removal, lowering, or other change or alteration of any struc	ture or tree not
29	conforming to the regulations when adopted or amended, or otherwise interview	
30	continuance of any nonconforming use, nonconformity as defined in G.S. 1601	<u>)-102</u> except as
31	provided in G.S. 63-32, subsection (a)."	
32	SECTION 27. G.S. 63-36 reads as rewritten:	
33	"§ 63-36. Acquisition of air rights.	
34 25	(a) In any case in which:	c
35 36	(1) It is desired to remove, lower, or otherwise terminate a none	oniorming use;
30 37	<u>nonconformity;</u> or(2) The approach protection necessary cannot, because of	constitutional
38	limitations, be provided by airport zoning regulations under the	
39	(3) It appears advisable that the necessary approach protection	
40	acquisition of property rights rather than by airport zoning reg	-
41	the political subdivision within which the property or nonconforming use no	
42	located or the political subdivision owning the airport or served by it may acquire	
43	provided by the law under which municipalities are authorized to acquire real pro	
44	purposes, such an air right, easement, or other estate or interest in the property or	nonconforming
45	use nonconformity in question as may be necessary to effectuate the purposes of	this Article.
46	(b) If any political subdivision, or if any board or administrative agence	• • • •
47	selected by a political subdivision, shall adopt, administer or enforce any	
48	regulations which results in the taking of, or in any other injury or damage	
49	structure, such political subdivision shall be liable therefor in damages to the owr	
50	any such property and the liability of the political subdivision shall include any	-
51	the owners of such property are required to incur in complying with any such zon	ing regulations.

General Assembly Of North Carolina Session 2025 For purposes of this section, "nonconformity" shall have the same meaning as in 1 (c) 2 G.S. 160D-102." 3 **SECTION 28.(a)** G.S. 120-36.7 is amended by adding a new subsection to read: 4 Proposed Increases Affecting Home Affordability. - Every bill and resolution "(e) 5 introduced in the General Assembly proposing any change in the law that could cause a net 6 increase in the cost of constructing, purchasing, owning, or selling a building or structure subject 7 to the North Carolina Residential Code, either directly or indirectly, shall have attached to it at 8 the time of its consideration by the General Assembly a fiscal note prepared by the Fiscal 9 Research Division. The fiscal note shall identify and estimate, for the first five fiscal years the 10 proposed change would be in effect, all anticipated effects on costs of the proposed change. The fiscal note shall be prepared on the basis of a median priced single-family residence and may 11 12 include an estimate for a larger development as an analysis of the long-range effect of a measure. If, after careful investigation, the Fiscal Research Division determines that no dollar estimate is 13 14 possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the fiscal note with regard to 15 the merits of the measure for which the note is prepared. However, technical and mechanical 16 17 defects may be noted. The sponsor of each bill or resolution to which this subsection applies shall present a copy of 18 19 the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon 20 receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall 21 prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the 22 fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the 23 sponsor agrees to an extension of time. 24 This fiscal note shall be attached to the original of each proposed bill or resolution that is 25 reported favorably by any committee of the General Assembly but shall be separate from the bill 26 or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or 27 resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression 28 of legislative intent proposed by the bill or resolution. 29 If a committee of the General Assembly reports favorably a proposed bill or resolution with 30 an amendment that proposes a change in the law that could cause a net increase in the cost of constructing, purchasing, owning, or selling a building or structure subject to the North Carolina 31 32 Residential Code, either directly or indirectly, the chair of the committee shall obtain from the 33 Fiscal Research Division and attach to the amended bill or resolution a fiscal note as provided in 34 this section." 35 **SECTION 28.(b)** Article 3 of Chapter 159 of the General Statutes is amended by 36 adding a new section to read: 37 "§ 159-42.2. Fiscal note required for ordinances affecting housing affordability. Prior to adopting, amending, or repealing an ordinance that could cause a net increase 38 (a) 39 in the cost of constructing, purchasing, owning, or selling a building or structure subject to the 40 North Carolina Residential Code, either directly or indirectly, the governing body of a county or city shall have a fiscal note prepared by its planning department or another department designated 41 42 by the governing body. The fiscal note shall be submitted to the governing body at least five days 43 prior to the meeting at which the ordinance is to be introduced and shall be made available to the public at that meeting. For purposes of this section, the term "introduced" has the same meaning 44 45 as in G.S. 160A-75(c). In preparing the fiscal note, the planning department or other department 46 may consult with relevant trade organizations representing the real estate or home building 47 industries. The fiscal note shall identify and estimate, for the first five fiscal years the ordinance, or the amendment or repeal thereof, would be in effect, all anticipated effects on costs of the 48 49 proposed change. The fiscal note shall be prepared on the basis of a median priced single-family 50 residence and may include an estimate for a larger development as an analysis of the long-range effect of a measure. If, after careful investigation, the planning or other department determines 51

