GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

S SENATE DRS85150-LR-72A (03/25)

Short Title: Modernize City/County Planning. (Public)

Sponsors: Senator Clodfelter.

Referred to:

1 A BILL TO BE ENTITLED

AN ACT TO CLARIFY, SIMPLIFY, AND MODERNIZE CITY AND COUNTY PLANNING AND LAND-USE MANAGEMENT AUTHORITY.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS.

SECTION 1. G.S. 160A-360 reads as rewritten:

"§ 160A-360. Territorial jurisdiction.

(a) All of the powers granted by this Article may be exercised by any city within its corporate limits. In addition, any city may exercise these powers within a defined area extending not more than one mile beyond its limits. With the approval of the board or boards of county commissioners with jurisdiction over the area, a A city of 10,000 or more population but less than 25,000 may exercise these powers over an area extending not more than two miles beyond its limits and a city of 25,000 or more population may exercise these powers over an area extending not more than three miles beyond its limits. The boundaries of the city's extraterritorial jurisdiction shall be the same for all powers conferred in this Article. No city may exercise extraterritorially any power conferred by this Article that it is not exercising within its corporate limits. In determining the population of a city for the purposes of this Article, the city council and the board of county commissioners may use the most recent annual estimate of population as certified by the Secretary of the North Carolina Department of Administration.

The boundaries of the city's extraterritorial jurisdiction shall be the same for all powers conferred in this Article. No city may exercise extraterritorially any power conferred by this Article that it is not exercising within its corporate limits. Any regulatory power authorized by this Article that is exercised throughout the entirety of a

city's primary corporate limits must also be exercised throughout the entirety of the extraterritorial area.

- (a1) Any municipality planning to exercise extraterritorial jurisdiction under this Article shall notify the owners of all parcels of land proposed for addition to the area of extraterritorial jurisdiction, as shown on the county tax records. The notice shall be sent by first class mail to the last addresses listed for affected property owners in the county tax records. jurisdiction. The notice shall inform the landowner of the effect of the extension of extraterritorial jurisdiction, of the landowner's right to participate in a public hearing prior to adoption of any ordinance extending the area of extraterritorial jurisdiction, as provided in G.S. 160A 364, and the right of all residents of the area to apply to the board of county commissioners to serve as a representative on the planning agency and the board of adjustment, as provided in G.S. 160A-362. adjustment. The notice shall be mailed at least four weeks prior to the public hearing. in the same manner and schedule as provided in G.S. 160A-384(a) and may be combined with that mailing. The person or persons mailing the notices shall certify to the city council that the notices were sent by first-class mail, and the certificate shall be deemed conclusive in the absence of fraud.
- (b) Any council wishing to exercise extraterritorial jurisdiction under this Article shall adopt, and may amend from time to time, an ordinance specifying the areas to be included based upon existing or projected urban development and areas of critical concern to the city, as evidenced by officially adopted plans for its development. Boundaries shall be defined, to the extent feasible, in terms of geographical features identifiable on the ground. A council may, in its discretion, exclude from its extraterritorial jurisdiction areas lying in another county, areas separated from the city by barriers to urban growth, or areas whose projected development will have minimal impact on the city. The boundaries specified in the ordinance shall at all times be drawn on a map, set forth in a written description, or shown by a combination of these techniques. This delineation shall be maintained in the manner provided in G.S. 160A-22 for the delineation of the corporate limits, and shall be recorded in the office of the register of deeds of each county in which any portion of the area lies.
- (c) Where the extraterritorial jurisdiction of two or more cities overlaps, the jurisdictional boundary between them shall be a line connecting the midway points of the overlapping area unless the city councils agree to another boundary line within the overlapping area based upon existing or projected patterns of development.
- (d) If a city fails to adopt an ordinance specifying the boundaries of its extraterritorial jurisdiction, the county of which it is a part shall be authorized to exercise the powers granted by this Article in any area beyond the city's corporate limits. The county may also, on request of the city council, exercise any or all these powers in any or all areas lying within the city's corporate limits or within the city's specified area of extraterritorial jurisdiction.
- (e) No city may hereafter extend its extraterritorial powers under this Article into any area for which the county at that time has adopted and is enforcing a zoning ordinance and subdivision regulations and within which it is enforcing the State Building Code. However, the city may do so where the county is not exercising all three

of these powers, or when the city and the county have agreed upon the area within which each will exercise the powers conferred by this Article. A city may not extend its extraterritorial jurisdiction either (i) beyond one mile from its primary corporate limits or (ii) into any area in which the county is already exercising county zoning and subdivision authority without the approval of the affected county.

- (f) When a city annexes, or a new city is incorporated in, or a city extends its jurisdiction to include, an area that is currently being regulated by the county, the area, any county regulations and powers of enforcement previously in effect shall remain in effect until (i) the city has adopted such regulations, or (ii) a period of 60 days has elapsed following the annexation, extension or incorporation, whichever is sooner. During this period the A city may hold provide public notices, conduct hearings and take any other measures that may be required in order to adopt and apply its regulations for the area. area prior to the effective date of its assumption of jurisdiction, provided that any action taken contingent upon assumption of jurisdiction shall not take effect until jurisdiction is secured.
- (f1) When a city relinquishes jurisdiction over an area that it is regulating under this Article to a county, the city regulations and powers of enforcement shall remain in effect until (i) the county has adopted this regulation or (ii) a period of 60 days has elapsed following the action by which the city relinquished jurisdiction, whichever is sooner. During this period the A county may hold provide public notices, conduct hearings and take other measures that may be required in order to adopt and apply its regulations for the area, area prior to the effective date of its assumption of jurisdiction; however, any action taken contingent upon assumption of jurisdiction shall not take effect until jurisdiction is secured.
- (g) When a local government is granted powers by this section subject to the request, approval, or agreement of another local government, the request, approval, or agreement shall be evidenced by a formally adopted resolution of that government's legislative body. Any such request, approval, or agreement can be rescinded upon two years' written notice to the other legislative bodies concerned by repealing the resolution. The resolution may be modified at any time by mutual agreement of the legislative bodies concerned.
- (h) Nothing in this section shall repeal, modify, or amend any local act which defines the boundaries of a city's extraterritorial jurisdiction by metes and bounds or courses and distances.
- (i) Whenever a city or county, pursuant to this section, acquires jurisdiction over a territory that theretofore has been subject to the jurisdiction of another local government, any person who has acquired vested rights under a permit, certificate, or other evidence of compliance issued by the local government surrendering jurisdiction may exercise those rights as if no change of jurisdiction had occurred. The city or county acquiring jurisdiction may take any action regarding such a permit, certificate, or other evidence of compliance that could have been taken by the local government surrendering jurisdiction pursuant to its ordinances and regulations. Except as provided in this subsection, any building, structure, or other land use in a territory over which a

city or county has acquired jurisdiction is subject to the ordinances and regulations of the city or county.

(j) Repealed by Session Laws 1973, c. 669, s. 1." **SECTION 2.** G.S. 160A-361 reads as rewritten:

"§ 160A-361. Planning agency.boards.

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- (a) Any city may by ordinance create or designate one or more agencies boards or commissions to perform the following duties:
 - (1) Make studies of the area within its jurisdiction and surrounding areas;
 - (2) Determine objectives to be sought in the development of the study area:
 - (3) Prepare and adopt plans for achieving these objectives;
 - (4) Develop and recommend policies, ordinances, administrative procedures, and other means for carrying out plans in a coordinated and efficient manner:
 - (5) Advise the council concerning the use and amendment of means for carrying out plans;
 - (6) Exercise any functions in the administration and enforcement of various means for carrying out plans that the council may direct;
 - (7) Perform any other related duties that the council may direct.
- (b) An agency A board or commission created or designated pursuant to this section may include, but shall not be limited to, one or more of the following:
 - (1) A planning board or commission of any size (with not fewer than three members) or composition deemed appropriate, organized in any manner deemed appropriate;
 - (2) A joint planning board created by two or more local governments pursuant to Article 20, Part 1, of this Chapter."

SECTION 3. G.S. 160A-362 reads as rewritten:

"§ 160A-362. Extraterritorial representation.

