

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL 69  
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PROPOSED COMMITTEE SUBSTITUTE S69-PCS15329-BA-10

Short Title: Henderson County Local Omnibus.

(Local)

Sponsors:

Referred to:

February 11, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT REGARDING THE OPERATION OF PUBLIC ENTERPRISES BY THE CITY OF  
3 HENDERSONVILLE; TO AUTHORIZE THE TOWN OF MILLS RIVER TO ADOPT A  
4 UNIFIED DEVELOPMENT ORDINANCE UNDER CERTAIN CIRCUMSTANCES; TO  
5 ALLOW HENDERSON COUNTY TO AMEND ITS ZONING REGULATIONS UNDER  
6 CERTAIN CIRCUMSTANCES; TO ELIMINATE THE EXTRATERRITORIAL  
7 JURISDICTION AUTHORITY OF MUNICIPALITIES IN HENDERSON COUNTY;  
8 AND TO REQUIRE HENDERSON COUNTY TO APPROVE ANY REZONING OF  
9 AREAS WITHIN THE COUNTY THAT ARE VOLUNTARILY ANNEXED BY A  
10 MUNICIPALITY.

11 The General Assembly of North Carolina enacts:

12  
13 **PART I. HENDERSONVILLE PUBLIC ENTERPRISE CHANGES**

14 **SECTION 1.1.** G.S. 160A-312 reads as rewritten:

15 **"§ 160A-312. Authority to operate public enterprises.**

16 (a) A city shall have authority to acquire, construct, establish, enlarge, improve, maintain,  
17 own, operate, and contract for the operation of any or all of the public enterprises as defined in  
18 this Article to furnish services to the city and its ~~citizens~~, citizens and other areas and their citizens  
19 located outside the corporate limits of the city. Subject to Part 2 of this Article, a city may acquire,  
20 construct, establish, enlarge, improve, maintain, own, and operate any public enterprise outside  
21 its corporate limits, within reasonable ~~limitations, but in no case shall a city be held liable for~~  
22 ~~damages to those outside the corporate limits for failure to furnish any public enterprise~~  
23 ~~service.~~ limitations.

24 (b) A city shall have full authority to protect and regulate any public enterprise system  
25 belonging to or operated by it by adequate and reasonable rules. The rules shall be adopted by  
26 ordinance, and shall comply with all of the following:

- 27 (1) The rules shall apply equally to the public enterprise system both within and  
28 outside the corporate limits of the city, and city.  
29 (2) The rules may not apply differing treatment within and outside the corporate  
30 limits of the city.  
31 (3) The rules shall make access to public enterprise services available to the city  
32 and its citizens and other areas and their citizens located outside the corporate  
33 limits of the city equally.  
34 (4) The rules may prioritize the continuation of the provision of services based on  
35 availability of excess capacity to provide the service.



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1           (5)    The rules may be enforced with the remedies available under any provision of  
2           law.

3           ...

4           (d)    A city shall account for a public enterprise in a separate fund and may not transfer  
5           any money from that fund to another except for a capital project fund established for the  
6           construction or replacement of assets for that public enterprise. Obligations of the public  
7           enterprise may be paid out of the separate fund. Obligations shall not include any other fund or  
8           line item in the city's budget."

9           **SECTION 1.2.** G.S. 160A-31 reads as rewritten:

10          **"§ 160A-31. Annexation by petition.**

11          (a)    The governing board of any municipality may annex by ordinance any area  
12          contiguous to its boundaries upon presentation to the governing board of a petition signed by the  
13          owners of all the real property located within such area. The petition shall be signed by each  
14          owner of real property in the area and shall contain the address of each such ~~owner~~owner and a  
15          statement that the owner's petition for annexation is not based upon any representation by the  
16          municipality that a public enterprise service available outside the corporate limits of that  
17          municipality would be withheld from the owner's property without the petition for annexation.

18          ...."

19          **SECTION 1.3.** G.S. 160A-58.1 reads as rewritten:

20          **"§ 160A-58.1. Petition for annexation; standards.**

21          ...

22          (c)    The petition shall contain the names, addresses, and signatures of all owners of real  
23          property within the proposed satellite corporate limits (except owners not required to sign by  
24          subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall  
25          have attached thereto a map showing the area proposed for annexation with relation to the  
26          primary corporate limits of the annexing city. The petition shall also contain a statement from  
27          the owner that the owner's petition for annexation is not based upon any representation by the  
28          municipality that a public enterprise service available outside the corporate limits of that  
29          municipality would be withheld from the owner's property without the petition for annexation.  
30          When there is any substantial question as to whether the area may be closer to another city than  
31          to the annexing city, the map shall also show the area proposed for annexation with relation to  
32          the primary corporate limits of the other city. The city council may prescribe the form of the  
33          petition.

