

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 765
Committee Substitute Favorable 4/17/25
PROPOSED COMMITTEE SUBSTITUTE H765-CSTQ-19 [v.10]
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Short Title: Save the American Dream Act.

(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-101 reads as rewritten:

6 "**§ 160D-101. Application.**

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

12 (b) The provisions of this Article are supplemental to specific provisions included in
13 other Articles of this Chapter. To the extent there are conflicts between the provisions of this
14 Article and the provisions of other Articles of this Chapter, the more specific provisions shall
15 control, unless a less specific enactment of the General Assembly clearly shows a
16 legislative intent to repeal or supersede the more specific provisions.

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

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

25 (e) Except as provided by local act, notwithstanding any other provision of law, a local
26 government may not exercise development regulation authority except as expressly authorized
27 by this Chapter. If State law governs a particular subject matter related to a local development
28 regulation authority, a local government shall not enact or enforce development regulations more
29 restrictive than those established by State law, unless the development regulation pertains to
30 floodplain management regulations as described in G.S. 143-138(e).

31 **SECTION 1.(b)** G.S. 160D-110(a) reads as rewritten:

32 "(a) G.S. 153A-4 and G.S. 160A-4 are not applicable to this Chapter."

33 **SECTION 1.(c)** G.S. 160D-111 reads as rewritten:

34 "**§ 160D-111. Effect on prior laws.**



* H 7 6 5 - C S T Q - 1 9 *

1 (a) The enactment of this Chapter does not require the readoption of any local
 2 government ordinance enacted pursuant to laws that were in effect before January 1, 2020 and
 3 are restated or revised herein. The provisions of this Chapter do not affect any act heretofore
 4 done, any liability incurred, any right accrued or vested, or any suit or prosecution begun or cause
 5 of action accrued as of ~~January 1, 2020~~October 1, 2025. The enactment of this Chapter does not
 6 amend the geographic area within which local government development regulations adopted
 7 prior to January 1, 2020, are effective.

8 (b) G.S. 153A-3 and G.S. 160A-3 are applicable to this Chapter. Nothing in this Chapter
 9 repeals or amends a charter or local act in effect as of ~~June 19, 2020~~October 1, 2025, unless this
 10 Chapter or a subsequent enactment of the General Assembly clearly shows a legislative intent to
 11 repeal or supersede that charter or local ~~act~~act, or if that charter or local act is inconsistent with
 12 the provisions of this Chapter.

13"

14 **SECTION 1.(d)** G.S. 153A-121 is amended by adding a new subsection to read:

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

17 **SECTION 1.(e)** G.S. 160A-174 is amended by adding a new subsection to read:

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

20 **SECTION 2.** G.S. 160D-102 reads as rewritten:

21 "**§ 160D-102. Definitions.**

22 Unless otherwise specifically provided, or unless otherwise clearly required by the context,
 23 the words and phrases defined in this section shall have the following meanings indicated when
 24 used in this Chapter:

25 (1) Acre. – The actual gross acreage of a parcel or parcels. For purposes of
 26 determining allowable residential density, the actual gross acreage shall not
 27 be reduced by subtracting buffers, setbacks, public or private streets, open
 28 space or recreation areas, or other nondevelopable areas.

29 (1b) Actual and legitimate needs of the community. – Demonstrable requirements
 30 or deficiencies within a local jurisdiction that are substantiated by objective
 31 data, recognized standards, or credible assessments. These needs must not be
 32 speculative, arbitrary, or a matter of mere preference or convenience, but
 33 rather must reflect a bona fide necessity consistent with lawful governmental
 34 purposes and responsive to reasonably foreseeable conditions expected to
 35 affect the community.

36 (1d) Administrative decision. – Decisions made in the implementation,
 37 administration, or enforcement of development regulations that involve the
 38 determination of facts and the application of objective standards set forth in
 39 this Chapter or local government development regulations. These are
 40 sometimes referred to as ministerial decisions or administrative
 41 determinations.

42 ...

43 (3b) Buffer yard. – A designated landscape area to separate uses or densities; to
 44 reduce impacts of traffic, noise, odor; or to enhance visual appearance.

45 ...

46 (15b) Dwelling unit. – A single unit, subject to the North Carolina Residential Code,
 47 providing complete, independent living facilities for one or more persons,
 48 including permanent provisions for living, sleeping, eating, cooking, and
 49 sanitation.

50"

51 **SECTION 3.** G.S. 160D-108 reads as rewritten:

1 **"§ 160D-108. Permit choice and vested rights.**

2 ...

3 (d) Duration of Vesting. – Upon issuance of a development permit, the statutory vesting
4 granted by subsection (c) of this section for a development project is effective upon filing of the
5 application in accordance with G.S. 143-755, for so long as the permit remains valid pursuant to
6 law. Unless otherwise specified by this section or other statute, local development permits expire
7 one year after issuance unless work authorized by the permit has substantially commenced. A
8 local land development regulation may provide for a longer permit expiration period. For the
9 purposes of this section, a permit is issued either in the ordinary course of business of the
10 applicable governmental agency or by the applicable governmental agency as a court directive.

11 Except where a longer vesting period is provided by statute or land development regulation,
12 the statutory vesting granted by this section, once established, expires for an uncompleted
13 development project if development work is intentionally and voluntarily discontinued for a
14 period of not less than 24 consecutive months, and the statutory vesting period granted by this
15 section for a nonconforming use of property expires if the use is intentionally and voluntarily
16 discontinued for a period of not less than 24 consecutive months. The 24-month discontinuance
17 period is automatically tolled during ~~the~~ any of the following:

- 18 (1) The pendency of any board of adjustment proceeding or civil action in a State
19 or federal trial or appellate court regarding the validity of a development
20 permit, the use of the property, or the existence of the statutory vesting period
21 granted by this section.
- 22 (2) The 24-month discontinuance period is also tolled during the pendency of any
23 litigation involving the development project or property that is the subject of
24 the vesting.
- 25 (3) The duration of any emergency declaration issued under G.S. 166A-19.20 or
26 G.S. 166A-19.22 for which the defined emergency area includes the property,
27 in whole or in part.

28"

29 **SECTION 4.** G.S. 160D-108.1 reads as rewritten:

30 **"§ 160D-108.1. Vested rights – site-specific vesting plans.**

31 ...

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

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

50 ...

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

- 1 (1) A vested right for a site-specific vesting plan remains vested for a period of
2 ~~two~~ five years. This vesting shall not be extended by any amendments or
3 modifications to a site-specific vesting plan unless expressly provided by the
4 local government.
- 5 (2) Notwithstanding the provisions of subdivision (1) of this subsection, a local
6 government may provide for rights to be vested for a period exceeding ~~two~~
7 five years but not exceeding ~~five~~ eight years where warranted in light of all
8 relevant circumstances, including, but not limited to, the size and phasing of
9 development, the level of investment, the need for the development, economic
10 cycles, and market conditions or other considerations. These determinations
11 are in the sound discretion of the local government and shall be made
12 following the process specified for the particular form of a site-specific
13 vesting plan involved in accordance with subsection (a) of this section.
- 14 (3) Upon issuance of a building permit, the provisions of G.S. 160D-1111 and
15 G.S. 160D-1115 apply, except that a permit does not expire and shall not be
16 revoked because of the running of time while a vested right under this section
17 is outstanding.
- 18 (4) A right vested as provided in this section terminates at the end of the
19 applicable vesting period with respect to buildings and uses for which no valid
20 building permit applications have been filed.
- 21 (f) Subsequent Changes Prohibited; Exceptions. –
- 22 (1) A vested right, once established as provided for in this section, precludes any
23 ~~zoning action~~ development regulation by a local government which would
24 change, alter, impair, prevent, diminish, or otherwise delay the development
25 or use of the property as set forth in an approved site-specific vesting plan,
26 except under one or more of the following conditions:
- 27 a. With the written consent of the affected landowner.
- 28 b. Upon findings, by ordinance after notice and an evidentiary hearing,
29 that natural or man-made hazards on or in the immediate vicinity of
30 the property, if uncorrected, would pose a serious threat to the public
31 health, safety, and welfare if the project were to proceed as
32 contemplated in the site-specific vesting plan.
- 33 c. To the extent that the affected landowner receives compensation for
34 all costs, expenses, and other losses incurred by the landowner,
35 including, but not limited to, all fees paid in consideration of financing,
36 and all architectural, planning, marketing, legal, and other consulting
37 fees incurred after approval by the local government, together with
38 interest as provided under G.S. 160D-106. Compensation shall not
39 include any diminution in the value of the property which is caused by
40 the action.
- 41 d. Upon findings, by ordinance after notice and an evidentiary hearing,
42 that the landowner or the landowner's representative intentionally
43 supplied inaccurate information or made material misrepresentations
44 that made a difference in the approval by the local government of the
45 site-specific vesting plan or the phased development plan.
- 46 e. Upon the enactment or promulgation of a State or federal law or
47 regulation that precludes development as contemplated in the
48 site-specific vesting plan or the phased development plan, in which
49 case the local government may modify the affected provisions, upon a
50 finding that the change in State or federal law has a fundamental effect
51 on the plan, by ordinance after notice and an evidentiary hearing.

