Article 8.

Subdivision Regulation.

§ 160D-801. Authority.

A local government may by ordinance regulate the subdivision of land within its planning and development regulation jurisdiction. In addition to final plat approval, the regulation may include provisions for review and approval of sketch plans and preliminary plats. The regulation may provide for different review procedures for different classes of subdivisions. Decisions on approval or denial of preliminary or final plats may be made only on the basis of standards explicitly set forth in the subdivision or unified development ordinance. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)

§ 160D-802. Applicability.

(a) For the purpose of this Article, subdivision regulations shall be applicable to all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions when any one or more of those divisions is created for the purpose of sale or building development, whether immediate or future, and shall include all divisions of land involving the dedication of a new street or a change in existing streets; but the following shall not be included within this definition nor be subject to the regulations authorized by this Article:

(1) The combination or recombination of portions of previously subdivided and recorded lots where the total number of lots is not increased and the resultant lots are equal to or exceed the standards of the local government as shown in its subdivision regulations.

(2) The division of land into parcels greater than 10 acres where no street right-of-way dedication is involved.

(3) The public acquisition by purchase of strips of land for the widening or opening of streets or for public transportation system corridors.

(4) The division of a tract in single ownership whose entire area is no greater than 2 acres into not more than three lots, where no street right-of-way dedication is involved and where the resultant lots are equal to or exceed the standards of the local government, as shown in its subdivision regulations.

(5) The division of a tract into parcels in accordance with the terms of a probated will or in accordance with intestate succession under Chapter 29 of the General Statutes.

(b) A local government may provide for expedited review of specified classes of subdivisions.

(c) A local government may require only a plat for recordation for the division of a tract or parcel of land in single ownership if all of the following criteria are met:

(1) The tract or parcel to be divided is not exempted under subdivision (2) of subsection (a) of this section.

(2) No part of the tract or parcel to be divided has been divided under this subsection in the 10 years prior to division.

(3) The entire area of the tract or parcel to be divided is greater than 5 acres.

(4) After division, no more than three lots result from the division.

(5) After division, all resultant lots comply with all of the following:

a. All lot dimension size requirements of the applicable land-use regulations, if any.

b. The use of the lots is in conformity with the applicable zoning requirements, if any.
c. A permanent means of ingress and egress is recorded for each lot. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)

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

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

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

(1) The district highway engineer as to proposed State streets, State highways, and related drainage systems.
(2) The county health director or local public utility, as appropriate, as to proposed water or sewerage systems.
(3) Any other agency or official designated by the governing board.

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

(1) The governing board.
(2) The governing board on recommendation of a designated body.
(3) A designated planning board, technical review committee of local government staff members, or other designated body or staff person.

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

(d) After the effective date that a subdivision regulation is adopted, no subdivision within a local government's planning and development regulation jurisdiction shall be filed or recorded until it shall have been submitted to and approved by the governing board or appropriate body, as specified in the subdivision regulation, and until this approval shall have been entered on the face of the plat in writing by an authorized representative of the local government. The review officer, pursuant to G.S. 47-30.2, shall not certify a subdivision plat that has not been approved in accordance with these provisions nor shall the clerk of superior court order or direct the recording of a plat if the recording would be in conflict with this section. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)

§ 160D-804. Contents and requirements of regulation.

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

(b) Plats. – The regulation may require a plat be prepared, approved, and recorded pursuant to the provisions of the regulation whenever any subdivision of land takes place. The regulation may include requirements that plats show sufficient data to determine readily and reproduce accurately on the ground the location, bearing, and length of every street and alley line, lot line, easement boundary line, and other property boundaries, including the radius and other data for curved property lines, to an appropriate accuracy and in conformance with good surveying practice.

(c) Transportation and Utilities. –

(1) The regulation may provide for the dedication of rights-of-way or easements for street and utility purposes, including the dedication of rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11.