General Assembly Of North Carolina Session 2025 1 that no dollar estimate is possible, the fiscal note shall contain a statement to that effect, setting 2 forth the reasons why no dollar estimate can be given. No comment or opinion shall be included 3 in the fiscal note with regard to the merits of the measure for which the note is prepared. However, 4 technical and mechanical defects may be noted. 5 Any resident of the county or city may bring a civil action in the superior court of the (b) county for failure of the governing body to have a fiscal note prepared as required by this section 6 7 or for failure to prepare an accurate or sufficient fiscal note. If the court determines the governing 8 body failed to have a fiscal note prepared as required by this section or failed to prepare an accurate or sufficient fiscal note, the court shall order that a fiscal note be prepared. The court 9 10 shall have authority to determine the sufficiency of a fiscal note." 11 SECTION 29. Article 11 of Chapter 130A of the General Statutes is amended by 12 adding a new section to read: 13 "§ 130A-343.5. Wastewater systems for property within service area of a public or 14 community wastewater system. Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 15 (a) 162A-14(2), a property owner may install a wastewater system in accordance with this Article to 16 serve any undeveloped or unimproved property located so as to be served by a public or 17 18 community wastewater system. 19 Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and (b) 20 162A-14(2), a property owner of developed or improved property located so as to be served by 21 a public or community wastewater system may install a wastewater system in accordance with 22 this Article if the public or community wastewater system has not yet installed sewer lines 23 directly available to the property or otherwise cannot provide wastewater service to the property 24 at the time the property owner desires wastewater service. 25 Upon compliance with this Article, the property owner installing a wastewater system (c) 26 pursuant to subsection (a) or (b) of this section shall not be required to connect to the public or 27 community wastewater system for so long as the wastewater system installed in accordance with 28 this Article remains compliant and in use. A property owner may opt to connect to the public or 29 community wastewater system if the property owner so desires. 30 Nothing in this section shall require a property owner to install a wastewater system (d) 31 in accordance with this Article if the property is located so as to be served by a public or 32 community wastewater system and the public or community wastewater system is willing to 33 provide wastewater service to the property. 34 This section shall not apply, and a public or community wastewater system may (e) 35 mandate connection to that public or community wastewater system, in any of the following 36 situations: 37 (1)The wastewater system in accordance with this Article serving the property has failed and cannot be repaired. 38 39 The public authority or unit of government operating the public water system (2) 40 is being assisted by the Local Government Commission. 41 The public authority or unit of government operating the public or community (3)42 wastewater system is in the process of expanding or repairing the public or 43 community wastewater system and is actively making progress to having wastewater lines installed and directly available to provide wastewater service 44 45 to that property within the 24 months of the time the property owner applies 46 for a permit under this Article." SECTION 30. G.S. 136-102.6 is amended by adding a new subsection to read: 47 48 "(c1) Notwithstanding anything to the contrary in this section, the Division of Highways 49 shall accept a performance guarantee as provided under G.S. 160D-804.1 to ensure completion 50 of streets that are required by a development regulation under Chapter 160D of the General

	General Assembly of North Carolina Session 2023
1	Statutes. On receipt of the performance guarantee, the Division of Highways shall issue a
2	certificate of approval to the municipality or county as to those streets."
2 3	SECTION 31. G.S. 136-131.5(c) reads as rewritten:
4	"(c) A nonconforming sign not conforming to State standards shall not be relocated
5	pursuant to this section unless the nonconformity is removed nonconforming sign is brought into
6	conformity with State law, rules, and regulations as part of the relocation."
7	SECTION 32. The catch line of G.S. 136-131 reads as rewritten:
8	"§ 136-131. Removal of <u>certain</u> existing nonconforming advertising.signs. "
9	SECTION 33. G.S. 136-133.1(d) reads as rewritten:
10	"(d) Except as provided in subsection (e) of this section, trees existing at the time the
11	outdoor advertising sign was erected may only be removed within the zone created in subsection
12	(a) of this section if the applicant satisfies one of the following two options selected by the
13	applicant: (i) reimbursement to the Department pursuant to G.S. 136-93.2 or (ii) trees that existed
14	at the time of the erection of the <u>outdoor advertising</u> sign may be removed if the applicant agrees
15	to remove two nonconforming outdoor advertising signs for each outdoor advertising sign at
16	which removal of existing trees is requested. The surrendered nonconforming signs must be fully
17	disassembled before any removal of existing trees is permitted and shall not be eligible for future
17	outdoor advertising permits in perpetuity."