- 1 (2) The establishment of a vested right under this section ~~does not preclude~~
 2 precludes the application of overlay zoning or other development regulations
 3 which impose additional requirements but do not affect the allowable type or
 4 intensity of use, or ordinances or regulations which are general in nature and
 5 are applicable to all property subject to development regulation by a local
 6 government, including, but not limited to, building, fire, plumbing, electrical,
 7 and mechanical codes. Otherwise applicable new development regulations
 8 become effective with respect to property which is subject to a site-specific
 9 vesting plan upon the expiration or termination of the vesting rights period
 10 provided for in this section.
- 11 (3) Notwithstanding any provision of this section, the establishment of a vested
 12 right does not preclude, change, or impair the authority of a local government
 13 to adopt and enforce development regulations governing ~~nonconforming~~
 14 situations or uses.nonconformities.

15"

16 **SECTION 5.** G.S. 160D-109 reads as rewritten:

17 **"§ 160D-109. Conflicts of interest.**

18 (a) Governing Board. – A governing board member shall not participate in or vote on any
 19 legislative decision regarding a development regulation adopted pursuant to this Chapter where
 20 the one or more of the following apply:

- 21 (1) The outcome of the matter being considered is reasonably likely to have a
 22 direct, substantial, and readily identifiable financial impact on the member. ~~A~~
 23 ~~governing board member shall not vote on any zoning amendment if the~~
 24 (2) The landowner of the property subject to a rezoning petition or the applicant
 25 for a text amendment is a person with whom the member has a close familial,
 26 business, or other associational relationship.

27 (b) Appointed Boards. – Members of appointed boards shall not participate in or vote on
 28 any advisory or legislative decision regarding a development regulation adopted pursuant to this
 29 Chapter where the one or more of the following apply:

- 30 (1) The outcome of the matter being considered is reasonably likely to have a
 31 direct, substantial, and readily identifiable financial impact on the member.
 32 ~~An appointed board member shall not vote on any zoning amendment if the~~
 33 (2) The landowner of the property subject to a rezoning petition or the applicant
 34 for a text amendment is a person with whom the member has a close familial,
 35 business, or other associational relationship.

36 (c) Administrative Staff. – ~~No~~ If a staff member has a conflict of interest under this
 37 subsection, the administrative decision shall be assigned to the supervisor of the staff member or
 38 such other staff member as may be designated by the development regulation. A staff member
 39 shall not make a final decision on an administrative decision required by this Chapter if the where
 40 one or more of the following apply:

- 41 (1) The outcome of that administrative decision would have a direct, substantial,
 42 and readily identifiable financial impact on the staff member or if the member.
 43 (2) The applicant or other person subject to that administrative decision is a
 44 person with whom the staff member has a close familial, business, or other
 45 associational relationship. ~~If a staff member has a conflict of interest under~~
 46 ~~this section, the decision shall be assigned to the supervisor of the staff person~~
 47 ~~or such other staff person as may be designated by the development regulation~~
 48 ~~or other ordinance. No~~
 49 (3) The staff member shall be is financially interested or employed by a business
 50 that is financially interested in a development subject to regulation under this

Chapter unless the staff member is the owner of the land or building involved.

~~No~~

- (4) ~~The staff member-member, or other individual or an employee of a company contracting with a local government to provide staff support shall engage support, is engaging in any work that is inconsistent with his or her duties or with the interest of the local government, as determined by the local government.~~

...."

SECTION 6. G.S. 160D-203 reads as rewritten:

"§ 160D-203. Split jurisdiction.

(a) If a parcel of land lies within the planning and development regulation jurisdiction of more than one local government, ~~for the purposes of this Chapter, the local governments may, by mutual agreement pursuant to Article 20 of Chapter 160A of the General Statutes and with the written consent of the landowner, assign exclusive planning and development regulation jurisdiction under this Chapter for the entire parcel to any one of those local governments. Such a mutual agreement government, the following shall apply:~~

- (1) If only one local government has the ability to provide water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government that has the ability to provide public water and sewer services shall have planning and development regulation jurisdiction over the entire parcel.
- (2) If all of the local governments have the ability to either provide public water services or public sewer services to the parcel, but not both, at the time a site plan for the parcel is submitted, the landowner may designate which local government's planning and development regulations shall apply to the land.
- (3) If all or none of the local governments have the ability to provide public water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government where the majority of the parcel is located shall have jurisdiction over the land.

(b) The jurisdiction established by this section shall only be applicable to development regulations and shall not affect taxation or other nonregulatory matters. ~~The mutual agreement shall be evidenced by a resolution formally adopted by each governing board and recorded with the register of deeds in the county where the property is located within 14 days of the adoption of the last required resolution.~~

SECTION 7. G.S. 160D-402, as amended by S.L. 2024-49, reads as rewritten:

"§ 160D-402. Administrative staff.

(a) Authorization. – Local governments may appoint administrators, inspectors, enforcement officers, planners, technicians, and other staff to develop, administer, and enforce development regulations authorized by this Chapter. Local governments shall designate at least one staff member charged with making determinations under that local government's development regulations for purposes of G.S. 160D-703.

(b) Duties. – Duties assigned to staff may include, but are not limited to, drafting and implementing plans and development regulations to be adopted pursuant to this Chapter; determining whether applications for development approvals are complete; receiving and processing applications for development approvals; providing notices of applications and hearings; making decisions and determinations regarding development regulation implementation; determining whether applications for development approvals meet applicable standards as established by law and local ordinance; conducting inspections; issuing or denying certificates of compliance or occupancy; enforcing development regulations, including issuing notices of violation, orders to correct violations, and recommending bringing judicial actions against actual or threatened violations; keeping adequate records; and any other actions that may

1 be required in order adequately to enforce the laws and development regulations under their
2 jurisdiction. A development regulation may require that designated staff members take an oath
3 of office. The local government shall have the authority to enact ordinances, procedures, and fee
4 schedules relating to the administration and the enforcement of this Chapter. The administrative
5 and enforcement provisions related to building permits set forth in Article 11 of this Chapter shall
6 be followed for those permits.

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

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

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

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

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

49 **SECTION 8.** G.S. 160D-403, as amended by S.L. 2024-49, reads as rewritten:

50 **"§ 160D-403. Administrative development approvals and determinations.**

1 (a) Development Approvals. – To the extent consistent with the scope of ~~regulatory~~
2 development regulation authority granted by this Chapter, no person shall commence or proceed
3 with development without first securing any required development approval from the local
4 government with jurisdiction over the site of the development. A development approval shall be
5 in writing and may contain a provision requiring the development to comply with all applicable
6 State and local laws. A local government may issue development approvals in print or electronic
7 form. Any development approval issued exclusively in electronic form shall be protected from
8 further editing once issued. Applications for development approvals may be made by the
9 landowner, a lessee or person holding an option or contract to purchase or lease land, or an
10 authorized agent of the landowner. An easement holder may also apply for development approval
11 for ~~such~~ the development as is authorized by the easement.