(2) A regulation adopted by a city may provide that in lieu of required street construction, a developer be required to provide funds for city use for the construction of roads to serve the occupants, residents, or invitees of the subdivision or development, and these funds may be used for roads which serve more than one subdivision or development within the area. All funds received by the city pursuant to this subdivision shall be used only for development of roads, including design, land acquisition, and construction. However, a city may undertake these activities in conjunction with the Department of Transportation under an agreement between the city and the Department of Transportation.

(3) A regulation adopted by a county may provide that in lieu of required street construction, a developer may provide funds to a county to be used for the development of roads to serve the occupants, residents, or invitees of the subdivision or development. All funds received by the county under this subdivision shall be transferred to a city to be used solely for the development of roads, including design, land acquisition, and construction. Any city receiving funds from a county under this subdivision is authorized to expend the funds outside its corporate limits for the purposes specified in the agreement between the municipality and the county.

(4) Any formula adopted by a local government to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The regulation may require a combination of partial payment of funds and partial dedication of constructed streets when the governing board determines that a combination is in the best interests of the citizens of the area to be served.

(5) A regulation adopted by a city shall not require a developer to design and construct pedestrian facilities, including sidewalks, within rights-of-way for new streets designated as public and to be submitted to the North Carolina Department of Transportation for review pursuant to G.S. 136-102.6, for small residential subdivisions located in areas subject to municipal planning and development regulation in an extraterritorial jurisdiction established pursuant to G.S. 160D-202, unless the city accepts long-term maintenance responsibilities by written agreement with the North Carolina Department of Transportation prior to construction of pedestrian facilities. For the purposes of this

subdivision, "small residential subdivision" means a subdivision development that contains 20 individual lots or less.

(d) Recreation Areas and Open Space. – The regulation may provide for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision or, alternatively, for payment of funds to be used to acquire or develop recreation areas serving residents of the development or subdivision or more than one subdivision or development within the immediate area. All funds received by cities pursuant to this subsection shall be used only for the acquisition or development of recreation, park, or open space sites. All funds received by counties pursuant to this subsection shall be used only for the acquisition of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this subsection shall be based on the value of the development or subdivision for property tax purposes. The regulation may allow a combination or partial payment of funds and partial dedication of land when the governing board determines that this combination is in the best interests of the citizens of the area to be served.

(e) Community Service Facilities. – The regulation may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with local government plans, policies, and standards.

(f) School Sites. – The regulation may provide for the reservation of school sites in accordance with plans approved by the governing board. In order for this authorization to become effective, before approving such plans, the governing board and the board of education with jurisdiction over the area shall jointly determine the location and size of any school sites to be reserved. Whenever a subdivision is submitted for approval that includes part or all of a school site to be reserved under the plan, the governing board shall immediately notify the board of education and the board of education shall promptly decide whether it still wishes the site to be reserved. If the board of education does not wish to reserve the site, it shall so notify the governing board and no site shall be reserved. If the board of education does wish to reserve the site, the subdivision or site plan shall not be approved without such reservation. The board of education shall then have 18 months beginning on the date of final approval of the subdivision or site plan within which to acquire the site by purchase or by initiating condemnation proceedings. If the board of education has not purchased or begun proceedings to condemn the site within 18 months, the landowner may treat the land as freed of the reservation.

(g) Recodified as G.S. 160D-804.1 by Session Laws 2020-25, s. 20(b), effective June 19, 2020, and applicable to performance guarantees issued on or after that date.

(h) Power Lines Exemption. – The regulation shall not require a developer or builder to bury power lines meeting all of the following criteria:

(1) The power lines existed above ground at the time of first approval of a plat or development plan by the local government, whether or not the power lines are subsequently relocated during construction of the subdivision or development plan.

(2) The power lines are located outside the boundaries of the parcel of land that contains the subdivision or the property covered by the development plan.

(i) Minimum Square Footage Exemption. – The regulation shall not set a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.