When a city elects to exercise extraterritorial zoning or subdivision regulation powers under G.S. 160A-360, it shall in the by ordinance ereating or designating its planning agency or agencies provide a means of proportional representation based on its planning board and board for adjustment on population for residents of the extraterritorial area to be regulated. Representation shall be provided by appointing at least one resident of the entire extraterritorial zoning and subdivision regulation area to the planning agency and the board of adjustment that makes recommendations or grants relief in these matters, adjustment. For purposes of this section, an additional member must be appointed to the planning agency or board of adjustment to achieve proportional representation only when the population of the entire extraterritorial zoning and subdivision area constitutes a full fraction of the municipality's population divided by the total membership of the planning agency or board of adjustment. Membership of joint municipal county planning agencies or boards of adjustment may be appointed as agreed by counties and municipalities. Any advisory board established prior to July 1, 1983, to provide the required extraterritorial representation shall constitute compliance with this section until the board is abolished by ordinance of the city. The

extraterritorial representatives on the planning agency board and the board of 1 2 adjustment shall be appointed by the board of county commissioners with jurisdiction 3 over the area. When selecting a new representative to the planning agency board or to 4 the board of adjustment as a result of an extension of the extraterritorial jurisdiction, the 5 board of county commissioners shall hold a public hearing on the selection. A notice of 6 the hearing shall be given once a week for two successive calendar weeks in a newspaper having general circulation in the area. published as provided by G.S. 7 8 160A-364(a). The board of county commissioners shall select appointees only from 9 those who apply at or before the public hearing. The county shall make the 10 appointments within 45 days following the public hearing. Once a city provides proportional representation, no power available to a city under G.S. 160A-360 shall be 11 12 ineffective in its extraterritorial area solely because county appointments have not vet been made. If there is an insufficient number of qualified residents of the area to meet 13 14 membership requirements, the board of county commissioners may appoint as many 15 other residents of the county as necessary to make up the requisite number. When the extraterritorial area extends into two or more counties, each board of county 16 17 commissioners concerned shall appoint representatives from its portion of the area, as 18 specified in the ordinance. If a board of county commissioners fails to make these appointments within 90 days after receiving a resolution from the city council 19 20 requesting that they be made, the city council may make them. If the ordinance so 21 provides, the outside representatives may have equal rights, privileges, and duties with the other members of the agency board to which they are appointed, regardless of 22 23 whether the matters at issue arise within the city or within the extraterritorial area; 24 otherwise they shall function only with respect to matters within the extraterritorial 25 area."

SECTION 4. G.S. 160A-363 reads as rewritten:

"§ 160A-363. Supplemental powers.

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43 44 A city or its designated planning agency board may accept, receive, and disburse in furtherance of its functions any funds, grants, and services made available by the federal government and its agencies, the State government and its agencies, any local government and its agencies, and any private and civic sources. Any city, or its designated planning agency board with the concurrence of the council, may enter into and carry out contracts with the State and federal governments or any agencies thereof under which financial or other planning assistance is made available to the city and may agree to and comply with any reasonable conditions that are imposed upon such assistance.

Any city, or its designated planning agency board with the concurrence of the council, may enter into and carry out contracts with any other city, county, or regional council or planning agency under which it agrees to furnish technical planning assistance to the other local government or planning agency. Any city, or its designated planning agency board with the concurrence of its council, may enter into and carry out contracts with any other city, county, or regional council or planning agency under which it agrees to pay the other local government or planning agency board for technical planning assistance.

Any city council is authorized to make any appropriations that may be necessary to carry out any activities or contracts authorized by this Article or to support, and compensate members of, any planning agency board that it may create pursuant to this Article, and to levy taxes for these purposes as a necessary expense."

SECTION 5. G.S. 160A-364 reads as rewritten:

"§ 160A-364. Procedure for adopting or amending ordinances under Article.

- (a) Before adopting or amending any ordinance authorized by this Article, the city council shall hold a public hearing on it. A notice of the public hearing shall be given once a week for two successive calendar weeks in a newspaper having general circulation in the area. The notice shall be published the first time not less than 10 days nor more than 25 days before the date fixed for the hearing. In computing such period, the day of publication is not to be included but the day of the hearing shall be included.
- (b) A city may adopt ordinances providing that notice of public hearings may be given through electronic means, including, but not limited to, the city's Internet site. Electronic notice of public hearings may be substituted for the published notice required by this section but shall not supersede any other law that requires notice by mail to certain classes of people or the posting of signs on certain property and shall not alter the publication schedule for any public notice."

SECTION 6. G.S. 153A-321 reads as rewritten:

"§ 153A-321. Planning agency.boards.

A county may by ordinance create or designate one or more agencies boards or commissions to perform the following duties:

- (1) Make studies of the county and surrounding areas;
- (2) Determine objectives to be sought in the development of the study area;
- (3) Prepare and adopt plans for achieving these objectives;
- (4) Develop and recommend policies, ordinances, administrative procedures, and other means for carrying out plans in a coordinated and efficient manner;
- (5) Advise the board of commissioners concerning the use and amendment of means for carrying out plans;
- (6) Exercise any functions in the administration and enforcement of various means for carrying out plans that the board of commissioners may direct;
- (7) Perform any other related duties that the board of commissioners may direct.

An agency A board or commission created or designated pursuant to this section may include but shall not be limited to one or more of the following:

- (1) A planning board or commission of any size (with not fewer than three members) or composition considered appropriate, organized in any manner considered appropriate;
- (2) A joint planning board created by two or more local governments according to the procedures and provisions of Chapter 160A, Article 20, Part 1."

SECTION 7. G.S. 153A-322 reads as rewritten:

"§ 153A-322. Supplemental powers.

A county or its designated planning agency board may accept, receive, and disburse in furtherance of its functions funds, grants, and services made available by the federal government or its agencies, the State government or its agencies, any local government or its agencies, and private or civic sources. A county, or its designated planning agency board with the concurrence of the board of commissioners, may enter into and carry out contracts with the State or federal governments or any agencies of either under which financial or other planning assistance is made available to the county and may agree to and comply with any reasonable conditions that are imposed upon the assistance.

A county, or its designated planning agency board with the concurrence of the board of commissioners, may enter into and carry out contracts with any other county, city, regional council, or planning agency under which it agrees to furnish technical planning assistance to the other local government or planning agency. A county, or its designated planning agency board with the concurrence of the board of commissioners, may enter into and carry out contracts with any other county, city, regional council, or planning agency board under which it agrees to pay the other local government or planning agency board for technical planning assistance.

A county may make any appropriations that may be necessary to carry out an activity or contract authorized by this Article, by Chapter 157A, or by Chapter 160A, Article 19 or to support, and compensate members of, any planning agency that it may create or designate pursuant to this Article."

SECTION 8. G.S. 153A-323 reads as rewritten:

"§ 153A-323. Procedure for adopting or amending ordinances under this Article and Chapter 160A, Article 19.

- (a) Before adopting or amending any ordinance authorized by this Article or Chapter 160A, Article 19, the board of commissioners shall hold a public hearing on the ordinance or amendment. The board shall cause notice of the hearing to be published once a week for two successive calendar weeks. The notice shall be published the first time not less than 10 days nor more than 25 days before the date fixed for the hearing. In computing such period, the day of publication is not to be included but the day of the hearing shall be included.
- (b) A county may adopt ordinances providing that notice of public hearings may be given through electronic means, including, but not limited to, the county's Internet site. Such electronic notice of public hearings may be substituted for the published notice required by this section but shall not supersede any other law that requires notice by mail to certain classes of people or the posting of signs on certain property and shall not alter the publication schedule for any public notice."

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PART II. SUBDIVISION REGULATION.

SECTION 9. G.S. 160A-371 reads as rewritten:

"§ 160A-371. Subdivision regulation.

A city may by ordinance regulate the subdivision of land within its territorial jurisdiction. In addition to final plat approval, the ordinance may include provision for

 review and approval of sketch plans and preliminary plats. The ordinance may be adopted as part of a unified development ordinance or as a separate subdivision regulation."

SECTION 10. G.S. 160A-372 reads as rewritten:

"§ 160A-372. Contents and requirements of ordinance.

- (a) A subdivision control ordinance may provide for the orderly growth and development of the city; for the safe and efficient provision of transportation networks, public utilities, education and recreation space and facilities, and other public and community needs; for protection of natural resources and open space; for the coordination of streets and highways-streets, highways, and utilities within proposed subdivisions with existing or planned streets and highways and with other public facilities; for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision or, alternatively, for provision of funds to be used to acquire recreation areas serving residents of the development or subdivision or more than one subdivision or development within the immediate area, and 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; and for the distribution of population and traffic in a manner that will avoid congestion and overcrowding and will create conditions essential to that promote public health, safety, and the general welfare.
- (b) The ordinance may require that a plat be prepared, approved, and recorded pursuant to its provisions whenever any subdivision of land takes place. The ordinance may include requirements that the final plat 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.

The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with municipal policies and standards and, to assure compliance with these requirements, the ordinance may provide for the posting of bond or any other method that will offer guarantee of compliance.

The ordinance may provide for the reservation of school sites in accordance with comprehensive land use plans approved by the council or the planning agency. In order for this authorization to become effective, before approving such plans the council or planning agency and the board of education with jurisdiction over the area shall jointly determine the specific location and size of any school sites to be reserved, which information shall appear in the comprehensive land use plan. Whenever a subdivision is submitted for approval which includes part or all of a school site to be reserved under the plan, the council or planning agency shall immediately notify the board of education and the board 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 council or planning agency and no site shall be reserved. If the board does wish to reserve the site, the subdivision 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 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 subdivider may treat the land as freed of the reservation.

The ordinance may require that a plat be prepared, approved, and recorded pursuant to its provisions whenever any subdivision of land takes place.