12 (a1) Time Period for Approval. – Within 14 calendar days of the filing of an application
13 for a development approval, a local government or its designated administrative staff, as
14 described under G.S. 160D-402, shall (i) determine whether the application is complete and
15 notify the applicant of the application's completeness and, (ii) if the local government or its
16 designated administrative staff determines the application is incomplete, specify all of the
17 deficiencies in the notice to the applicant. The applicant may file an amended application or
18 supplemental information to cure the deficiencies identified by the local government or its
19 designated administrative staff for a completeness review, which shall be completed within 14
20 calendar days after receiving an amended application or supplemental application from the
21 applicant. Upon the date the application is deemed complete, the local government or its
22 designated administrative staff shall issue a receipt letter or electronic response stating that the
23 application is complete and that a 90-calendar day review period has started as of that date. The
24 local government shall approve or deny the application within 90 calendar days of the date the
25 application was deemed complete by the local government or its designated administrative staff,
26 except that if the applicant requests a continuance of the application, the review period shall be
27 tolled for the duration of any continuance. The time period for review may be extended only by
28 agreement with the applicant if the application cannot be reviewed within the specified time
29 limitation due to circumstances beyond the control of the local government. The extension shall
30 not exceed six months. Failure of the local government or its designated administrative staff to
31 act before the expiration of the time period allowed for review shall constitute an approval of the
32 application, and the local government shall issue a written approval upon demand by the
33 applicant.

34"

35 **SECTION 9.** G.S. 160D-605(a) reads as rewritten:

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

50 **SECTION 10.** G.S. 160D-701 reads as rewritten:

51 **§ 160D-701. Purposes.**

1 Zoning regulations shall be made in accordance with a comprehensive plan and shall be
2 designed to ~~promote the public health, safety, and general welfare.~~ reflect the actual and legitimate
3 needs of the community. To that end, the regulations may address, among other things, the
4 following public purposes: to provide adequate light and air; to prevent the overcrowding of land;
5 to avoid undue concentration of population; to lessen congestion in the streets; to secure safety
6 from fire, panic, and dangers; to facilitate the efficient and adequate provision of transportation,
7 water, sewerage, schools, parks, and other public requirements; and to promote the ~~health, safety,~~
8 ~~morals, or general welfare.~~ actual and legitimate needs of the community. The regulations shall be
9 made with reasonable consideration, among other things, as to the character of the district and its
10 peculiar suitability for particular uses and with a view to conserving the value of buildings and
11 encouraging the most appropriate use of land throughout the local government's planning and
12 development regulation jurisdiction. The regulations may not include, as a basis for denying a
13 zoning or rezoning request from a school, the level of service of a road facility or facilities
14 abutting the school or proximately located to the school."

15 **SECTION 11.** G.S. 160D-702 reads as rewritten:

16 **"§ 160D-702. Grant of power.**

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

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

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

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

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

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

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

- 13 (1) Set a minimum width, length, or square footage of any structures subject to
14 regulation under the North Carolina Residential Code.
- 15 (2) Require a or otherwise specify the size, placement, configuration, allocation,
16 location, or number of parking space spaces to be larger than 9 feet wide by
17 20 feet long unless the parking space is designated for handicap, parallel, or
18 diagonal parking greater than those required by the Americans with
19 Disabilities Act.
- 20 (3) Require additional fire apparatus access roads into developments of one- or
21 two-family dwellings that are not in compliance with the required number of
22 fire apparatus access roads into developments of one- or two-family dwellings
23 set forth in the North Carolina Fire Code of the North Carolina Residential
24 Code for One and Two Family Dwellings.Code.
- 25 (4) Except as provided under G.S. 160A-307, set a minimum width, length, or
26 square footage for driveways within a development unless the driveway abuts
27 a public road. This subdivision shall not be construed to expand, diminish, or
28 alter the Department of Transportation's authority to regulate driveways
29 adjacent to public roads owned by the State.
- 30 (5) Except as provided in this subdivision, set design standards for public roads
31 within a development in excess of those required by the Department of
32 Transportation. A city may set design standards for public roads within a
33 development in excess of those required by the Department of Transportation
34 if the city is financially responsible for the cost of the excess and accepts
35 ownership and maintenance responsibility for the public road prior to, or in
36 conjunction with, site plan approval. Confirmation of conformity of the
37 improvements consistent with the city's design standards under this subsection
38 shall be conducted consistent with G.S. 160D-804.1(1c). Upon confirmation
39 that the improvements have been made consistent with G.S. 160D-804.1(1c),
40 the city shall record with the register of deeds a plat evidencing the city's
41 ownership of the public road.
- 42 (6) Require installation of sidewalks or improvement of existing sidewalks for
43 any residential, commercial, or school property unless the sidewalk is either
44 of the following:
- 45 a. Connected to an existing sidewalk.
- 46 b. Will be connected to a planned adjacent sidewalk that the local
47 government demonstrates through credible and reliable facts and
48 information, based on a development approval, will be constructed
49 within two years of the residential, commercial, or school property site
50 plan approval.

1 (7) For cities with a population of 125,000 or more, according to the most recent
2 decennial federal census, establish setback or buffer yard requirements for a
3 multifamily development that exceeds 15 units per acre.

4 (d) In exercising its authority under this section, a local government shall support its
5 determinations by demonstrating there is a rational and substantial relationship between the
6 zoning map, zoning regulations, or zoning amendment and (i) the local government's
7 comprehensive plan and (ii) the actual and legitimate needs of the community, through findings
8 of facts and information, other than mere personal preferences or speculation, that a reasonable
9 person would accept in support of a conclusion.

10 (e) For purposes of this section, the term "public road" shall mean any road, street,
11 highway, thoroughfare, or other way of passage that is owned and maintained by a city or the
12 Department of Transportation."

13 **SECTION 12.** G.S. 160D-703 reads as rewritten:

14 **"§ 160D-703. Zoning districts.**

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

21 (1) Conventional districts, in which a variety of uses are allowed as permitted uses
22 or uses by right and that may also include uses permitted only with a special
23 use permit.

24 (2) Conditional districts, in which site plans or individualized development
25 conditions are imposed.

26 (3) Form-based districts, or development form controls, that address the physical
27 form, mass, and density of structures, public spaces, and streetscapes.

28 (4) Overlay districts, in which different requirements are imposed on certain
29 properties within one or more underlying conventional, conditional, or
30 form-based districts.

31 (5) Districts allowed by charter.

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

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

38 (1) In a county with a population of 49,999 or less, according to the most recent
39 decennial federal census, the siting of no fewer than four dwelling units per
40 acre.

41 (2) In a county with a population between 50,000 and 274,999, according to the
42 most recent decennial federal census, the siting of no fewer than five dwelling
43 units per acre.

44 (3) In a county with a population of 275,000 or more, according to the most recent
45 decennial federal census, the siting of no fewer than six dwelling units per
46 acre.

47 (a3) Permitted Uses in Cities. – A city zoning regulation shall allow the following uses by
48 right:

49 (1) In areas zoned for residential use in a city with a population of 19,999 or less,
50 according to the most recent decennial federal census, the siting of no fewer
51 than four dwelling units per acre.

1 (2) In areas zoned for residential use in a city with a population between 20,000
2 and 124,999, according to the most recent decennial federal census, the siting
3 of no fewer than five dwelling units per acre.

4 (3) In areas zoned for residential use in a city with a population of 125,000 or
5 more, according to the most recent decennial federal census, the siting of no
6 fewer than six dwelling units per acre.