18 19	SECTION 34. G.S. 160A-31(h) reads as rewritten:
20	"(h) A city council which receives a petition for annexation under this section may by
20 21	ordinance require that the petitioners file a signed statement declaring whether or not vested
21	rights with respect to the properties subject to the petition have been established under
22	G.S. 160D-108 or G.S. 160D-108.1. G.S. 160D-108, 160D-108.1, or 160D-108.2. If the
23 24	
	statement declares that such rights have been established, the city may require petitioners to
25 26	provide proof of such rights. A statement which declares that no vested rights have been
26	established under G.S. 160D-108 or G.S. 160D-108.1 G.S. 160D-108, 160D-108.1, or
27	<u>160D-108.2</u> shall be binding on the landowner and any such vested right shall be terminated."
28	SECTION 35. G.S. 160A-58.1(d) reads as rewritten:
29	"(d) A city council which receives a petition for annexation under this section may by
30	ordinance require that the petitioners file a signed statement declaring whether or not vested
31	rights with respect to the properties subject to the petition have been established under
32	G.S. 160D-108 or G.S. 160D-108.1. G.S. 160D-108, 160D-108.1, or 160D-108.2. If the
33	statement declares that such rights have been established, the city may require petitioners to
34	provide proof of such rights. A statement which declares that no vested rights have been
35	established under G.S. 160D-108 or G.S. 160D-108.1 G.S. 160D-108, 160D-108.1, or
36	160D-108.2 shall be binding on the landowner and any such vested rights shall be terminated."
37	SECTION 36. G.S. 160A-307 reads as rewritten:
38	"§ 160A-307. Curb cut regulations.
39	(a) <u>A-Except as expressly permitted by Chapter 160D of the General Statutes, a city may</u>
40	not regulate by ordinance regulate-the size, location, direction of traffic flow, and manner of
41	construction of driveway connections into any street or alley. The To the extent allowed by
42	Chapter 160D of the General Statutes, the ordinance may require the construction or
43	reimbursement of the cost of construction and public dedication of medians, acceleration and
44	deceleration lanes, and traffic storage lanes for driveway connections into any street or alley if
45	all of the following apply:
46	(1) The <u>city has shown through substantial evidence the need for such-the</u>
47	improvements is reasonably attributable to the traffic using the driveway.
48	(2) The <u>city has shown through substantial evidence the</u> improvements serve the
49	traffic of the driveway.
50	(b) No street or alley under the control of the Department of Transportation may be
51	improved without the consent of the Department of Transportation. A city shall not require the

Session 2025

	General Assem	bly Of North Carolina S	Session 2025
1	applicant to acq	juire right-of-way from property not owned by the applicant. H	However, an
2	applicant may voluntarily agree to acquire such right-of-way.		
3	(c) For purposes of this section, "substantial evidence" means facts and information		
4		personal preferences or speculation, that a reasonable person wou	uld accept in
5	support of a conc	clusion."	
6		TION 37.(a) Chapter 162A of the General Statutes is amended by a	adding a new
7	Article to read:		
8		" <u>Article 12.</u>	
9		"Water and Sewer Allocation.	
10		Short title and purpose.	
11		Article shall be known and may be cited as the "Water and Sew	ver Capacity
12	Allocation and P		
13		purpose of this Article is to require all public water and sewer servi	-
14		growth and allocate water and wastewater system capacity in a fair,	
15		e manner. This act will ensure that sufficient water supply and	
16	•	ty is available for anticipated development and that capacity is alloc	ated without
17	discrimination of		
18	" <u>§ 162A-1001. 1</u>		
19		oses of this Article, the following definitions apply:	
20	<u>(1)</u>	Allocation or capacity allocation. – A reservation of a specific	e quantity of
21		water or sewer capacity for a particular project.	