The ordinance may provide that a developer may provide funds to the city whereby the city may acquire recreational land or areas to serve the development or subdivision, including the purchase of land which may be used to serve more than one subdivision or development within the immediate area. All funds received by the city pursuant to this paragraph shall be used only for the acquisition or development of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this paragraph shall be based on the value of the development or subdivision for property tax purposes. The ordinance may allow a combination or partial payment of funds and partial dedication of land when the governing body of the city determines that this combination is in the best interests of the citizens of the area to be served.

The ordinance may provide that in lieu of required street construction, a developer may be required to provide funds that the city may 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 paragraph 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. Any formula adopted 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 ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the city determines that a combination is in the best interests of the citizens of the area to be served.

- (c) The ordinance may require the provision of: (i) utilities, streets, sidewalks, bikeways, and transit facilities, including the dedication of rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11; (ii) recreation areas and facilities, open space, and buffers; and (iii) community service facilities. The ordinance may also require reservation of school sites. In all instances, the exactions required shall be directly related to and no greater than an amount roughly proportional to the impacts reasonably expected to be generated by the proposed development.
- (d) In order for subdividers to make the provisions authorized by this section, the ordinance may require the dedication of land or easements, reservation of land for future acquisition, transfer of land to a homeowners association, nonprofit corporation, or other appropriate third party, construction of facilities, and payment of fees or any reasonable combination of these mechanisms. Where land has been reserved for future acquisition, if the site has not been purchased or appropriate proceedings to condemn

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the site initiated within 18 months, the subdivider may treat the land as freed of the reservation.

(e) The ordinance may require posting of bonds, letters of credit, or other performance guarantees to assure successful completion of required improvements."

SECTION 11. G.S. 160A-373 reads as rewritten:

"§ 160A-373. Ordinance to contain procedure for plat approval; approval prerequisite to plat recordation; statement by owner.

Any subdivision ordinance adopted pursuant to this Part shall contain provisions setting forth the procedures to be followed in granting or denying approval of a subdivision plat prior to its registration.

The ordinance may provide that final approval of each individual subdivision plat is to be given by decisions on preliminary plats and final plans are to be made by:

- (1) The city council,
- (2) The city council on recommendation of a planning agency, designated body, or
- (3) A designated planning agency.board, technical review committee, or other designated body.

From and after the effective date of a subdivision ordinance that is adopted by the city, no subdivision plat of land within the city's jurisdiction shall be filed or recorded until it shall have been submitted to and approved by the council or appropriate agency, as specified in the subdivision ordinance, and until this approval shall have been entered on the face of the plat in writing by an authorized representative of the city. The Review Officer, pursuant to G.S. 47-30.2, shall not certify a plat of a subdivision of land located within the territorial jurisdiction of a city 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."

SECTION 12. G.S. 160A-375 reads as rewritten:

"§ 160A-375. Penalties for transferring lots in unapproved subdivisions.

If a city adopts an ordinance regulating the subdivision of land as authorized herein, any person who, being the owner or agent of the owner of any land located within the jurisdiction of that city, thereafter subdivides his land in violation of the ordinance 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 such ordinance and recorded in the office of the appropriate register of deeds, shall be 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 shall not exempt the transaction from this penalty. The city 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 ordinance. Building permits required pursuant to G.S. 160A-417 may be denied for lots that have been illegally subdivided. In addition to other remedies, a city 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."

SECTION 13. G.S. 160A-376 reads as rewritten:

"§ 160A-376. Definition.

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For the purpose of this Part, 'subdivision' means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions 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 Part:

- (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 <u>and supporting infrastructure</u> (including streets, utilities, open space, and recreation areas) are equal to or exceed the standards of the municipality 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; and
- (4) The division of a tract in single ownership whose entire area is no greater than two acres into not more than three lots, where no street right-of-way dedication is involved and where the resultant lots and supporting infrastructure (including streets, utilities, open space, and recreation areas) are equal to or exceed the standards of the municipality, as shown in its subdivision regulations.

A city may adopt additional exemptions from its subdivision definition and may provide for expedited review of specified classes of subdivisions."

SECTION 14. G.S. 153A-330 reads as rewritten:

"§ 153A-330. Subdivision regulation.

A county may by ordinance regulate the subdivision of land within its territorial jurisdiction. If a county, pursuant to G.S. 153A-342, has adopted a zoning ordinance that applies only to one or more designated portions of its territorial jurisdiction, it may adopt subdivision regulations that apply only within the areas so zoned and need not regulate the subdivision of land in the rest of its jurisdiction. In addition to final plat approval, the ordinance may include provision for review and approval of sketch plans and preliminary plats. The ordinance may be adopted as part of a unified development ordinance or as a separate subdivision regulation."

SECTION 15. G.S. 153A-331 reads as rewritten:

"§ 153A-331. Contents and requirements of ordinance.

(a) A subdivision control ordinance may provide for the orderly growth and development of the county; for the safe and efficient provision of transportation networks, public utilities, education and recreation space and facilities, and other public and community needs; for protection of natural resources and open space; for the coordination of streets and highways streets, highways, and utilities within proposed subdivisions with existing or planned streets and highways and with other public

facilities; for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision and 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; and for the distribution of population and traffic in a manner that will avoid congestion and overcrowding and will create conditions that promote essential to public health, safety, and the general welfare.

(b) The ordinance may require that a plat be prepared, approved, and recorded pursuant to its provisions whenever any subdivision of land takes place. The ordinance may include requirements that the final plat 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 conformity with good surveying practice. A subdivision control ordinance may provide that a developer may provide funds to the county whereby the county may acquire recreational land or areas to serve the development or subdivision, including the purchase of land which may be used to serve more than one subdivision or development within the immediate area.

The ordinance may provide that in lieu of required street construction, a developer may provide funds 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 section shall be transferred to the municipality to be used solely for the development of roads, including design, land acquisition, and construction. Any municipality receiving funds from a county under this section is authorized to expend such funds outside its corporate limits for the purposes specified in the agreement between the municipality and the county. Any formula adopted 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 ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the county determines that a combination is in the best interest of the citizens of the area to be served.

The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with county policies and standards, and, to assure compliance with these requirements, the ordinance may provide for the posting of bond or any other method that will offer guarantee of compliance.

The ordinance may provide for the reservation of school sites in accordance with comprehensive land use plans approved by the board of commissioners or the planning agency. For the authorization to reserve school sites to be effective, the board of commissioners or planning agency, before approving a comprehensive land use plan, shall determine jointly with the board of education with jurisdiction over the area the specific location and size of each school site to be reserved, and this information shall appear in the plan. Whenever a subdivision that includes part or all of a school site to be reserved under the plan is submitted for approval, the board of commissioners or the planning agency shall immediately notify the board of education. That board shall

promptly decide whether it still wishes the site to be reserved and shall notify the board of commissioners or planning agency of its decision. If the board of education does not wish the site to be reserved, no site may be reserved. If the board of education does wish the site to be reserved, the subdivision may not be approved without the reservation. The board of education must acquire the site within 18 months after the date the site is reserved, either by purchase or by exercise of the power of eminent domain. If the board of education has not purchased the site or begun proceedings to condemn the site within the 18 months, the subdivider may treat the land as freed of the reservation.

The ordinance may require that a plat be prepared, approved, and recorded pursuant to its provisions whenever a subdivision of land takes place.

- (c) The ordinance may require the provision of: (i) utilities, streets, sidewalks, bikeways, and transit facilities, including the dedication of rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11; (ii) recreation areas and facilities, open space, and buffers; (iii) community service facilities. The ordinance may also require reservation of school sites. In all instances the exactions required shall be directly related to and no greater than an amount roughly proportional to the impacts reasonably expected to be generated by the proposed development.
- (d) In order for subdividers to make the provisions authorized by this section, the ordinance may require the dedication of land or easements, reservation of land for future acquisition, transfer of land to a homeowners association, nonprofit corporation, or other appropriate third party, construction of facilities, and payment of fees or any reasonable combination of these mechanisms. Where land has been reserved for future acquisition, if the site has not been purchased or appropriate proceedings to condemn the site initiated within 18 months, the subdivider may treat the land as freed of the reservation.

Any funds received by the county for streets shall be transferred to the municipality to be used solely for the development of roads, including design, land acquisition, and construction. Any municipality receiving funds from a county under this section is authorized to expend the funds outside its corporate limits for the purposes specified in the agreement between the municipality and the county.

(e) The ordinance may require posting of bonds, letters of credit, or other performance guarantees to assure successful completion of required improvements."

SECTION 16. G.S. 153A-332 reads as rewritten:

"§ 153A-332. Ordinance to contain procedure for plat approval; approval prerequisite to plat recordation; statement by owner.

A subdivision ordinance adopted pursuant to this Part shall contain provisions setting forth the procedures to be followed in granting or denying approval of a subdivision plat before its registration.

The ordinance 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;

- 1 (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 board of commissioners.

The ordinance may provide that final approval of each individual subdivision plat is to be given by: decisions on preliminary plats and final plats are to be made by:

- (1) The board of commissioners,
- (2) The board of commissioners on recommendation of a planning agency, designated body, or
- (3) A designated planning agency.board, technical review committee, or other designated body.