7 (4) In areas zoned for non-agricultural commercial, business, or industrial use in
8 a city with a population of 125,000 or more, according to the most recent
9 decennial federal census, the siting of buildings and structures subject to the
10 North Carolina Residential Code and multifamily housing structures with
11 more than four residential dwelling units, with a maximum height restriction
12 of not less than 60 feet.

13 (a4) Exemption from Building Design Elements and Buffer Yards. – In a city with a
14 population of 125,000 or more, according to the most recent decennial federal census, buildings
15 and structures subject to the North Carolina Residential Code and uses allowable under
16 subdivision (3) or (4) of subsection (a3) of this section shall not be subject to either of the
17 following:

18 (1) Building design elements as defined under G.S. 160D-702(b).

19 (2) Buffer yards or other landscape buffering regulations.

20 (a5) Applicability of Permitted Uses. – Subsections (a2) and (a3) of this section do not
21 apply to land used for a bona fide farm purpose as described in G.S. 160D-903 or an open space
22 land purpose as described in G.S. 160D-1307. Nothing in subsections (a2) or (a3) of this section
23 shall be construed to expand, diminish, or alter the scope of authority for planning, development,
24 or land use regulations set forth in Chapter 143 or Chapter 113A of the General Statutes.
25 However, to the extent a local government asserts that a parcel is subject to planning,
26 development, or land use standards authorized under Chapter 143 or Chapter 113A of the General
27 Statutes, the local government must support its determination with facts and information, other
28 than mere personal preferences or speculation, that a reasonable person would accept in support
29 of its conclusion. Subsections (a2) and (a3) of this section apply regardless of whether the
30 dwelling units are located on multiple adjacent lots or a single lot.

31 (b) Conditional Districts. – Property may be placed in a conditional district only in
32 response to a petition by all owners of the property to be included. Specific conditions may be
33 proposed by the petitioner or the local government or its agencies, but only those conditions
34 approved by the local government and consented to by the petitioner in writing may be
35 incorporated into the zoning regulations. ~~Unless consented to by the petitioner in writing,~~
36 Notwithstanding any other provision of law, in the exercise of the authority granted by this
37 section, a local government may not (i) require, enforce, or incorporate into the zoning
38 regulations any condition or requirement not authorized by otherwise applicable law, regulations
39 any condition, requirement, or deed restriction not specifically authorized by law, (ii) require,
40 enforce, or incorporate into the zoning regulations any condition or requirement that the courts
41 have held to be unenforceable if imposed directly by the local government, or (iii) accept any
42 offer by the petitioner to consent to any condition not specifically authorized by law, including,
43 without limitation, taxes, impact fees, building design elements within the scope of
44 G.S. 160D-702(b), driveway-related improvements in excess of those allowed in
45 G.S. 136-18(29) and G.S. 160A-307, or other unauthorized limitations on the development or
46 use of land. This subsection shall also apply to the approval of any site plan, development
47 agreement, conditional zoning permit, or any other instrument under this Chapter. Conditions
48 and site-specific standards imposed in a conditional district shall be limited to those that address
49 the conformance of the development and use of the site to local government ordinances, plans
50 adopted pursuant to G.S. 160D-501, or the impacts reasonably expected to be generated by the
51 development or use of the site. The zoning regulation may provide that defined minor

1 modifications in conditional district standards that do not involve a change in uses permitted or
2 the density of overall development permitted may be reviewed and approved administratively.
3 Any other modification of the conditions and standards in a conditional district shall follow the
4 same process for approval as are applicable to zoning map amendments. If multiple parcels of
5 land are subject to a conditional zoning, the owners of individual parcels may apply for
6 modification of the conditions so long as the modification would not result in other properties
7 failing to meet the terms of the conditions. Any modifications approved apply only to those
8 properties whose owners petition for the modification.

9 (b1) Limitations. – For parcels where multifamily structures are an allowable use, a local
10 government may not impose a harmony requirement for permit approval if the development
11 contains affordable housing units for families or individuals with incomes below eighty percent
12 (80%) of the area median income.

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

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

19 (e) Staff Approvals. – Development approvals for a development that is a permitted use
20 in the zoning district where the development is located shall be made only by the designated staff
21 member as described in G.S. 160D-402.

22 (f) Basis for Conditional District. – In exercising its authority under subsection (b) of this
23 section, a local government shall support its determinations with facts and information, other
24 than mere personal preferences or speculation, that a reasonable person would accept in support
25 of a conclusion that there is a rational and substantial relationship between the conditional district
26 and the actual and legitimate needs of the community."

27 **SECTION 13.** Article 7 of Chapter 160D of the General Statutes is amended by
28 adding a new section to read:

29 "**§ 160D-707. Review period for rezoning decisions.**

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

51 **SECTION 14.** G.S. 160D-803 reads as rewritten:

1 **"§ 160D-803. Review process, filing, and recording of subdivision plats.**

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

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

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

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

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

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

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

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

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

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

25 (d) After the effective date that a subdivision regulation is adopted, no subdivision within
26 a local government's planning and development regulation jurisdiction shall be filed or recorded
27 until it shall have been submitted to and approved by ~~the governing board or appropriate body, a~~
28 staff person or committee comprised entirely of staff persons, as specified in the subdivision
29 regulation, and until this approval shall have been entered on the face of the plat in writing by an
30 authorized representative of the local government. Within 10 days after approving a preliminary
31 or final plat, an authorized representative of the local government shall enter the approval on the
32 face of the preliminary or final plat. The review officer, pursuant to G.S. 47-30.2, shall not certify
33 a subdivision plat that has not been approved in accordance with these provisions nor shall the
34 clerk of superior court order or direct the recording of a plat if the recording would be in conflict
35 with this section.

36 (e) Notwithstanding G.S. 160D-403(c), once approval has been entered on the face of the
37 plat in accordance with this section, the approval shall be valid and not expire unless the
38 landowner applies for, and receives, a subsequent development approval."

39 **SECTION 15.** G.S. 160D-804(a) reads as rewritten:

40 "(a) Purposes. – A subdivision regulation may provide for the orderly growth and
41 development of the local government; for the coordination of transportation networks and
42 utilities within proposed subdivisions with existing or planned streets and highways and with
43 other public facilities; and for the distribution of population and traffic in a manner that will avoid
44 congestion and overcrowding and will create conditions that substantially promote ~~public health,~~
45 safety, and general welfare, the actual and legitimate needs of the community."

46 **SECTION 16.** G.S. 160D-944 reads as rewritten:

47 **"§ 160D-944. Designation of historic districts.**

48 (a) Any local government may, as part of a zoning regulation adopted pursuant to Article
49 7 of this Chapter or as a development regulation enacted or amended pursuant to Article 6 of this
50 Chapter, designate and from time to time amend one or more historic districts within the area
51 subject to the development regulation. Historic districts established pursuant to this Part shall

1 consist of areas that are deemed to be of special significance in terms of their history, prehistory,
2 architecture, or culture and to possess integrity of design, setting, materials, feeling, and
3 association.

4 A development regulation may treat historic districts either as a separate use district
5 classification or as districts that overlay other zoning districts. Where historic districts are
6 designated as separate use districts, the ~~zoning-development~~ regulation may include as uses by
7 right or as special uses those uses found by the preservation commission to have existed during
8 the period sought to be restored or preserved or to be compatible with the restoration or
9 preservation of the district.

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

- 12 (1) An investigation and report describing the significance of the buildings,
13 structures, features, sites, or surroundings included in the proposed district and
14 a description of the boundaries of the district have been prepared.
- 15 (2) The Department of Natural and Cultural Resources, acting through the State
16 Historic Preservation Officer or his or her designee, has made an analysis of
17 and recommendations concerning the report and description of proposed
18 boundaries. Failure of the Department to submit its written analysis and
19 recommendations to the governing board within 30 calendar days after a
20 written request for the analysis has been received by the Department relieves
21 the governing board of any responsibility for awaiting the analysis, and the
22 governing board may at any subsequent time take any necessary action to
23 adopt or amend its zoning regulation.
- 24 (3) Seventy-five percent (75%) of the property owners in the proposed district
25 sign a petition requesting designation of the district.