34          ...."

35          **SECTION 1.4.** This Part applies only to the City of Hendersonville. Section 1.1 of  
36          this Part shall not apply to the operation of public transportation systems or off-street parking  
37          facilities and systems as public enterprises.

38          **SECTION 1.5.** This Part becomes effective June 30, 2025. Section 1.1 of this Part  
39          applies to the 2025-2026 fiscal year and to each fiscal year thereafter. Any assets, liabilities, or  
40          equity of a public enterprise operated or held by the City of Hendersonville in the 2025-2026  
41          fiscal year shall be transferred to a separate fund in accordance with G.S. 160A-312, as amended  
42          by Section 1.1 of this Part, when this Part becomes law. Sections 1.2 and 1.3 of this Part apply  
43          to petitions for annexation received by the City of Hendersonville on or after June 30, 2025.

44  
45          **PART II. MILLS RIVER UNIFIED DEVELOPMENT ORDINANCE**

46          **SECTION 2.1.(a)** Notwithstanding G.S. 160D-601, as amended by Section 3K.1(a)  
47          of S.L. 2024-57, the Town of Mills River may adopt the unified development ordinance as  
48          presented to the Town Council in October 2024.

49          **SECTION 2.1.(b)** This Part is effective when it becomes law, and any adoption of  
50          the unified development ordinance shall occur on or before October 1, 2025.

51

**PART III. HENDERSON COUNTY UDO DEFINITIONS**

**SECTION 3.1.(a)** Notwithstanding G.S. 160D-601, as amended by Section 3K.1(a) of S.L. 2024-57, Henderson County may amend definitions in its unified development ordinance, not inconsistent with Chapter 160D of the General Statutes, to eliminate or modify uses allowed by right in all zoning districts.

**SECTION 3.1.(b)** This Part is effective when it becomes law, and any amendment of the unified development ordinance shall occur on or before October 1, 2025.

**PART IV. ELIMINATE ETJ IN HENDERSON COUNTY**

**SECTION 4.1.(a)** Notwithstanding the provisions of G.S. 160D-202, no municipality in Henderson County shall exercise any of the powers granted to cities under Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, beyond its contiguous corporate limits.

**SECTION 4.1.(b)** The relinquishment of jurisdiction over an area that a municipality in Henderson County is regulating under the authority of Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, shall become effective July 1, 2025.

**SECTION 4.1.(c)** Upon relinquishment of jurisdiction over an area that a municipality in Henderson County is regulating under the authority of Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, the following shall apply:

- (1) The municipality's regulations and powers of enforcement shall remain in effect until (i) Henderson County has adopted the regulation or (ii) a period of 60 days has elapsed following July 1, 2025, the date the relinquishment becomes effective, whichever is sooner. Prior to the transfer of jurisdiction, Henderson County may hold hearings and take other measures consistent with G.S. 160D-204 that may be required in order to adopt and apply its development regulations for the area at the same time it assumes jurisdiction.
- (2) Any person who has acquired vested rights in a municipality in Henderson County may exercise those rights as if no change of jurisdiction had occurred. Henderson County, in acquiring jurisdiction over the area, may take any action regarding the development approval, certificate, or other evidence of compliance that could have been taken by the municipality pursuant to its development regulations. Except as provided in this subdivision, any building, structure, or other land use in an area over which Henderson County has acquired jurisdiction is subject to the development regulations of Henderson County.

**PART V. HENDERSON COUNTY REZONING APPROVAL**

**SECTION 5.1.(a)** If a municipality in Henderson County annexes property under Part 1 or Part 4 of Article 4A of Chapter 160A of the General Statutes, no rezoning under Chapter 160D of the General Statutes of any area that includes the annexed property, or any part thereof, may occur without the approval of both the governing body of the municipality and the Henderson County Board of Commissioners.

**SECTION 5.1.(b)** This Part applies only to Henderson County and any municipality located wholly or partly in Henderson County seeking to annex an area located wholly within Henderson County.

**SECTION 5.1.(c)** This Part becomes effective July 1, 2025, and applies to annexations initiated on or after that date.

**PART VI. EFFECTIVE DATE**

1                   **SECTION 6.** Except as otherwise provided, this act is effective when it becomes  
2 law.