From the effective date of a subdivision ordinance that is adopted by the county, no subdivision plat of land within the county's jurisdiction may be filed or recorded until it has been submitted to and approved by the appropriate board or agency, as specified in the subdivision ordinance, and until this approval is entered in writing on the face of the plat by an authorized representative of the county. The Review Officer, pursuant to G.S. 47-30.2, shall not certify a plat of a subdivision of land located within the territorial jurisdiction of the county that has not been approved in accordance with these provisions, and the clerk of superior court may not order or direct the recording of a plat if the recording would be in conflict with this section."

SECTION 17. G.S. 153A-334 reads as rewritten:

"§ 153A-334. Penalties for transferring lots in unapproved subdivisions.

If a person who is the owner or the agent of the owner of any land located within the territorial jurisdiction of a county that has adopted a subdivision regulation ordinance subdivides his land in violation of the ordinance 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 ordinance and recorded in the office of the appropriate register of deeds, he 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 county 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 ordinance. Building permits required pursuant to G.S. 153A-357 may be denied for lots that have been illegally subdivided. In addition to other remedies, a city 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."

SECTION 18. G.S. 153A-335 reads as rewritten:

"§ 153A-335. 'Subdivision' defined.

For purposes of this Part, 'subdivision' means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose of sale or building development (whether immediate or future) and includes all division of land involving the dedication of a new street or a change in existing streets; however, the

following is not included within this definition and is not subject to any regulations enacted pursuant to this Part:

- (1) The combination or recombination of portions of previously subdivided and recorded lots if the total number of lots is not increased and the resultant lots <u>and supporting infrastructure (including streets, utilities, open space, and recreation areas)</u> are equal to or exceed the standards of the county as shown in its subdivision regulations;
- (2) The division of land into parcels greater than 10 acres if no street right-of-way dedication is involved;
- (3) The public acquisition by purchase of strips of land for widening or opening streets; and
- (4) The division of a tract in single ownership the entire area of which is no greater than two acres into not more than three lots, if no street right-of-way dedication is involved and if the resultant lots <u>and supporting infrastructure (including streets, utilities, open space, and recreation areas)</u> are equal to or exceed the standards of the county as shown by its subdivision regulations.

A county may adopt additional exemptions from its subdivision definition and may provide for expedited review of specified classes of subdivisions."

PART III. ZONING REGULATION.

SECTION 19. G.S. 160A-381 reads as rewritten:

"§ 160A-381. Grant of power.

- (a) For the purpose of promoting health, safety, morals, or the general welfare of the community, any city may adopt zoning ordinances. Zoning ordinances may be adopted as part of a unified development ordinance or as a separate ordinance. A zoning ordinance may regulate and restrict the height, number of stories and the type, form, and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, and the location location, maintenance, and use of buildings, structures and land for trade, industry, residence or other purposes and to structures, and land, and the maintenance or alteration of natural features. The ordinance may provide density credits or severable development rights for dedicated rights of way pursuant to G.S. 136-66.10 or G.S. 136-66.11. and for transferable development rights.
 - (b) Expired.
- (b1) These regulations may provide that a board of adjustment may determine and vary their application in harmony with their general purpose and intent and in accordance with general or specific rules therein contained. The regulations may also provide that the board of adjustment adjustment, the planning board, or the city council may issue special use permits or conditional use permits in the classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified therein and may impose reasonable and appropriate conditions and safeguards upon these permits. When deciding special use permits or conditional use permits, the city council shall follow the procedures for boards of adjustment except that no vote

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greater than a majority vote shall be required for the city council to issue such permits. Every such decision of the city council shall be subject to review by the superior court in the same manner as is set forth in G.S. 160A-388(e) for review of decisions of the board of adjustment.

- Where appropriate, such conditions may include requirements that street and utility rights of way be dedicated to the public and that provision be made of recreational space and facilities. When issuing or denying special use permits or conditional use permits, the city council shall follow the procedures for boards of adjustment except that no vote greater than a majority vote shall be required for the city council to issue such permits, and every such decision of the city council shall be subject to review by the superior court by proceedings in the nature of certiorari. Any petition for review by the superior court shall be filed with the clerk of superior court within 30 days after the decision of the city council is filed in such office as the ordinance specifies, or after a written copy thereof is delivered to every aggrieved party who has filed a written request for such copy with the clerk at the time of the hearing of the case, whichever is later. The decision of the city council may be delivered to the aggrieved party either by personal service or by registered mail or certified mail return receipt requested. The ordinance may include requirements that provisions be made to address the impacts generated by the proposed development. The provisions may include the dedication of land, reservation of land for future acquisition, transfer of land to a homeowners association, nonprofit corporation, or other appropriate third party, and construction of facilities. The ordinance may require posting of bonds, letters of credit, or other performance guarantees to assure successful completion of required improvements. Any impacts reasonably related to the proposed development may be addressed, including, but not limited to, (i) roads, sidewalks, bikeways, transit, and other transportation needs; (ii) water, wastewater, stormwater, drainage, and other utility needs; (iii) recreation and open space; (iv) protection of critical natural areas and natural hazard areas; and (v) public education needs. In all instances the total exactions required shall be no greater than an amount roughly proportional to the impacts reasonably expected to be generated by the proposed development.
- (d) Cities may adopt temporary development moratoria of reasonable duration. A development moratorium with a duration of 60 days or any shorter period may be adopted without the necessity of a public hearing and notice that would otherwise be required pursuant to G.S. 160A-364. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium adopted without a hearing to a total duration of more than 60 days, is subject to the notice and hearing requirements of G.S. 160A-364. Absent an imminent threat to public health and safety, a development moratorium adopted pursuant to this section shall not apply to any project for which a valid building permit issued pursuant to G.S. 160A-417 is outstanding, to development set forth in a site specific or phased development plan approved pursuant to G.S. 160A-385.1, or to development for which substantial expenditures have already been made in good faith reliance on a prior valid zoning approval.

Any ordinance establishing a development moratorium must expressly include each of the following:

- (1) A clear statement of the problems or conditions necessitating the moratorium.
 - (2) A clear statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.
 - (3) An express date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.
 - (4) A clear statement of the actions proposed to be taken by the city during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium."

SECTION 20. G.S. 160A-382 reads as rewritten:

"§ 160A-382. Districts.

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- (a) For any or all these purposes, the city may divide its territorial jurisdiction into districts of any number, shape, and area that may be deemed best suited to carry out the purposes of this Part; and within those districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures, or land. Such districts may include, but shall not be limited to, general use districts, in which a variety of uses are permissible in accordance with general standards; overlay districts, in which additional requirements are imposed on certain properties within one or more underlying general or special use districts; and special use districts or conditional use districts, in which uses are permitted only upon the issuance of a special use permit or a conditional use permit. and conditional zoning districts, in which site plans and individualized development conditions are imposed.
- (b) Property may be placed in a special use district or conditional use district only in response to a petition by the owners of all the property to be included. Specific conditions applicable to these districts may be proposed by the petitioner, the city or its agencies, or any affected person, but only those conditions mutually approved by the city and the petitioner may be incorporated into the zoning regulations or permit requirements. Conditions and site specific standards imposed in a conditional district shall be limited to those that address the conformance of the development and use of the site to the comprehensive plan, any other plan officially adopted by the city and city ordinance, and those that address the impacts reasonably expected to be generated by development or use of the site.

A statement analyzing the reasonableness of the proposed rezoning shall be prepared for each petition for a rezoning to a conditional district. This statement may be prepared by the petitioner or by the city, and it shall be completed and available for public inspection at the time notice is provided for the public hearing on the proposed rezoning. This statement shall address the consistency of the proposed rezoning with the comprehensive plan and any other officially adopted plan that is applicable, the compatibility of the proposed rezoning with the site and surrounding area, and the benefits and detriments of the proposed rezoning for the land owner, the immediate neighbors, and the surrounding community. The ordinance may require meetings to be

held between the petitioner and neighboring property owners prior to the submittal of a petition for rezoning to a conditional zoning district.

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

SECTION 21. G.S. 160A-383 reads as rewritten:

"§ 160A-383. Purposes in view.

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 Zoning regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic and other dangers; plan. Prior to adoption of any zoning provision that is not consistent with the adopted comprehensive plan or any other applicable plan that has been officially adopted by the city, the governing board shall adopt a statement describing the inconsistency and explaining why the board considers the action taken to be reasonable and in the public interest.

Zoning regulations shall be designed to promote health-the public health, safety, and the general welfare; welfare. To that end, the regulations may address the following public purposes: to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen congestion in the streets; to secure safety from fire, panic, and other dangers; and to facilitate the efficient and adequate provision of transportation, water, sewerage, schools, parks, and other public requirements, requirements; to manage the impacts of development and land uses on other properties and public interests; to maintain and improve the quality of neighborhoods and communities; to secure safe, decent, and affordable housing for all citizens; to protect the aesthetic attributes and character of neighborhoods and cities; and to protect natural resources and the environment. The regulations shall be made with reasonable consideration, among other things, as to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such city."