26 (c) The governing board may also, in its discretion, refer the report and proposed
27 boundaries under subsection (b) of this section to any local preservation commission or other
28 interested body for its recommendations prior to taking action to amend the ~~zoning-development~~
29 regulation. With respect to any changes in the boundaries of a district, subsequent to its initial
30 establishment, or the creation of additional districts within the jurisdiction, the investigative
31 studies and reports required by subdivision (1) of subsection (b) of this section shall be prepared
32 by the preservation commission and shall be referred to the planning board for its review and
33 comment according to procedures set forth in the ~~zoning-development~~ regulation. Changes in the
34 boundaries of an initial district or proposal for additional districts shall also be submitted to the
35 Department of Natural and Cultural Resources in accordance with the provisions of subdivision
36 (2) of subsection (b) of this section.

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

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

45 **SECTION 17.** Article 9 of Chapter 160D of the General Statutes is amended by
46 adding the following two new sections to read:

47 "**§ 160D-974. Tiny houses in residential districts in certain cities.**

48 (a) Tiny Housing in Residential Zones. – A city shall allow tiny housing in areas zoned
49 for residential or mixed-use residential, including those that allow for the development of
50 detached single-family dwellings.

1 (b) Regulation and Scope. – Nothing in this section affects the validity or enforceability
2 of private covenants or other contractual agreements among property owners relating to dwelling
3 type restrictions. Any development regulation adopted pursuant to this section shall not apply to
4 an area designated as a local historic district (i) pursuant to Part 4 of this Article or (ii) on the
5 National Register of Historic Places, unless approved by the local historic preservation authority.
6 For septic systems, a city may require a new system or an upgrade to an existing system if it is
7 determined that the existing system is incapable of handling increased capacity.

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

13 (d) Applicability. – This section applies only to cities with a population of 125,000 or
14 more, according to the most recent decennial federal census.

15 **"§ 160D-975. Accessory dwelling units in certain cities.**

16 (a) A city shall allow the development of at least one accessory dwelling unit which
17 conforms to the North Carolina Residential Code, including applicable provisions from the North
18 Carolina Fire Code, for each detached single-family dwelling that is greater than 600 square feet,
19 in areas zoned for residential use that allow for development of detached single-family dwellings.
20 An accessory dwelling unit may be built or sited concurrently with the primary dwelling or after
21 the primary dwelling has been constructed or sited. Nothing in this section shall prohibit a local
22 government from permitting accessory dwelling units in any area not otherwise required under
23 this section.

24 (b) Development and permitting of an accessory dwelling unit shall not be subject to any
25 of the following requirements:

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

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

30 (3) Conditional use zoning.

31 (c) In permitting accessory dwelling units under this section, a city shall not do any of
32 the following:

33 (1) Prohibit the connection of the accessory dwelling unit to existing utilities
34 servicing the primary dwelling unit.

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

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

42 (e) A city may impose a setback minimum for accessory dwelling units of 5 feet or the
43 setback minimum imposed generally upon lots in the same zoning classification, whichever is
44 less.

45 (f) For the purposes of this section, the term "accessory dwelling unit" means an attached
46 or detached residential structure that is used in connection with or that is accessory to a primary
47 single-family dwelling and that has less total square footage than the primary single-family
48 dwelling.

49 (g) This section applies only to cities with a population of 125,000 or more, according to
50 the most recent decennial federal census."

51 **SECTION 18.** G.S. 160D-1006(a) reads as rewritten:

1 "(a) A development agreement shall, at a minimum, include all of the following:

- 2 (1) A description of the property subject to the agreement and the names of its
3 legal and equitable property owners.
4 (2) The duration of the agreement. However, the parties are not precluded from
5 entering into subsequent development agreements that may extend the
6 original duration period.
7 (3) The development uses permitted on the property, including population
8 densities and building types, intensities, placement on the site, and design.
9 (4) A description of public facilities that will serve the development, including
10 who provides the facilities, the date any new public facilities, if needed, will
11 be constructed, and a schedule to assure public facilities are available
12 concurrent with the impacts of the development. In the event that the
13 development agreement provides that the local government shall provide
14 certain public facilities, the development agreement shall provide that the
15 delivery date of such public facilities will be tied to successful performance
16 by the developer in implementing the proposed development, such as meeting
17 defined completion percentages or other performance standards.
18 (5) A description, where appropriate, of any reservation or dedication of land for
19 public purposes and any provisions agreed to by the developer that exceed
20 existing laws related to protection of environmentally sensitive property.
21 (6) A description, where appropriate, of any conditions, terms, restrictions, or
22 other requirements ~~for the protection of public health, safety, or welfare~~ that
23 reflect the actual and legitimate needs of the community.
24 (7) A description, where appropriate, of any provisions for the preservation and
25 restoration of historic structures."

26 **SECTION 19.** G.S. 160D-1102(c) reads as rewritten:

27 "(c) No later than October 1 of ~~2023, 2024, and 2025~~, each year, every local government
28 shall publish an annual financial report on how it used fees from the prior fiscal year for the
29 support, administration, and implementation of its building code enforcement program as
30 required by G.S. 160D-402(d). This report is in addition to any other financial report required by
31 law."

32 **SECTION 20.** G.S. 160D-1110(d) is amended by adding a new subdivision to read:

33 "(3) Require more than a shell permit for the construction of a multifamily
34 development. Upon the request of the permittee, the local government shall
35 issue certificates of occupancy for individual units in a multifamily
36 development permitted under a shell permit as the units meet the criteria for
37 issuance of a certificate of occupancy. For purposes of this subdivision, "shell
38 permit" means a permit that allows for the structural construction of a building
39 but does not result in the issuance of a certificate of occupancy."

40 **SECTION 21.** G.S. 160D-1208(b) reads as rewritten:

41 "(b) The housing appeals board shall fix a reasonable time for hearing appeals, shall give
42 due notice to the parties, and shall render its decision within a reasonable time. Any party may
43 appear in person or by agent or attorney. The board may reverse or affirm, wholly or partly, or
44 may modify the decision or order appealed from, and may make any decision and order that in
45 its opinion ought to be made in the matter, and, to that end, it has all the powers of the public
46 officer, but the concurring vote of four members of the board is necessary to reverse or modify
47 any decision or order of the public officer. The board also has power in passing upon appeals,
48 when unnecessary hardships would result from carrying out the strict letter of the ordinance, to
49 adapt the application of the ordinance to the necessities of the case to the end that the spirit of the
50 ordinance is observed, ~~public safety and welfare~~ the actual and legitimate needs of the community
51 secured, and substantial justice done."