22	<u>(2)</u>	<u>Applicant. – Any person, business, developer, property owner, o</u>	•
23		has received preliminary or final site plan approval, as de	
24		G.S. 160D-102(29), for a project and submits an application for a	
25 26		a new development or expansion of an existing development to a	<u>public water</u>
26 27	(2)	or sewer provider.	ion hoo hoon
27 28	<u>(3)</u>	<u>Approved applicant. – An applicant whose application for allocat</u>	<u>ion nas been</u>
28 29	<u>(4)</u>	<u>approved.</u> Available capacity. – The portion of a facility's capacity that is a	not ourrantly
29 30	<u>(4)</u>	being used by existing customers and is not already reserv	•
31		allocations. Available capacity is determined by establishing	
32		capacity minus the sum of current actual usage and any	-
33		allocations for projects in their reservation period.	outstunding
34	<u>(5)</u>	Capacity or system capacity. – The actual capacity of a	facility. For
35	<u>(57</u>	wastewater systems, actual capacity refers to hydraulic capacity,	
36		maximum volume of wastewater that can be collected, conveyed	-
37		under the facility's permit limits without violation. For water sys	
38		capacity refers to the actual available water supply, meaning	
39		quantity of water that can be treated and delivered, accounting f	
40		withdrawal limits and treatment plant output, wells, or oth	
41		including any contractual or bulk supply capacity available	
42		governmental unit.	
43	<u>(6)</u>	Department. – The Department of Environmental Quality.	
44	$\overline{(7)}$	Facility. – As defined in G.S. 162A-201(4).	
45	(8)	Local governmental unit. – As defined in G.S. 162A-201(5) and any
46		third-party persons who own or operate a facility on behalf	f of a local
47		governmental unit.	
48	<u>(9)</u>	Project A development, as defined by G.S. 160D-102(12), for	which water
49		or sewer service is requested. This includes new developments, an	
50		or additions to existing developments, that require new or addition	onal water or
51		sewer service.	

	General Assemb	ly Of North Carolina	Session 2025
1	<u>(10)</u>	Substantial expenditure. – A significa	nt or considerable outlay of money,
2	<u> </u>	resources, or financial investment, view	
3		project exists, that is not merely nomina	
4	"§ 162A-1002. A	Allocation process.	
5		ation Request. – A local governmental u	init shall approve capacity allocation
6		dance with this Article. Once approved,	
7	-	tal unit shall provide water service or se	· · ·
8	approved allocati	-	± ¢ 1
9	* *	of Application. – A local governmental	unit may request only the following
10		an applicant, and may not require any o	
1		rnmental unit to determine whether it has	
2	(1)	The name, address, and other relevant c	· · · · ·
3	$\overline{(2)}$	Documentation evidencing that the appl	. .
4	<u>×</u>	approval for a site plan, as defined under	
5	<u>(3)</u>	The amount of capacity allocation re	
6	<u>x-y</u>	similarly objective measurement.	- I
7	(4)	The anticipated date the project will be	gin utilizing the capacity allocation.
8		oval of Allocation Request. – Not late	
9		llocation, a local governmental unit sha	
20		and the application is complete. Upon	
21		it shall provide the applicant with writ	
22	-	ed, (ii) the amount of allocation reserved, (
23		l, (iv) the date of the allocation approval,	
24		l governmental unit shall approve or deny	· · · · · · · · · · · · · · · · · · ·
25	to the following		<u></u>
26	(1)	The local governmental unit shall appro	ve the total allocation requested by the
27	<u>×</u>	applicant unless the request for alloca	
28		unit's available capacity, in which cas	
9		within 10 days after receiving the appli	-
0		the applicant with allocation equivalent	-
1		local governmental unit shall reserve the	
2		this subsection provided the applican	
3		allocation.	<u> </u>
34	<u>(2)</u>	Except as expressly provided in this se	ection, a local governmental unit may
5	<u>1-1</u>	not deny, reduce, or otherwise modify	
36		through an application if available capa	
37		an application's allocation request.	
38	(3)	A local governmental unit shall not i	require an applicant to agree to any
39	<u></u>	condition not otherwise authorized by	
10		the applicant to consent to any condition	<u> </u>
1		These conditions include, without limit	
12			or other fees or contributions to any
13		fund.	of other rees of contributions to uny
4			ated to development regulations under
15			tutes, including those within the scope
-6		of G.S. 160D-702(c).	interest, increasing those within the scope
17		```````````````````````````````	ted to building design elements within
8		the scope of G.S. 160D-702(b).	to summing design crements within
19	<u>(4)</u>	<u>A local governmental unit shall not imp</u>	lement a scoring or preference system
+9 50	<u>(+)</u>	to allocate water service or sewer s	• • •
51		specifically authorized by this section.	errice among apprealits, except as
51		specifically autionzed by this section.	