SECTION 22. G.S. 160A-384 reads as rewritten:

"§ 160A-384. Method of procedure.

- (a) The city council shall provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established and enforced, and from time to time amended, supplemented or changed, in accordance with the provisions of this Article. The procedures adopted pursuant to this section shall provide that whenever there is a zoning map amendment, the owner of that parcel of land as shown on the county tax listing, and the owners of all parcels of land abutting that parcel of land as shown on the county tax listing, shall be mailed a notice of a public hearing on the proposed amendment by first class mail at the last addresses listed for such owners on the county tax abstracts. This notice must be deposited in the mail at least 10 but not more than 25 days prior to the date of the public hearing. The person or persons mailing such notices shall certify to the City Council that fact, and such certificate shall be deemed conclusive in the absence of fraud.
- (b) The first class mail notice required under subsection (a) of this section shall not be required if the zoning map amendment directly affects more than 50 properties,

owned by a total of at least 50 different property owners, and the city elects to use the expanded published notice provided for in this subsection. In this instance, a city may elect to either make the mailed notice provided for in subsection (a) of this section or may as an alternative elect to publish once a week for four successive calendar weeks in a newspaper having general circulation in the area an advertisement of the public hearing that shows the boundaries of the area affected by the proposed zoning map amendment and explains the nature of the proposed change. The final two advertisements shall comply with and be deemed to satisfy the provisions of G.S. 160A-364. The notice of the hearing as required by G.S. 160A-364, but provided that each advertisement shall not be less than one-half of a newspaper page in size. The advertisement shall only be effective for property owners who reside in the area of general circulation of the newspaper which publishes the notice. Property owners who reside outside of the newspaper circulation area, according to the address listed on the most recent property tax listing for the affected property, shall be notified according to the provisions of subsection (a) of by first class mail pursuant to this section. The person or persons mailing the notices shall certify to the city council that fact, and the certificates shall be deemed conclusive in the absence of fraud. In addition to the published notice, a city shall post one or more prominent signs on or immediately adjacent to the subject area reasonably calculated to give public notice of the proposed rezoning.

(c) The provisions of this section shall not be applicable to any zoning map adoption that initially zones property added to the territorial coverage of the ordinance."

SECTION 23. G.S. 160A-385 reads as rewritten:

"§ 160A-385. Changes.

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Zoning ordinances regulations and restrictions and zone boundaries may from time to time be amended, supplemented, changed, modified or repealed. In case, however, of a qualified protest against such change, signed by the owners of twenty percent (20%) or more either of the area of the lots included in a proposed change, or of those immediately adjacent thereto either in the rear thereof or on either side thereof, extending 100 feet therefrom, or of those directly opposite thereto extending 100 feet from the street frontage of the opposite lots, an amendment a zoning map amendment, that amendment shall not become effective except by favorable vote of three-fourths of all the members of the city-council. council eligible to vote on the matter. To qualify as a protest under this section, the petition must be signed by the owners of either (i) twenty percent (20%) or more of the area included in the proposed change or (ii) five percent (5%) of a 100-foot-wide buffer extending along the entire boundary of each discrete area proposed to be rezoned. Street rights-of-way shall not be considered in computing the 100-foot buffer area. When less than an entire parcel of land is subject to the proposed zoning map amendment, the 100-foot buffer shall be measured from the property line of that parcel. The foregoing provisions concerning protests shall not be applicable to any amendment which initially zones property added to the territorial coverage of the ordinance as a result of annexation or otherwise, or to an amendment to an adopted special use district or conditional use district if the amendment does not change the types of uses that are permitted within the district or increase the approved

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density for residential development, or increase the total approved size of nonresidential development, or reduce the size of any buffers or screening approved for the special use or conditional use district.

(b) Amendments, modifications, supplements, repeal or other changes Amendments in zoning regulations and restrictions—and zone boundaries shall not be applicable or enforceable without consent of the owner with regard to buildings and uses for which either (i) building permits have been issued pursuant to G.S. 160A-417 prior to the enactment of the ordinance making the change or changes so long as the permits remain valid and unexpired pursuant to G.S. 160A-418 and unrevoked pursuant to G.S. 160A-422 or (ii) a vested right has been established pursuant to G.S. 160A-385.1 and such vested right remains valid and unexpired pursuant to G.S. 160A-385.1."

SECTION 24. G.S. 160A-386 reads as rewritten:

"§ 160A-386. Protest petition; form; requirements; time for filing.

No protest against any change in or amendment to a zoning ordinance or zoning map shall be valid or effective for the purposes of G.S. 160A-385 unless it be in the form of a written petition actually bearing the signatures of the requisite number of property owners and stating that the signers do protest the proposed change or amendment, and unless it shall have been received by the city clerk in sufficient time to allow the city at least two normal work days, excluding Saturdays, Sundays and legal holidays, before the date established for a public hearing on the proposed change or amendment to determine the sufficiency and accuracy of the petition. The city council may by ordinance require that all protest petitions be on a form prescribed and furnished by the city, and such form may prescribe any reasonable information deemed necessary to permit the city to determine the sufficiency and accuracy of the petition. Unless specifically provided otherwise within the zoning ordinance, a person who has signed a protest petition may withdraw his or her name from the petition at any time prior to the vote on the proposed zoning amendment. Only those protest petitions that meet the qualifying standards set forth in G.S. 160A-385 at the time of the vote on the zoning map amendment shall trigger the super-majority voting requirement."

SECTION 25. G.S. 160A-387 reads as rewritten:

"§ 160A-387. Planning agency; zoning plan; certification to city council.

In order to <u>initially</u> exercise the powers conferred by this Part, a city council shall create or designate a planning <u>agency board</u> under the provisions of this Article or of a special act of the General Assembly. The planning <u>agency board</u> shall <u>prepare review and comment upon</u> a proposed zoning ordinance, including both the full text of such ordinance and maps showing proposed district boundaries. The planning <u>agency board</u> may hold public hearings in the course of preparing the ordinance. Upon completion, the planning <u>agency board</u> shall <u>certify make a written recommendation regarding adoption of</u> the ordinance to the city council. The city council shall not hold its required public hearing or take action until it has received a <u>certified recommendation regarding the</u> ordinance from the planning <u>agency board</u>. Following its required public hearing, the city council may refer the ordinance back to the planning <u>agency board</u> for any

further recommendations that the <u>agency board</u> may wish to make prior to final action by the city council in adopting, modifying and adopting, or rejecting the ordinance.

Subsequent to initial adoption of a zoning ordinance, any proposed amendment to the zoning ordinance or zoning map shall be submitted to the planning board for review and comment. The planning board shall consider whether the proposed amendment is consistent with the comprehensive plan and any other officially adopted plans that are applicable. The planning board shall provide a written recommendation to the governing board that addresses plan consistency and such other matters as deemed appropriate by the planning board. If no written report is received from the planning board within 30 days of referral of the amendment to that board, the governing board may proceed in its consideration of the amendment without the planning board report."

SECTION 26. G.S. 160A-388 reads as rewritten:

"§ 160A-388. Board of adjustment.

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- (a) The city council may provide for the appointment and compensation of a board of adjustment consisting of five or more members, each to be appointed for three years. In appointing the original members of such board, or in the filling of vacancies caused by the expiration of the terms of existing members, the council may appoint certain members for less than three years to the end that thereafter the terms of all members shall not expire at the same time. The council may, in its discretion, appoint and provide compensation for alternate members to serve on the board in the absence or temporary disqualification of any regular member. member or to fill a vacancy pending appointment of a member. Alternate members shall be appointed for the same term, at the same time, and in the same manner as regular members. Each alternate member, while attending any regular or special meeting of the board and serving in the absence on behalf of any regular member, shall have and may exercise all the powers and duties of a regular member. A city may designate a planning agency board or the governing board to perform any or all of the duties of a board of adjustment in addition to its other duties.
- (b) The board of adjustment shall hear and decide appeals from and review any order, requirement, decision, or determination made by an administrative official charged with the enforcement of any ordinance adopted pursuant to this Part. An appeal may be taken by any person aggrieved or by an officer, department, board, or bureau of the city. Appeals shall be taken within times prescribed by the board of adjustment by general rule, by filing with the officer from whom the appeal is taken and with the board of adjustment a notice of appeal, specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board all the papers constituting the record upon which the action appealed from was taken. An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment, after notice of appeal has been filed with him, that because of facts stated in the certificate a stay would, in his opinion, cause imminent peril to life or property or that because the violation charged is transitory in nature a stay would seriously interfere with enforcement of the ordinance. In that case proceedings shall not be stayed except by a restraining order, which may be granted by the board of adjustment or by a court of record on application, on notice to the officer