1 **SECTION 22.** G.S. 160D-1403 reads as rewritten:

2 "**§ 160D-1403. Appeals of decisions on subdivision plats.**

3 ~~(a) When a subdivision regulation adopted under this Chapter provides that the decision~~
4 ~~whether to approve or deny a preliminary or final subdivision plat is quasi-judicial, then that~~
5 ~~decision of the board is subject to review by the superior court by a proceeding in the nature of~~
6 ~~certiorari. G.S. 160D-406 and this section apply to those appeals.~~

7 ~~(b) When a subdivision regulation adopted under this Chapter provides that the decision~~
8 ~~whether to approve or deny a preliminary or final subdivision plat is administrative, or for~~ ~~For~~
9 ~~any other administrative decision implementing a subdivision regulation, the following applies:~~

10 ~~(1) If made by the governing board or planning board, the decision is subject to~~
11 ~~review by filing an action in superior court seeking appropriate declaratory or~~
12 ~~equitable relief within 30 days from receipt of the written notice of the~~
13 ~~decision, which shall be made as provided in G.S. 160D-403(b).~~

14 ~~(2) If made by the staff or a staff committee, the decision is subject to appeal as~~
15 ~~provided in G.S. 160D-405.~~

16 ~~(c) For purposes of this section, a subdivision regulation is deemed to authorize a~~
17 ~~quasi-judicial decision if the decision-making entity under G.S. 160D-803(c) is authorized to~~
18 ~~decide whether to approve or deny the plat based not only upon whether the application complies~~
19 ~~with the specific requirements set forth in the regulation but also on whether the application~~
20 ~~complies with one or more generally stated standards requiring a discretionary decision to be~~
21 ~~made."~~

22 **SECTION 23.(a)** G.S. 160D-1403.1 reads as rewritten:

23 "**§ 160D-1403.1. Civil action for declaratory relief, injunctive relief, other remedies; joinder**
24 **of complaint and petition for writ of certiorari in certain cases.**

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

32 ~~(1) The ordinance, development regulation, either on its face or as applied, is~~
33 ~~unconstitutional.~~

34 ~~(2) The ordinance, development regulation, either on its face or as applied, is ultra~~
35 ~~vires, preempted, arbitrary or capricious, or is otherwise in excess of statutory~~
36 ~~authority.~~

37 ~~(3) The ordinance, development regulation, either on its face or as applied,~~
38 ~~constitutes a taking of property.~~

39 ~~(4) The development approval is ultra vires, preempted, in excess of its statutory~~
40 ~~authority, made upon unlawful procedure, made in error of law, arbitrary and~~
41 ~~capricious, or an abuse of discretion.~~

42 ~~(a1) Appeals of Administrative Decisions. – If the decision development approval being~~
43 ~~challenged under subsection (a) of this section is from an administrative official charged with~~
44 ~~enforcement of a local land development regulation, the party with standing must first bring any~~
45 ~~claim that the ordinance development regulation was erroneously interpreted to the applicable~~
46 ~~board of adjustment pursuant to G.S. 160D-405. An adverse ruling from the board of adjustment~~
47 ~~may then be challenged in an action brought pursuant to this subsection with the court hearing~~
48 ~~the matter de novo together with any of the claims listed in this subsection.~~

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

- 1 (1) The person has an ownership, leasehold, or easement interest in, or possesses
 2 an option or contract to purchase the property that is the subject matter of a
 3 final and binding decision made by an administrative official charged with
 4 applying or enforcing a ~~land~~-development regulation.
 5 (2) The person was a development permit applicant before the decision-making
 6 board whose decision is being challenged.
 7 (3) The person was a development permit applicant who is aggrieved by a final
 8 and binding decision of an administrative official charged with applying or
 9 enforcing a ~~land~~-development regulation.
 10 (4) An association, organization, society, or entity whose membership is
 11 comprised of an individual or entity identified in subdivision (2) or (3) of this
 12 subsection.

13 ...

14 (g) Definitions. – The ~~definitions~~ definition of "development permit" in G.S. 143-755
 15 shall apply in this section."

16 **SECTION 23.(b)** G.S. 143-755 reads as rewritten:

17 **§ 143-755. Permit choice.**

18 (a) If a development permit applicant submits a permit application for any type of
 19 development and a rule or ordinance is amended, including an amendment to any applicable land
 20 development regulation, between the time the development permit application was submitted and
 21 a development permit decision is made, the development permit applicant may choose which
 22 adopted version of the rule or ordinance will apply to the permit and use of the building, structure,
 23 or land indicated on the permit application. If the development permit applicant chooses the
 24 version of the rule or ordinance applicable at the time of the permit application, the development
 25 permit applicant shall not be required to await the outcome of the amendment to the rule, map,
 26 or ordinance prior to acting on the development permit. If an applicable rule or ordinance is
 27 amended after the development permit is wrongfully denied or after an illegal condition is
 28 imposed, as determined in a proceeding challenging the permit denial or the condition imposed,
 29 the development permit applicant may choose which adopted version of the rule or ordinance
 30 will apply to the permit and use of the building, structure, or land indicated on the permit
 31 application. Provided, however, any provision of the development permit applicant's chosen
 32 version of the rule or ordinance that is determined to be illegal for any reason shall not be
 33 enforced upon the applicant without the written consent of the applicant.

34 ...

35 (e) For purposes of this section, the following definitions apply:

- 36 (1) Development. – Without altering the scope of any regulatory authority granted
 37 by statute or local act, any of the following:
 38 a. The construction, erection, alteration, enlargement, renovation,
 39 substantial repair, movement to another site, or demolition of any
 40 structure.
 41 b. Excavation, grading, filling, clearing, or alteration of land.
 42 c. The subdivision of land as defined in G.S. 160D-802.
 43 d. The initiation of substantial change in the use of land or the intensity
 44 of the use of land.
 45 (2) Development permit. – An ~~administrative~~ administrative, legislative, or
 46 quasi-judicial approval that is written and that is required prior to commencing
 47 development or undertaking a specific activity, project, or development
 48 proposal, including any of the following:
 49 a. Zoning permits.
 50 b. Site plan approvals.
 51 c. Special use permits.

- 1 d. Variances.
 2 e. Certificates of appropriateness.
 3 f. Plat approvals.
 4 g. Development agreements.
 5 h. Building permits.
 6 i. Subdivision of land.
 7 j. State agency permits for development.
 8 k. Driveway permits.
 9 l. Erosion and sedimentation control permits.
 10 m. Sign permit.
 11 n. Conditional zoning.
- 12 (3) Land development regulation. – Any State statute, rule, or regulation, or local
 13 ordinance affecting the development or use of real property, including any of
 14 the following:
 15 a. Unified development ordinance.
 16 b. Zoning regulation, including zoning maps.
 17 c. Subdivision regulation.
 18 d. Erosion and sedimentation control regulation.
 19 e. Floodplain or flood damage prevention regulation.
 20 f. Mountain ridge protection regulation.
 21 g. Stormwater control regulation.
 22 h. Wireless telecommunication facility regulation.
 23 i. Historic preservation or landmark regulation.
 24 j. Housing code.
 25 k. Conditional zoning."

26 **SECTION 24.** Article 14 of Chapter 160D of the General Statutes is amended by
 27 adding a new section to read:

28 **"§ 160D-1403.3. Private remedies.**

29 In addition to any other remedy otherwise provided by law, any person with standing under
 30 subdivisions (2), (3), or (4) of G.S. 160D-1403.1(b) may bring a civil action to enforce the
 31 provisions of this Chapter and recover damages, costs, and disbursements, including costs of
 32 investigation and reasonable attorneys' fees, and receive other equitable relief as determined by
 33 the court."

34 **SECTION 25.(a)** Article 14 of Chapter 160D of the General Statutes is amended by
 35 adding a new section to read:

36 **"§ 160D-1406. Civil liability in certain instances.**

37 (a) In addition to any other remedy available, actual damages resulting from any
 38 development decision, or lack thereof, may be recovered by civil action naming a member or
 39 members of the decision-making board individually. A civil action under this section may be
 40 instituted by any person with standing as described in G.S. 160D-1402(c) to recover civil
 41 damages from any member or members of the decision-making board whose actions with respect
 42 to the development decision were:

- 43 (1) Outside the scope of his or her official authority.
 44 (2) Done with malice. For purposes of this section, "malice" may be shown by
 45 offering evidence that a defendant was motivated by personal spite or a desire
 46 for revenge, or that a defendant acted with reckless and wanton disregard for
 47 a plaintiff's rights.
 48 (3) Corrupt. For purposes of this section, "corrupt" includes acts of willful
 49 misconduct that are egregious in nature.
 50 (4) Willful and wanton. For purposes of this section, "willful and wanton" refers
 51 to an action that a person of reasonable intelligence would know to be (i)

1 contrary to the person's duty and prejudicial or injurious to another or (ii)
2 recklessly indifferent to the rights of a person described under subdivisions
3 (1), (2), or (3) of G.S. 160D-1403.1(b)

4 (b) No member or members of a decision-making board shall be held individually liable
5 in any civil action for any action undertaken in good faith reliance upon the written or oral
6 opinion, advice, or direction of the local government's legal counsel.