(j) Private Driveway Pavement Design Standards. – The regulation shall not require pavement design standards for new private driveway construction that are more stringent than the minimum pavement design standards adopted by the North Carolina Department of

Transportation. Notwithstanding any regulation adopted by the local government, the local government must accept engineered pavement design standards that do not meet minimum standards required by the Department of Transportation if the proposed design standard is signed and sealed by a duly licensed professional engineer, under Chapter 89C of the General Statutes, and meets vehicular traffic and fire apparatus access requirements. This subsection applies to construction of new privately owned driveways, parking lots, and driving areas associated with parking lots within a new development or subdivision that the developer designates as private and that are intended to remain privately owned after construction. If driveways, parking lots, and driving areas associated with parking lots are constructed to pavement design standards that do not meet minimum standards required by a regulation adopted by the local government, as authorized by this subsection, the developer must include disclosures to prospective buyers as outlined in G.S. 136-102.6(f) prior to entering into any agreement or any conveyance with any prospective buyer. A local government is discharged and released from any liabilities, duties, and responsibilities imposed by this Article, or in common law, from any claim arising out of, or attributed to, the plan review or acceptance of signed and sealed pavement design standards submitted pursuant to this subsection. Nothing in this subsection limits the authority of local governments or the Department of Transportation to regulate private roads, driveways, or street connections to a public system, or to regulate transportation and utilities, pursuant to subsection (c) of this section, or as otherwise authorized by law.

(k) Curb and Gutter Design Standards. – Notwithstanding G.S. 160A-307 and G.S. 160D-916, the regulation shall not limit, or prohibit the use of, curb and gutter design standards adopted by the North Carolina Department of Transportation for subdivision roads adjacent to, and serving, dwellings subject to the North Carolina Residential Code. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, ss. 20(a), (b), (d), 51(a), (b), (d); 2023-108, ss. 1(e), 3(a); 2024-49, ss. 1.8(a), 1.9(a), 1.10.)

§ 160D-804.1. Performance guarantees.

To assure compliance with G.S. 160D-804 and other development regulation requirements, a subdivision regulation may provide for performance guarantees to assure successful completion of required improvements.

For purposes of this section, all of the following apply with respect to performance guarantees:

(1) Type. – The type of performance guarantee shall be at the election of the developer. The term "performance guarantee" means any of the following forms of guarantee:
   a. Surety bond issued by any company authorized to do business in this State.
   b. Letter of credit issued by any financial institution licensed to do business in this State.
   c. Other form of guarantee that provides equivalent security to a surety bond or letter of credit.

(1a) Duration. – The duration of the performance guarantee shall initially be one year, unless the developer determines that the scope of work for the required improvements necessitates a longer duration. In the case of a bonded obligation, the completion date shall be set one year from the date the bond is issued, unless the developer determines that the scope of work for the required improvements necessitates a longer duration.

(1b) Extension. – A developer shall demonstrate reasonable, good-faith progress toward completion of the required improvements that are secured by the performance guarantee or any extension. If the improvements are not completed to the specifications of the local government, and the current performance guarantee is likely to expire prior to completion of the required improvements, the performance guarantee shall be extended, or a new performance guarantee issued, for an additional period. An extension under this subdivision shall only be for a duration necessary to complete the required improvements. If a new performance guarantee is issued, the amount shall be determined by the procedure provided in subdivision (3) of this subsection and shall include the total cost of all incomplete improvements.

(1c) Inspection. – A local government shall conduct an inspection of the improvements subject to a performance guarantee within 30 days of a request received from a developer and advise the developer whether the improvements are completed to the required specifications. In the event a local government and developer disagree whether a required improvement is completed to the specifications of a local government, a developer may obtain a certification under seal from a licensed professional engineer that the required improvements have been completed to the specifications of the local government.

(2) Release. – The performance guarantee shall be returned or released, as appropriate, within 30 days upon the acknowledgement by the local government that the improvements for which the performance guarantee is being required are complete or upon receipt of a certification under seal from a professional engineer that the required improvements have been completed to the specification of the local government. The local government shall return letters of credit or escrowed funds within 30 days upon completion of the required improvements to its specifications or upon acceptance of the required improvements, if the required improvements are subject to local government acceptance. When required improvements that are secured by a bond are completed to the specifications of the local government, or are accepted by the local government, if subject to its acceptance, upon request by the developer, the local government shall timely provide written acknowledgement that the required improvements have been completed.