- from whom the appeal is taken and on due cause shown. The board of adjustment shall fix a reasonable time for the hearing of the appeal, give due notice thereof to the parties, and decide it within a reasonable time. The board of adjustment may reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from, and shall make any order, requirement, decision, or determination that in its opinion ought to be made in the premises. To this end the board shall have all the powers of the officer from whom the appeal is taken.
- (c) The zoning ordinance may provide that the board of adjustment may permit special exceptions to the zoning regulations in classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified in the ordinance. The ordinance may also authorize the board to interpret zoning maps and pass upon disputed questions of lot lines or district boundary lines and similar questions as they arise in the administration of the ordinance. The board shall hear and decide all matters referred to it or upon which it is required to pass under any zoning ordinance.
- (d) When practical difficulties or unnecessary hardships would result from carrying out the strict letter of a zoning ordinance, the board of adjustment shall have the power, in passing upon appeals, to vary or modify any of the regulations or provisions of the ordinance relating to the use, construction or alteration of buildings or structures or the use of land, so that the spirit of the ordinance shall be observed, public safety and welfare secured, and substantial justice done.
- (e) The concurring vote of four-fifths of the members of the board shall be necessary to reverse any order, requirement, decision, or determination of any administrative official charged with the enforcement of an ordinance adopted pursuant to this Part, or to decide in favor of the applicant any matter upon which it is required to pass under any ordinance, or to grant a variance from the provisions of the ordinance. For the purposes of this subsection, vacant positions on the board and members who are disqualified from voting on a quasi-judicial matter shall not be considered 'members of the board' for calculation of the requisite super-majority if there are no qualified alternates available to take the place of such members.
- (e1) A member of the board or any other body exercising the functions of a board of adjustment shall not participate in or vote on any quasi-judicial matter for which the board member has a conflict of interest or bias that would violate a party to the decision's constitutional right to an impartial decision-maker.
- (e2) Every decision of the board shall be subject to review by the superior court by proceedings in the nature of certiorari and such appeals may be made by any person who would have had standing to bring or participate in the hearing before the board. Any petition for review by the superior court shall be filed with the clerk of superior court within 30 days after the decision of the board is filed in such office as the ordinance specifies, or after a written copy thereof is delivered to every aggrieved party who has filed a written request for such copy with the secretary or chairman of the board at the time of its hearing of the case, whichever is later. The decision of the board may be delivered to the aggrieved party either by personal service or by registered mail or certified mail return receipt requested.

- (f) The chairman of the board of adjustment or any member temporarily acting as chairman, is authorized in his official capacity to administer oaths to witnesses in any matter coming before the board.
- (g) The board of adjustment may subpoena witnesses and compel the production of evidence. If a person fails or refuses to obey a subpoena issued pursuant to this subsection, the board of adjustment may apply to the General Court of Justice for an order requiring that its order be obeyed, and the court shall have jurisdiction to issue these orders after notice to all proper parties. No testimony of any witness before the board of adjustment pursuant to a subpoena issued in exercise of the power conferred by this subsection may be used against the witness in the trial of any civil or criminal action other than a prosecution for false swearing committed on the examination. Any person who, while under oath during a proceeding before the board of adjustment, willfully swears falsely, is guilty of a Class 1 misdemeanor."

SECTION 27. G.S. 160A-392 reads as rewritten:

"§ 160A-392. Part applicable to buildings constructed by State and its subdivisions; exception.

All of the provisions of this Part are hereby made applicable to the erection, construction, and use of buildings <u>and land</u> by the State of North Carolina and its political subdivisions.

Notwithstanding the provisions of any general or local law or ordinance, no land owned by the State of North Carolina may be included within an overlay district or a special use or conditional use district without approval of the Council of State. State or its designate."

SECTION 28. G.S. 153A-340 reads as rewritten:

"§ 153A-340. Grant of power.

- (a) For the purpose of promoting health, safety, morals, or the general welfare, a county may adopt zoning ordinances. Zoning ordinances may be adopted as part of a unified development ordinance or as a separate ordinance. A zoning ordinance may regulate and restrict the height, number of stories—the type, form, and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes, and to land, and the maintenance or alteration of natural features. The ordinance may provide density credits or severable development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11.and for transferable development rights.
 - (b) (1) These regulations may affect property used for bona fide farm purposes only as provided in subdivision (3) of this subsection. This subsection does not limit regulation under this Part with respect to the use of farm property for nonfarm purposes.
 - (2) Bona fide farm purposes include the production and activities relating or incidental to the production of crops, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agricultural products having a domestic or foreign market.

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- (3) The definitions set out in G.S. 106-802 apply to this subdivision. A county may adopt zoning regulations governing swine farms served by animal waste management systems having a design capacity of 600,000 pounds steady state live weight (SSLW) or greater provided that the zoning regulations may not have the effect of excluding swine farms served by an animal waste management system having a design capacity of 600,000 pounds SSLW or greater from the entire zoning jurisdiction.
- (c) The regulations may provide that a board of adjustment may determine and vary their application in harmony with their general purpose and intent and in accordance with general or specific rules therein contained. The regulations may also provide that the board of adjustment adjustment, the planning board, or the board of commissioners may issue special use permits or conditional use permits in the classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified therein and may impose reasonable and appropriate conditions and safeguards upon these permits. Where appropriate, the conditions may include requirements that street and utility rights of way be dedicated to the public and that recreational space be provided. When issuing or denying special use permits or conditional use permits, the board of commissioners shall follow the procedures for boards of adjustment except that no vote greater than a majority vote shall be required for the board of commissioners to issue such permits, and every such decision of the board of commissioners shall be subject to review by the superior court by proceedings in the nature of certiorari. When deciding special use permits or conditional use permits, the board of county commissioners shall follow the procedures for boards of adjustment except that no vote greater than a majority vote shall be required for the board of county commissioners to issue such permits. Every such decision of the board of county commissioners shall be subject to review by the superior court in the same manner as is set forth in G.S. 153A-345(e) for review of decisions of the board of adjustment.
- (d) A county may regulate the development over estuarine waters and over lands covered by navigable waters owned by the State pursuant to G.S. 146-12, within the bounds of that county.
- (e) For the purpose of this section, the term 'structures' shall include floating homes.
- (f) Any petition for review by the superior court shall be filed with the clerk of superior court within 30 days after the decision of the board of commissioners is filed in such office as the ordinance specifies, or after a written copy thereof is delivered to every aggrieved party who has filed a written request for such copy with the clerk at the time of the hearing of the case, whichever is later. The decision of the board of commissioners may be delivered to the aggrieved party either by personal service or by registered mail or certified mail return receipt requested. The ordinance may include requirements that provisions be made to address the impacts generated by the proposed development. The provisions may include the dedication of land, reservation of land for future acquisition, transfer of land to a homeowners association, nonprofit corporation, or other appropriate third party, and construction of facilities. The ordinance may

require posting of bonds, letters of credit, or other performance guarantees to assure successful completion of required improvements. Any impacts reasonably related to the proposed development may be addressed, including, but not limited to, (i) roads, sidewalks, bikeways, transit, and other transportation needs; (ii) water, wastewater, stormwater, drainage, and other utility needs; (iii) recreation and open space; (iv) protection of critical natural areas and natural hazard areas; and (v) public education needs. In all instances the total exactions required shall be no greater than an amount roughly proportional to the impacts reasonably expected to be generated by the proposed development.

(g) Counties may adopt temporary development moratoria of reasonable duration. A development moratorium with a duration of 60 days or any shorter period may be adopted without the necessity of a public hearing and notice that would otherwise be required pursuant to G.S. 153A-323. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium adopted without a hearing to a total duration of more than 60 days, is subject to the notice and hearing requirements of G.S. 153A-323. Absent an imminent threat to public health and safety, a development moratorium adopted pursuant to this section shall not apply to any project for which a valid building permit issued pursuant to G.S. 153A-357 is outstanding, to development set forth in a site specific or phased development plan approved pursuant to G.S. 153A-344.1, or to development for which substantial expenditures have already been made in good faith reliance on a prior valid zoning approval.

Any ordinance establishing a development moratorium must expressly include each of the following:

- (1) A clear statement of the problems or conditions necessitating the moratorium.
- (2) A clear statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.
- (3) An express date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.
- (4) A clear statement of the actions proposed to be taken by the county during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium."

SECTION 29. G.S. 153A-341 reads as rewritten:

"§ 153A-341. Purposes in view.

Zoning regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic, and other dangers; plan. Prior to adopting of any zoning provision that is not consistent with the adopted comprehensive plan or any other applicable plan that has been officially adopted by the county, the board of county commissioners shall adopt a statement describing the inconsistency and explaining why the board considers the action taken to be reasonable and in the public interest.

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Zoning regulations shall be designed to promote the public health, safety and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen congestion in the streets; to secure safety from fire, panic, and other dangers; and to facilitate the efficient and adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. requirements; to manage the impacts of development and land uses on other properties and public interests; to maintain and improve the quality of neighborhoods and communities; to secure safe, decent, and affordable housing for all citizens; to protect the aesthetic attributes and character of neighborhoods and counties; and to protect natural resources and the environment. The regulations shall be made with reasonable consideration as to, among other things, the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the county. In addition, the regulations shall be made with reasonable consideration to expansion and development of any cities within the county, so as to provide for their orderly growth and development."