7 (c) If a court determines that a member of a decision-making board is liable under
8 subsection (a) of this section, the member of decision-making board is not entitled to legislative
9 immunity, governmental immunity, public official immunity, or judicial immunity.

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

12 (e) Notwithstanding the common law of legislative privilege and legislative immunity, a
13 court may compel disclosure of information if, in the presiding judge's opinion, the disclosure is
14 necessary to a proper administration of justice.

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

16 **SECTION 25.(b)** G.S. 6-21.7 reads as rewritten:

17 **"§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of their authority.**

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

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

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

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

33 **SECTION 26.** Article 11 of Chapter 130A of the General Statutes is amended by
34 adding a new section to read:

35 **"§ 130A-343.5. Wastewater systems for property within service area of a public or**
36 **community wastewater system.**

37 (a) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and
38 162A-14(2), a property owner may install a wastewater system in accordance with this Article to
39 serve any undeveloped or unimproved property located so as to be served by a public or
40 community wastewater system.

41 (b) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and
42 162A-14(2), a property owner of developed or improved property located so as to be served by
43 a public or community wastewater system may install a wastewater system in accordance with
44 this Article if the public or community wastewater system has not yet installed sewer lines
45 directly available to the property or otherwise cannot provide wastewater service to the property
46 at the time the property owner desires wastewater service.

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

1 (b) The purpose of this Article is to require all public water and sewer service providers
2 to plan for future growth and allocate water and wastewater system capacity in a fair, transparent,
3 and accountable manner. This act will ensure that sufficient water supply and wastewater
4 treatment capacity is available for anticipated development and that capacity is allocated without
5 discrimination or abuse.

6 **"§ 162A-1001. Definitions.**

7 For the purposes of this Article, the following definitions apply:

- 8 (1) Allocation or capacity allocation. – A reservation of a specific quantity of
9 water or sewer capacity for a particular project.
- 10 (2) Applicant. – Any person, business, developer, property owner, or entity that
11 has received preliminary or final site plan approval, as defined under
12 G.S. 160D-102(29), for a project and submits an application for allocation for
13 a new development or expansion of an existing development to a public water
14 or sewer provider.
- 15 (3) Approved applicant. – An applicant whose application for allocation has been
16 approved.
- 17 (4) Available capacity. – The portion of a facility's capacity that is not currently
18 being used by existing customers and is not already reserved by prior
19 allocations. Available capacity is determined by establishing a facility's
20 capacity minus the sum of (i) current actual usage, (ii) any local government
21 project allocation, and (iii) any outstanding allocations for projects in their
22 reservation period.
- 23 (5) Capacity or system capacity. – The actual capacity of a facility. For
24 wastewater systems, actual capacity refers to hydraulic capacity, meaning the
25 maximum volume of wastewater that can be collected, conveyed, and treated
26 under the facility's permit limits without violation. For water systems, actual
27 capacity refers to the actual available water supply, meaning the reliable
28 quantity of water that can be treated and delivered, accounting for permitted
29 withdrawal limits and treatment plant output, wells, or other sources,
30 including any contractual or bulk supply capacity available to the local
31 governmental unit.
- 32 (6) Department. – The Department of Environmental Quality.
- 33 (7) Facility. – As defined in G.S. 162A-201(4).
- 34 (8) Local government project. – Any of the following:
35 a. A project that serves a bona fide public purpose.
36 b. An economic development project as defined under G.S. 143B-
37 437.51(2).
38 c. An interlocal agreement between local governments to provide water
39 or sewer allocation under G.S. 160A-461, G.S. 160A-462, or G.S.
40 162A-88.1.
- 41 (9) Local government project allocation. – The amount of allocation a local
42 governmental unit can demonstrate through competent and reliable evidence
43 is minimally necessary to serve a local government project within the facility's
44 service area for which preliminary or final approval has been granted by the
45 governing body of a local government served by the facility.
- 46 (10) Local governmental unit. – As defined in G.S. 162A-201(5) and any
47 third-party persons who own or operate a facility on behalf of a local
48 governmental unit.
- 49 (11) Project. – A development, as defined by G.S. 160D-102(12), for which water
50 or sewer service is requested and is within the facility's service area. This

1 includes new developments, and expansion or additions to existing
2 developments, that require new or additional water or sewer service.

- 3 (12) Substantial expenditure. – A significant or considerable outlay of money,
4 resources, or financial investment, viewed in light of the stage in which the
5 project exists, that is not merely nominal or trivial.

6 **"§ 162A-1002. Allocation process.**

7 (a) Allocation Request. – A local governmental unit shall approve capacity allocation
8 requests in accordance with this Article. Once approved, a capacity allocation guarantees the
9 local governmental unit shall provide water service or sewer service for that project up to the
10 approved allocation amount.

11 (b) Form of Application. – A local governmental unit may request only the following
12 information from an applicant, and may not require any other information that is not necessary
13 for the local governmental unit to determine whether it has available capacity to serve the project:

- 14 (1) The name, address, and other relevant contact information of the applicant.
15 (2) Documentation evidencing that the applicant has received preliminary or final
16 approval for a site plan, as defined under G.S. 160D-102(29), for the project.
17 (3) The amount of capacity allocation requested in gallons per day or other
18 similarly objective measurement.
19 (4) The anticipated date the project will begin utilizing the capacity allocation.

20 (c) Approval of Allocation Request. – Not later than 10 days after receiving an
21 application for allocation, a local governmental unit shall approve the allocation if available
22 capacity exists and the application is complete. Upon approving the allocation, the local
23 governmental unit shall provide the applicant with written documentation specifying (i) the
24 allocation reserved, (ii) the amount of allocation reserved, (iii) the project for which the allocation
25 has been reserved, (iv) the date of the allocation approval, and (v) the date the reservation period
26 expires. The local governmental unit shall approve or deny applications for allocation according
27 to the following process:

- 28 (1) The local governmental unit shall approve the total allocation requested by the
29 applicant unless the request for allocation exceeds the local governmental
30 unit's available capacity, in which case the local governmental unit shall,
31 within 10 days after receiving the application for allocation, offer to provide
32 the applicant with allocation equivalent to the available capacity, if any. The
33 local governmental unit shall reserve the reduced allocation for a project under
34 this subsection provided the applicant agrees, in writing, to the reduced
35 allocation.
36 (2) Except as expressly provided in this section, a local governmental unit may
37 not deny, reduce, or otherwise modify the amount of an allocation requested
38 through an application if available capacity exists sufficient to accommodate
39 an application's allocation request.
40 (3) A local governmental unit shall not require an applicant to agree to any
41 condition not otherwise authorized by this section, or to accept any offer by
42 the applicant to consent to any condition not otherwise authorized by law.
43 These conditions include, without limitation, any of the following:
44 a. Payment of taxes, impact fees, or other fees or contributions to any
45 fund.
46 b. Adherence to any restrictions related to development regulations under
47 Chapter 160D of the General Statutes, including those within the scope
48 of G.S. 160D-702(c).
49 c. Adherence to any restriction related to building design elements within
50 the scope of G.S. 160D-702(b).

1 (4) A local governmental unit shall not implement a scoring or preference system
2 to allocate water service or sewer service among applicants, except as
3 specifically authorized by this section.

4 (d) Reservation Period. – The initial reservation period shall be for 24 months after the
5 date the allocation is approved. A local governmental unit shall extend the initial reservation
6 period or extension reservation period for an additional 12 months provided (i) the applicant
7 notifies the local governmental unit that it requires an extension of the initial reservation period
8 or extension reservation period not later than 90 days prior to the expiration of the initial
9 reservation period or extension reservation period and, (ii) concurrent with its notification, the
10 applicant provides the local governmental unit with documentation demonstrating that the
11 applicant has made substantial expenditure towards the completion of the project or the applicant
12 provides documentation of a valid building permit.