1		vation Period The initial reservation period shall be for 24 months after the
2		n is approved. A local governmental unit shall extend the initial reservation
3	-	on reservation period for an additional 12 months provided (i) the applicant
4		governmental unit that it requires an extension of the initial reservation period
5		ervation period not later than 90 days prior to the expiration of the initial
6	reservation period	d or extension reservation period and, (ii) concurrent with its notification, the
7	· · · · ·	es the local governmental unit with documentation demonstrating that the
8		e substantial expenditure towards the completion of the project or the applicant
9	provides documer	ntation of a valid building permit.
10	(e) <u>Alloca</u>	tions Approved in Chronological Order Except for requests to reserve
11	capacity in accord	lance with G.S. 115C-521 and under subsection (k) of this section, allocations
12	shall be granted in	n the chronological order that completed applications are received by the local
13	governmental uni	<u>t.</u>
14	(f) Denial	of Allocation Request. – A local governmental unit shall deny an application
15	for allocation, wi	thin 10 days after receiving an application for allocation, only if one of the
16	following applies	· · · · · · · · · · · · · · · · · · ·
17	<u>(1)</u>	The applicant cannot demonstrate approval of a preliminary or final site plan,
18		as defined in G.S. 160D-102(29).
19	<u>(2)</u>	The local governmental unit does not have any available capacity.
20	<u>(3)</u>	The applicant has rejected, in writing, the local governmental unit's offer to
21		provide allocation equivalent to its available capacity as provided in
22		subdivision (1) of subsection (c) of this section, if any.
23	(g) Modif	ication of Allocation. – In the event an approved applicant determines that the
24	allocation necessa	ary to serve the project increases or decreases by more than ten percent (10%)
25	of the approved	allocation, the approved applicant shall immediately notify the local
26	governmental uni	t, and the following shall apply:
27	<u>(1)</u>	If the allocation approved by the local governmental unit decreases by more
28		than ten percent (10%), the local governmental unit shall adjust its available
29		capacity accordingly and the local governmental unit shall honor the approved
30		allocation, less the decrease in necessary allocation.
31	<u>(2)</u>	If the allocation approved by the provider increases by more than ten percent
32		(10%), the local governmental unit shall increase the allocation provided
33		available capacity exists. In the event available capacity does not exist, the
34		local governmental unit shall notify the approved applicant that the local
35		governmental unit does not have available capacity and extend an offer to the
36		approved applicant to increase the allocation in an amount equivalent to the
37		available capacity. If the approved applicant determines that the existing
38		allocation or the offer by the local governmental unit to increase the allocation
39		in an amount equivalent to the local governmental unit's available capacity
40		does not meet the needs of the project, the approved applicant shall
41		immediately notify the local governmental unit that it intends to terminate the
42		allocation.
43	<u>(3)</u>	In the event the allocation is terminated by the applicant, the provider shall
44		adjust its available capacity accordingly.
45	(h) Expira	tion or Termination of Allocation Upon expiration or termination of
46	allocation, includi	ing allocations that are not used in full, the local governmental unit shall return
47	the expired, termi	nated, or unused capacity to its available capacity balance. Upon a return of the
48	-	ed, or unused capacity to the local governmental unit's available capacity
49	1 1 4 1 1 1	n an element of the second
49 50	balance, the local	governmental unit shall recalculate its available capacity and shall make it

1	(i) Vested Right. – Allocation approved under this section shall be deemed a vested		
2	element of the project for the duration of the reservation period. The vested right to allocation		
3	during the reservation period shall be in addition to any other vested rights the project may have		
4	by law and shall run with the land for the benefit of the project. During the vesting period, the		
5	local governmental unit may not revoke or reduce the allocation except by request of the		
6	applicant or as described in this section.		
7	(i) Transferability of Allocation. – Allocation shall be provided to the project described		
8	in the application. An approved applicant may not transfer an unused allocation to a different		
9	project. If the project for which an allocation has been reserved is sold or the development rights		
10	are assigned to a successor in interest, the allocation shall transfer to the successor in interest and		
11	the allocation and reservation period shall be honored and may not be terminated or revoked by		
12	the local governmental unit. In the event the project for which the allocation was reserved is sold		
13	or transferred to a successor in interest, the approved applicant shall immediately notify the local		
14	governmental unit of the sale or transfer.		