SECTION 30. G.S. 153A-342 reads as rewritten:

"§ 153A-342. Districts; zoning less than entire jurisdiction.

- (a) A county may divide its territorial jurisdiction into districts of any number, shape, and area that it may consider best suited to carry out the purposes of this Part. Within these districts a county may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. Such districts may include, but shall not be limited to, general use districts, in which a variety of uses are permissible in accordance with general standards; overlay districts, in which additional requirements are imposed on certain properties within one or more underlying general or special use conditional districts; and special use districts or conditional use districts, in which uses are permitted only upon the issuance of a special use permit or a conditional use permit. and conditional zoning districts, in which site plans and individualized development conditions are imposed.
- (b) Property may be placed in a special use district or conditional use district only in response to a petition by the owners of all the property to be included. Specific conditions applicable to such districts may be proposed by the petitioner, the county or its agencies, or any affected person, but only those conditions mutually approved by the county and the petitioner may be incorporated into the zoning regulations or permit requirements. Conditions and site specific standards imposed in a conditional district shall be limited to those that address the conformance of the development and use of the site to the comprehensive plan, any other plan officially adopted by the county, any county ordinance, and those that address the impacts reasonably expected to be generated by development or use of the site.

A statement analyzing the reasonableness of the proposed rezoning shall be prepared for each petition for a rezoning to a conditional district. This statement may be prepared by the petitioner or by the county and it shall be completed and available for public inspection at the time notice is provided for the public hearing on the proposed rezoning. This statement shall address the consistency of the proposed rezoning with the

comprehensive plan and any other officially adopted plan that is applicable, the compatibility of the proposed rezoning with the site and surrounding area, and the benefits and detriments of the proposed rezoning for the land owner, the immediate neighbors, and the surrounding community. The ordinance may require meetings to be held between the petitioner and neighboring property owners prior to the submittal of a petition for rezoning to a conditional zoning district.

- (c) Except as authorized by the foregoing, all regulations shall be uniform for each class or kind of building throughout each district, but the regulations in one district may differ from those in other districts.
- (d) A county may determine that the public interest does not require that the entire territorial jurisdiction of the county be zoned and may designate one or more portions of that jurisdiction as a zoning area or areas. A zoning area must originally contain at least 640 acres and at least 10 separate tracts of land in separate ownership and may thereafter be expanded by the addition of any amount of territory. A zoning area may be regulated in the same manner as if the entire county were zoned, and the remainder of the county need not be regulated."

SECTION 31. G.S. 153A-343 reads as rewritten:

"§ 153A-343. Method of procedure.

- (a) The board of commissioners shall, in accordance with the provisions of this Article, provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established, and enforced, and from time to time amended, supplemented, or changed. The procedures adopted pursuant to this section shall provide that whenever there is a zoning map amendment, the owner of that parcel of land as shown on the county tax listing, and the owners of all parcels of land abutting that parcel of land as shown on the county tax listing, shall be mailed a notice of a public hearing on the proposed amendment by first class mail at the last addresses listed for such owners on the county tax abstracts. This notice must be deposited in the mail at least 10 but not more than 25 days prior to the date of the public hearing. The person or persons mailing such notices shall certify to the Board of Commissioners that fact, and such certificate shall be deemed conclusive in the absence of fraud.
- (b) The first class mail notice required under subsection (a) of this section shall not be required if the zoning map amendment directly affects more than 50 properties, owned by a total of at least 50 different property owners, and the county elects to use the expanded published notice provided for in this subsection. In this instance, a county may elect to either make the mailed notice provided for in subsection (a) of this section or may as an alternative elect to publish once a week for four successive calendar weeks in a newspaper having general circulation in the area an advertisement of the public hearing that shows the boundaries of the area affected by the proposed zoning map amendment and explains the nature of the proposed change. The final two advertisements shall comply with and be deemed to satisfy the provisions of G.S. 153A-323. The advertisement notice of the hearing as required by G.S. 153A-323, but provided that each of the advertisements shall not be less than one-half of a newspaper page in size. The advertisement shall only be effective for property owners who reside

in the area of general circulation of the newspaper which publishes the notice. Property owners who reside outside of the newspaper circulation area, according to the address listed on the most recent property tax listing for the affected property, shall be notified according to the provisions of subsection (a) of by first class mail pursuant to this section. The person or persons mailing the notices shall certify to the board of commissioners that fact, and the certificates shall be deemed conclusive in the absence of fraud. In addition to the published notice, a county shall post one or more prominent signs on or immediately adjacent to the subject area reasonably calculated to give public notice of the proposed rezoning.

(c) The provisions of this section shall not be applicable to any zoning map adoption that initially zones property added to the territorial coverage of the ordinance."

SECTION 32. G.S. 153A-344 reads as rewritten:

"§ 153A-344. Planning agency; zoning plan; certification to board of commissioners; amendments.commissioners.

(a) To <u>initially</u> exercise the powers conferred by this Part, a county shall create or designate a planning <u>agency board</u> under the provisions of this Article or of a local act. The planning <u>agency board</u> shall <u>prepare review and comment upon</u> a proposed zoning ordinance, including both the full text of such ordinance and maps showing proposed district boundaries. The planning <u>agency board</u> may hold public hearings in the course of preparing the ordinance. Upon completion, the planning <u>agency board</u> shall <u>certify make a written recommendation regarding adoption of</u> the ordinance to the board of commissioners. The board of commissioners shall not hold the public hearing required by G.S. 153A-323 or take action until it has received a <u>certified recommendation regarding the</u> ordinance from the planning <u>agency board</u>. Following its required public hearing, the board of commissioners may refer the ordinance back to the planning <u>agency board</u> for any further recommendations that the <u>agency board</u> may wish to make prior to final action by the board in adopting, modifying and adopting, or rejecting the ordinance.

Zoning regulations and restrictions and zone boundaries may from time to time be amended, supplemented, changed, modified, or repealed. Whenever territory is added to an existing designated zoning area, it shall be treated as an amendment to the zoning ordinance for that area. Before an amendment may be adopted, it must be referred to the planning agency board for the agency's board's recommendation. The agency board shall be given at least 30 days in which to make a recommendation. The board of commissioners is not bound by the recommendations, if any, of the planning agency.board.

(b) Amendments, modifications, supplements, repeal or other changes in zoning regulations and restrictions and zone boundaries shall not be applicable or enforceable without consent of the owner with regard to buildings and uses for which either (i) building permits have been issued pursuant to G.S. 153A 357 prior to the enactment of the ordinance making the change or changes so long as the permits remain valid and unexpired pursuant to G.S. 153A 362 or (ii) a vested right has been established pursuant to G.S. 153A 344.1 and such vested right remains valid and unexpired pursuant to G.S. 153A 344.1."

SECTION 33. G.S. 153A-345 reads as rewritten:

"§ 153A-345. Board of adjustment.

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The board of commissioners may provide for the appointment and compensation, if any, of a board of adjustment consisting of at least five members, each to be appointed for three years. In appointing the original members of the board, or in filling vacancies caused by the expiration of the terms of existing members, the board of commissioners may appoint some members for less than three years to the end that thereafter the terms of all members do not expire at the same time. The board of commissioners may provide for the appointment and compensation, if any, of alternate members to serve on the board in the absence or temporary disqualification of any regular member. member or to fill a vacancy pending appointment of a member. Alternate members shall be appointed for the same term, at the same time, and in the same manner as regular members. Each alternate member, while attending any regular or special meeting of the board and serving in the absence on behalf of a regular member, has and may exercise all the powers and duties of a regular member. If the board of commissioners does not zone the entire territorial jurisdiction of the county, each designated zoning area shall have at least one resident as a member of the board of adjustment.

A county may designate a planning agency board or the board of county commissioners to perform any or all of the duties of a board of adjustment in addition to its other duties.

The board of adjustment shall hear and decide appeals from and review any order, requirement, decision, or determination made by an administrative official charged with enforcing an ordinance adopted pursuant to this Part. Any person aggrieved or any officer, department, board, or bureau of the county may take an appeal. Appeals shall be taken within times prescribed by the board of adjustment by general rule, by filing with the officer from whom the appeal is taken and with the board of adjustment a notice of appeal, specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board all the papers constituting the record upon which action appealed from was taken. An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment, after notice of appeal has been filed with him, that because of facts stated in the certificate a stay would, in his opinion, cause imminent peril to life or property or that because the violation charged is transitory in nature a stay would seriously interfere with enforcement of the ordinance. In that case proceedings may not be stayed except by a restraining order, which may be granted by the board of adjustment or by a court of record on application, on notice to the officer from whom the appeal is taken and on due cause shown. The board of adjustment shall fix a reasonable time for the hearing of the appeal, give due notice of the appeal to the parties, and decide the appeal within a reasonable time. The board of adjustment may reverse or affirm, in whole or in part, or may modify the order, requirement, decision, or determination appealed from, and shall make any order, requirement, decision, or determination that in its opinion ought to be made in the circumstances. To this end the board has all of the powers of the officer from whom the appeal is taken.