(3) Amount. – The amount of the performance guarantee shall not exceed one hundred twenty-five percent (125%) of the reasonably estimated cost of completion at the time the performance guarantee is issued. The local government may determine the amount of the performance guarantee or use a cost estimate determined by the developer. The reasonably estimated cost of completion shall include one hundred percent (100%) of the costs for labor and materials necessary for completion of the required improvements. Where applicable, the costs shall be based on unit pricing. The additional twenty-five percent (25%) allowed under this subdivision includes inflation and all costs of administration regardless of how such fees or charges are denominated. The amount of any extension of any performance guarantee shall be determined according to the procedures for determining the initial guarantee and shall not

exceed one hundred twenty-five percent (125%) of the reasonably estimated cost of completion of the remaining incomplete improvements still outstanding at the time the extension is obtained.

(3a) Timing. – A local government, at its discretion, may require the performance guarantee to be posted either at the time the plat is recorded or at a time subsequent to plat recordation.

(4) Coverage. – The performance guarantee shall only be used for completion of the required improvements and not for repairs or maintenance after completion. No performance guarantee may be required for maintenance of any improvement once the improvement is completed to the specification of a local government or upon receipt of a certification under seal from a professional engineer that the required improvements have been completed to the specification of the local government.

(5) Legal responsibilities. – No person shall have or may claim any rights under or to any performance guarantee provided pursuant to this subsection or in the proceeds of any such performance guarantee other than the following:

a. The local government to whom the performance guarantee is provided.

b. The developer at whose request or for whose benefit the performance guarantee is given.

c. The person or entity issuing or providing the performance guarantee at the request of or for the benefit of the developer.

(6) Multiple guarantees. – The developer shall have the option to post one type of a performance guarantee as provided for in subdivision (1) of this section, in lieu of multiple bonds, letters of credit, or other equivalent security, for all development matters related to the same project requiring performance guarantees.

(7) Exclusion. – Performance guarantees associated with erosion control and stormwater control measures are not subject to the provisions of this section. (2020-25, s. 20(b); 2024-49, s. 1.12(a).)

§ 160D-805. Notice of new subdivision fees and fee increases; public comment period.

(a) A local government shall provide notice to interested parties of the imposition of or increase in fees or charges applicable solely to the construction of development subject to this Article at least seven days prior to the first meeting where the imposition of or increase in the fees or charges is on the agenda for consideration. The local government shall employ at least two of the following means of communication in order to provide the notice required by this section:

(1) Notice of the meeting in a prominent location on a website managed or maintained by the local government.

(2) Notice of the meeting in a prominent physical location, including, but not limited to, any government building, library, or courthouse within the planning and development regulation jurisdiction of the local government.

(3) Notice of the meeting by email or other reasonable means to a list of interested parties that is created by the local government for the purpose of notification as required by this section.

If a city does not maintain its own website, it may employ the notice option provided by subdivision (1) of this subsection by submitting a request to a county or counties in which the city

is located to post such notice in a prominent location on a website that is maintained by the county or counties. Any city that elects to provide such notice shall make its request to the county or counties at least 15 days prior to the date of the first meeting where the imposition of or increase in the fees or charges is on the agenda for consideration.

(b) During the consideration of the imposition of or increase in fees or charges as provided in subsection (a) of this section, the governing board of the local government shall permit a period of public comment.

(c) This section shall not apply if the imposition of or increase in fees or charges is contained in a budget filed in accordance with the requirements of G.S. 159-12. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d); 2025-25, s. 29(1), (5).)

§ 160D-806. Effect of plat approval on dedications.