15	(k) Emergency Allocations. – Notwithstanding any other provision of this section, a local		
16	governmental unit shall provide priority in allocation to applications demonstrating a substantial		
17	threat to public health, safety, or welfare that can be mitigated only by the immediate provision		
18	of water service or sewer service. An applicant seeking an emergency allocation must present		
19	competent evidence to the local governmental unit of the risk to the public health, safety, or		
20	welfare. Upon verifying that the application constitutes an emergency, the local governmental		
21	unit shall approve allocation in the minimum amount necessary to abate the emergency on a		
22	priority basis.		
23	(1) Use of Allocation. – A local governmental unit shall not unreasonably delay an		
24	approved applicant's ability to connect the approved applicant's project to the local governmental		
25	unit's infrastructure. A local governmental unit shall begin providing water service or sewer		
26	service to an approved applicant within 90 days after receiving a request from the approved		
27	applicant to begin providing water service or sewer service, provided (i) the project is connected		
28	to the local governmental unit's infrastructure and (ii) the request is made within the reservation		
29	period described in subsection (d) of this section.		
30	" <u>§ 162A-1003. Planning and reporting.</u>		
31	(a) Each local governmental unit shall prepare an annual report not later than October 1		
32	of each year documenting facility capacity and available capacity. The report shall include, at a		
33	minimum, all of the following information for each facility of the local governmental unit:		
34	(1) The current system capacity.		
35	(2) <u>The current available capacity.</u>		
36	(3) The amount of capacity allocated to approved developments or projects not		
37	yet connected to the local governmental unit's infrastructure.		
38	(4) The remaining available capacity for new allocations.		
39	(5) <u>Any changes in capacity since the last report.</u>		
40	(6) Any planned improvements or expansions and the expected impact on		
41	<u>capacity.</u>		
42	(7) The current actual usage of the facility, including average daily demand and		
43	peak daily demand over the year immediately preceding the preparation of the		
44	$\frac{\text{report.}}{1}$		
45	(8) If the local governmental unit receives State or federal funding for water or		
46	sewer infrastructure, a description of efforts to expand capacity to meet		
47	growth, including progress on any State-funded projects.		
48	(b) The Department shall make the annual reports available to the public. Each local		
49 50	governmental unit shall also post the annual report on the website of that local governmental unit, if ony		
50	if any. "8 162A 1004 Enforcement and remedies		
51	" <u>§ 162A-1004. Enforcement and remedies.</u>		

	General Assembly Of North Carolina Session 2025
1	(a) State Enforcement Authority. – If the Department finds that a local governmental unit
2	has violated any requirement of this Article, the Department may take appropriate preventive or
3	remedial enforcement action authorized by Part 1 of Article 21 of Chapter 143 of the General
4	Statutes.
5	(b) <u>Civil Penalties. – A local governmental unit that fails to comply with the provisions</u>
6	of this Article or willfully fails to administer or enforce the provisions of this Article shall be
7	subject to a civil penalty pursuant to G.S. 143-215.6A(e).
8	(c) Judicial Review Any applicant whose application was denied by a local
9	governmental unit, or who is otherwise aggrieved or injured by the action of a local governmental
10	unit, may file an action in the superior court of the county where the local governmental unit is
11	located or where the project is located. In any civil action brought under this section, the court
12	may award reasonable attorneys' fees to a prevailing plaintiff who brought the action."
13	SECTION 37.(b) G.S. 162A-900, as enacted by S.L. 2024-45 and S.L. 2024-49, is
14	repealed.
15	SECTION 37.(c) For applicants that, on or after July 1, 2020, received a service
16	commitment from a public water system, public sewer system, or public water and sewer system
17	confirming availability of capacity for the applicant's development project, but whose capacity
18	needs have not been provided, the system shall reserve, allocate, and provide those applicants
19	with the capacity assured in the system's service commitment in the chronological order that the
20	service commitment was issued before the system reserves, allocates, or provides capacity to
21	another applicant.
22	SECTION 37.(d) The annual report required by G.S. 162A-1003, as enacted by this
23	act, shall be due October 1, 2026.
24	SECTION 38. If any provision of this act or the application thereof to any person or
25	circumstances is held invalid, such invalidity shall not affect other provisions or applications of
26	this act that can be given effect without the invalid provision or application and, to this end, the
27	provisions of this act are declared to be severable.
28	SECTION 39. Except as otherwise provided, this act becomes effective October 1,
29	2025, and applies to applications, approvals, and actions filed on or after that date. Any local
30	government ordinance in effect on, or adopted subsequent to, October 1, 2025, that is inconsistent
31	with this section is void and unanforceable

31 with this section is void and unenforceable.