13 (e) Allocations Approved in Chronological Order. – Except for requests to reserve
14 capacity in accordance with G.S. 115C-521 and under subsection (k) of this section, allocations
15 shall be granted in the chronological order that completed applications are received by the local
16 governmental unit.

17 (f) Denial of Allocation Request. – A local governmental unit shall deny an application
18 for allocation, within 10 days after receiving an application for allocation, only if one of the
19 following applies:

20 (1) The applicant cannot demonstrate approval of a preliminary or final site plan,
21 as defined in G.S. 160D-102(29).

22 (2) The local governmental unit does not have any available capacity.

23 (3) The applicant has rejected, in writing, the local governmental unit's offer to
24 provide allocation equivalent to its available capacity as provided in
25 subdivision (1) of subsection (c) of this section, if any.

26 (g) Modification of Allocation. – In the event an approved applicant determines that the
27 allocation necessary to serve the project increases or decreases by more than ten percent (10%)
28 of the approved allocation, the approved applicant shall immediately notify the local
29 governmental unit, and the following shall apply:

30 (1) If the allocation approved by the local governmental unit decreases by more
31 than ten percent (10%), the local governmental unit shall adjust its available
32 capacity accordingly and the local governmental unit shall honor the approved
33 allocation, less the decrease in necessary allocation.

34 (2) If the allocation approved by the provider increases by more than ten percent
35 (10%), the local governmental unit shall increase the allocation provided
36 available capacity exists. In the event available capacity does not exist, the
37 local governmental unit shall notify the approved applicant that the local
38 governmental unit does not have available capacity and extend an offer to the
39 approved applicant to increase the allocation in an amount equivalent to the
40 available capacity. If the approved applicant determines that the existing
41 allocation or the offer by the local governmental unit to increase the allocation
42 in an amount equivalent to the local governmental unit's available capacity
43 does not meet the needs of the project, the approved applicant shall
44 immediately notify the local governmental unit that it intends to terminate the
45 allocation.

46 (3) In the event the allocation is terminated by the applicant, the provider shall
47 adjust its available capacity accordingly.

48 (h) Expiration or Termination of Allocation. – Upon expiration or termination of
49 allocation, including allocations that are not used in full, the local governmental unit shall return
50 the expired, terminated, or unused capacity to its available capacity balance. Upon a return of the
51 expired, terminated, or unused capacity to the local governmental unit's available capacity

1 balance, the local governmental unit shall recalculate its available capacity and shall make it
2 available to future applicants for allocation.

3 (i) Vested Right. – Allocation approved under this section shall be deemed a vested
4 element of the project for the duration of the reservation period. The vested right to allocation
5 during the reservation period shall be in addition to any other vested rights the project may have
6 by law and shall run with the land for the benefit of the project. During the vesting period, the
7 local governmental unit may not revoke or reduce the allocation except by request of the
8 applicant or as described in this section.

9 (j) Transferability of Allocation. – Allocation shall be provided to the project described
10 in the application. An approved applicant may not transfer an unused allocation to a different
11 project. If the project for which an allocation has been reserved is sold or the development rights
12 are assigned to a successor in interest, the allocation shall transfer to the successor in interest and
13 the allocation and reservation period shall be honored and may not be terminated or revoked by
14 the local governmental unit. In the event the project for which the allocation was reserved is sold
15 or transferred to a successor in interest, the approved applicant shall immediately notify the local
16 governmental unit of the sale or transfer.

17 (k) Emergency Allocations. – Notwithstanding any other provision of this section, a local
18 governmental unit shall provide priority in allocation to applications demonstrating a substantial
19 threat to public health, safety, or welfare that can be mitigated only by the immediate provision
20 of water service or sewer service. An applicant seeking an emergency allocation must present
21 competent evidence to the local governmental unit of the risk to the public health, safety, or
22 welfare. Upon verifying that the application constitutes an emergency, the local governmental
23 unit shall approve allocation in the minimum amount necessary to abate the emergency on a
24 priority basis.

25 (l) Use of Allocation. – A local governmental unit shall not unreasonably delay an
26 approved applicant's ability to connect the approved applicant's project to the local governmental
27 unit's infrastructure. A local governmental unit shall begin providing water service or sewer
28 service to an approved applicant within 90 days after receiving a request from the approved
29 applicant to begin providing water service or sewer service, provided (i) the project is connected
30 to the local governmental unit's infrastructure and (ii) the request is made within the reservation
31 period described in subsection (d) of this section.

32 **"§ 162A-1003. Planning and reporting.**

33 (a) Each local governmental unit shall prepare an annual report not later than October 1
34 of each year documenting facility capacity and available capacity. The report shall include, at a
35 minimum, all of the following information for each facility of the local governmental unit:

36 (1) The current system capacity.

37 (2) The current available capacity.

38 (3) The amount of capacity allocated to approved developments or projects not
39 yet connected to the local governmental unit's infrastructure.

40 (4) The remaining available capacity for new allocations.

41 (5) Any changes in capacity since the last report.

42 (6) Any planned improvements or expansions and the expected impact on
43 capacity.

44 (7) The current actual usage of the facility, including average daily demand and
45 peak daily demand over the year immediately preceding the preparation of the
46 report.

47 (8) If the local governmental unit receives State or federal funding for water or
48 sewer infrastructure, a description of efforts to expand capacity to meet
49 growth, including progress on any State-funded projects.

1 (b) The Department shall make the annual reports available to the public. Each local
2 governmental unit shall also post the annual report on the website of that local governmental unit,
3 if any.

4 **"§ 162A-1004. Enforcement and remedies.**

5 (a) State Enforcement Authority. – If the Department finds that a local governmental unit
6 has violated any requirement of this Article, the Department may take appropriate preventive or
7 remedial enforcement action authorized by Part 1 of Article 21 of Chapter 143 of the General
8 Statutes.

9 (b) Civil Penalties. – A local governmental unit that fails to comply with the provisions
10 of this Article or willfully fails to administer or enforce the provisions of this Article shall be
11 subject to a civil penalty pursuant to G.S. 143-215.6A(e).

12 (c) Judicial Review. – Any applicant whose application was denied by a local
13 governmental unit, or who is otherwise aggrieved or injured by the action of a local governmental
14 unit, may file an action in the superior court of the county where the local governmental unit is
15 located or where the project is located. In any civil action brought under this section, the court
16 may award reasonable attorneys' fees to a prevailing plaintiff who brought the action."

17 **SECTION 29.(b)** G.S. 162A-900, as enacted by S.L. 2024-45 and S.L. 2024-49, is
18 repealed.

19 **SECTION 29.(c)** For applicants that, on or after July 31, 2020, received a service
20 commitment from a public water system, public sewer system, or public water and sewer system
21 confirming availability of capacity for the applicant's development project, but whose capacity
22 needs have not been provided, the system shall reserve, allocate, and provide those applicants
23 with the capacity assured in the system's service commitment in the chronological order that the
24 service commitment was issued before the system reserves, allocates, or provides capacity to
25 another applicant.

26 **SECTION 29.(d)** The annual report required by G.S. 162A-1003, as enacted by this
27 act, shall be due October 1, 2026.

28 **SECTION 30.** If any provision of this act or the application thereof to any person or
29 circumstances is held invalid, such invalidity shall not affect other provisions or applications of
30 this act that can be given effect without the invalid provision or application and, to this end, the
31 provisions of this act are declared to be severable.

32 **SECTION 31.** Except as otherwise provided, this act becomes effective October 1,
33 2025, and applies to applications, approvals, and actions filed on or after that date. Any local
34 government ordinance in effect on, or adopted subsequent to, October 1, 2025, that is inconsistent
35 with this section is void and unenforceable. Unless expressly stated otherwise, the provisions of
36 this act do not affect any right accrued or vested prior to its enactment.