The approval of a plat shall not be deemed to constitute the acceptance by the local government or public of the dedication of any street or other ground, public utility line, or other public facility shown on the plat. However, any governing board may by resolution accept any dedication made to the public of lands or facilities for streets, parks, public utility lines, or other public purposes, when the lands or facilities are located within its planning and development regulation jurisdiction. Acceptance of dedication of lands or facilities located within the planning and development regulation jurisdiction but outside the corporate limits of a city shall not place on the city any duty to open, operate, repair, or maintain any street, utility line, or other land or facility, and a city shall in no event be held to answer in any civil action or proceeding for failure to open, repair, or maintain any street located outside its corporate limits. Unless a city, county, or other public entity operating a water system shall have agreed to begin operation and maintenance of the water system or water system facilities within one year of the time of issuance of a certificate of occupancy for the first unit of housing in the subdivision, a city or county shall not, as part of its subdivision regulation applied to facilities or land outside the corporate limits of a city, require dedication of water systems or facilities as a condition for subdivision approval. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)

§ 160D-807. Penalties for transferring lots in unapproved subdivisions.

(a) If a local government adopts a subdivision regulation, any person who, being the owner or agent of the owner of any land located within the planning and development regulation jurisdiction of that local government, thereafter subdivides the land in violation of the regulation or transfers or sells land by reference to, exhibition of, or any other use of a plat showing a subdivision of the land before the plat has been properly approved under the subdivision regulation and recorded in the office of the appropriate register of deeds, is guilty of a Class 1 misdemeanor. The description by metes and bounds in the instrument of transfer or other document used in the process of selling or transferring land does not exempt the transaction from this penalty. The local government may bring an action for injunction of any illegal subdivision, transfer, conveyance, or sale of land, and the court shall, upon appropriate findings, issue an injunction and order requiring the offending party to comply with the subdivision regulation. Building permits required pursuant to G.S. 160D-1110 may be denied for lots that have been illegally subdivided. In addition to other remedies, a local government may institute any appropriate action or proceedings to prevent the unlawful subdivision of land, to restrain, correct, or abate the violation, or to prevent any illegal act or conduct.

(b) The provisions of this section do not prohibit any owner or its agent from entering into contracts to sell or lease by reference to an approved preliminary plat for which a final plat has not yet been properly approved under the subdivision regulation or recorded with the register of deeds, provided the contract does all of the following:

(1) Incorporates as an attachment a copy of the preliminary plat referenced in the contract and obligates the owner to deliver to the buyer a copy of the recorded plat prior to closing and conveyance.

(2) Plainly and conspicuously notifies the prospective buyer or lessee that a final subdivision plat has not been approved or recorded at the time of the contract, that no governmental body will incur any obligation to the prospective buyer or lessee with respect to the approval of the final subdivision plat, that changes between the preliminary and final plats are possible, and that the contract or lease may be terminated without breach by the buyer or lessee if the final recorded plat differs in any material respect from the preliminary plat.

(3) Provides that if the approved and recorded final plat does not differ in any material respect from the plat referred to in the contract, the buyer or lessee may not be required by the seller or lessor to close any earlier than five days after the delivery of a copy of the final recorded plat.

(4) Provides that if the approved and recorded final plat differs in any material respect from the preliminary plat referred to in the contract, the buyer or lessee may not be required by the seller or lessor to close any earlier than 15 days after the delivery of the final recorded plat, during which 15-day period the buyer or lessee may terminate the contract without breach or any further obligation and may receive a refund of all earnest money or prepaid purchase price.

(c) The provisions of this section do not prohibit any owner or its agent from entering into contracts to sell or lease land by reference to an approved preliminary plat for which a final plat has not been properly approved under the subdivision regulation or recorded with the register of deeds where the buyer or lessee is any person who has contracted to acquire or lease the land for the purpose of engaging in the business of construction of residential, commercial, or industrial buildings on the land, or for the purpose of resale or lease of the land to persons engaged in that kind of business, provided that no conveyance of that land may occur and no contract to lease it may become effective until after the final plat has been properly approved under the subdivision regulation and recorded with the register of deeds. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, ss. 21, 51(a), (b), (d).)

§ 160D-808. Appeals of decisions on subdivision plats.

Appeals of subdivision decisions shall be made pursuant to G.S. 160D-1403. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d); 2022-62, s. 59(b).)