1 2 special exceptions to the zoning regulations in classes of cases or situations and in 3 accordance with the principles, conditions, safeguards, and procedures specified in the ordinance. The ordinance may also authorize the board to interpret zoning maps and 4 5 pass upon disputed questions of lot lines or district boundary lines and similar questions 6 that may arise in the administration of the ordinance. The board shall hear and decide all 7

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matters referred to it or upon which it is required to pass under the zoning ordinance. When practical difficulties or unnecessary hardships would result from carrying out the strict letter of a zoning ordinance, the board of adjustment may, in passing upon appeals, vary or modify any regulation or provision of the ordinance relating to the use, construction, or alteration of buildings or structures or the use of land, so that the spirit of the ordinance is observed, public safety and welfare secured, and substantial justice done.

The zoning ordinance may provide that the board of adjustment may permit

- The board of adjustment, by a vote of four-fifths of its members, may reverse any order, requirement, decision, or determination of an administrative officer charged with enforcing an ordinance adopted pursuant to this Part, or may decide in favor of the applicant a matter upon which the board is required to pass under the ordinance, or may grant a variance from the provisions of the ordinance. For the purposes of this subsection, vacant positions on the board and members who are disqualified from voting on a quasi-judicial matter shall not be considered 'members of the board' for calculation of the requisite super-majority if there are no qualified alternates available to take the place of such members.
- A member of the board or any other body exercising the functions of a board of adjustment shall not participate in or vote on any quasi-judicial matter for which the board member has a conflict of interest or bias that would violate a party to the decision's constitutional right to an impartial decisionmaker.
- Each decision of the board is subject to review by the superior court by proceedings in the nature of certiorari. certiorari and such appeals may be made by any person who would have had standing to bring or participate in the hearing before the board. Any petition for review by the superior court shall be filed with the clerk of superior court within 30 days after the decision of the board is filed in such office as the ordinance specifies, or after a written copy thereof is delivered to every aggrieved party who has filed a written request for such copy with the secretary or chairman of the board at the time of its hearing of the case, whichever is later. The decision of the board may be delivered to the aggrieved party either by personal service or by registered mail or certified mail return receipt requested.
- The chairman of the board of adjustment or any member temporarily acting as chairman may in his official capacity administer oaths to witnesses in any matter coming before the board.
- The board of adjustment may subpoen witnesses and compel the production of evidence. If a person fails or refuses to obey a subpoena issued pursuant to this subsection, the board of adjustment may apply to the General Court of Justice for an order requiring that its order be obeyed, and the court shall have jurisdiction to issue these orders after notice to all proper parties. No testimony of any witness before the

board of adjustment pursuant to a subpoena issued in exercise of the power conferred by this subsection may be used against the witness in the trial of any civil or criminal action other than a prosecution for false swearing committed on the examination. Any person who, while under oath during a proceeding before the board of adjustment, willfully swears falsely, is guilty of a Class 1 misdemeanor."

SECTION 34. G.S. 153A-347 reads as rewritten:

"§ 153A-347. Part applicable to buildings constructed by the State and its subdivisions; exception.

Each provision of this Part is applicable to the erection, construction, and use of buildings <u>and land</u> by the State of North Carolina and its political subdivisions.

Notwithstanding the provisions of any general or local law or ordinance, no land owned by the State of North Carolina may be included within an overlay district or a special use or conditional use district without approval of the Council of State. State or its delegee."

PART IV. INFRASTRUCTURE AGREEMENTS.

SECTION 35. Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-499. Reimbursement agreements.

- (a) A city may enter into reimbursement agreements with private developers and property owners for the design and construction of municipal infrastructure that is included on the city's Capital Improvement Plan and serves the developer or property owner. For the purpose of this act, municipal infrastructure includes, without limitation, water mains, sanitary sewer lines, lift stations, stormwater lines, streets, curb and gutter, sidewalks, traffic control devices, and other associated facilities.
- (b) A city shall enact ordinances setting forth procedures and terms under which such agreements may be approved.
- (c) A city may provide for such reimbursements to be paid from any lawful source.
- (d) No reimbursement pursuant to an agreement authorized by this act shall be deemed to be construction subject to Article 8 of Chapter 143 of the General Statutes or to be deemed to be a violation or evasion of any provision of said Article. Notwithstanding the foregoing provisions of this section, a construction contract subject to a reimbursement agreement authorized by this act shall not be awarded by a developer or property owner who is a party to such reimbursement agreement without complying with the requirements of G.S. 143-129 and G.S. 143-128(f) relating to public advertising and bid opening requirements which would be applicable if the construction contract had been awarded by the city."

SECTION 36. Article 15 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-309. Intersection and roadway improvements.

A city may contract with a private party for public intersection or roadway improvements that are adjacent or ancillary to a private land development project. Such a contract is not subject to Article 8 of Chapter 143 of the General Statutes if the public

cost will not exceed one hundred seventy-five thousand dollars (\$175,000) and the city determines that: (i) the public cost will not exceed the estimated cost of providing for such public intersection or roadway improvements through either eligible force account qualified labor or through a public contract let pursuant to Article 8 of Chapter 143 of the General Statutes; or (ii) the coordination of separately constructed public intersection or roadway improvements and the adjacent or ancillary private land development improvements would be impracticable."

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PART V. DEVELOPMENT AGREEMENTS.

SECTION 37. Article 19 of Chapter 160A of the General Statutes is amended by adding a new Part to read:

"Part 3D. Development Agreements

"§ 160A-400.20. Authorization for development agreements.

- (a) The General Assembly finds:
 - (1) The lack of certainty in the approval of development can result in a waste of economic and land resources, can discourage sound capital improvement planning and financing, can cause the cost of housing and development to escalate, and can discourage commitment to comprehensive planning.
 - Developers should be assured that upon receipt of a development permit, they may proceed in accordance with existing laws and policies, subject to the conditions of a development agreement. A development agreement should strengthen the public planning process, encourage sound capital improvement planning and financing, assist in assuring there are adequate capital facilities for the development, encourage private participation in comprehensive planning, reduce the economic costs of development, allow for the orderly planning of public facilities and services, and allow for the equitable allocation of the cost of public services.
 - (3) Because the development approval process involves the expenditure of considerable sums of money, predictability encourages the maximum efficient utilization of resources at the least economic cost to the public.
 - (4) Public benefits derived from development agreements may include, but are not limited to, affordable housing, design standards, and on and off-site infrastructure and other improvements. These public benefits may be negotiated in return for the vesting of development rights for a specific period.
 - (5) Land planning and development involve review and action by multiple governmental agencies having jurisdiction over land development.
 - (6) Development agreements will encourage the vesting of property rights by protecting such rights from the effect of subsequently enacted local legislation or from the effects of changing policies and procedures of local government agencies which may conflict with any term or

provision of the development agreement or in any way hinder, restrict, or prevent the development of the project. Development agreements will provide a reasonable certainty as to the lawful requirements that must be met in protecting vested property rights, while maintaining the authority and duty of government to enforce laws and regulations which promote the public safety, health, and general welfare of the citizens of our State.

- (b) It is the intent of the General Assembly to encourage a stronger commitment to comprehensive and capital facilities planning, ensure the provision of adequate public facilities for development, encourage the efficient use of resources, and reduce the economic cost of development.
- (c) <u>Local governments and agencies may enter into development agreements</u> with developers, subject to the procedures and requirements of this Part.
- (d) This Part is supplemental to the powers conferred upon local governments and does not preclude or supercede rights and obligations established pursuant to other law regarding building permits, site-specific development plans, phased development plans, or other provisions of law.

"§ 160A-400.21. Definitions.

The following definitions apply in this Part:

- (1) Comprehensive plan. The comprehensive plan, land use plan, small area plans, neighborhood plans, transportation plan, capital improvement plan, official map, and any other plans regarding land use and development that have been officially adopted by the governing board.
- (2) Developer. A person, including a governmental agency or redevelopment authority, who intends to undertake any development and who has a legal or equitable interest in the property to be developed.
- Oevelopment. The planning for or carrying out of a building activity or mining operation, the making of a material change in the use or appearance of any structure or property, or the dividing of land into two or more parcels. 'Development', as designated in a law or development permit, includes the planning for and all other activity customarily associated with it unless otherwise specified. When appropriate to the context, 'development' refers to the planning for or the act of developing or to the result of development. Reference to a specific operation is not intended to mean that the operation or activity, when part of other operations or activities, is not development. Reference to particular operations is not intended to limit the generality of this item.
- (4) Development permit. A building permit, zoning permit, subdivision approval, special or conditional use permit, variance, or any other official action of local government having the effect of permitting the development of property.

- 1 (5) Governing body. The city council of a municipality or the board of county commissioners of a county.
 - (6) Land development regulations. Ordinances and regulations enacted by the appropriate governing body for the regulation of any aspect of development and includes a local government zoning, subdivision regulations, or any other regulations controlling the development of property.
 - (7) Laws. All ordinances, resolutions, regulations, comprehensive plans, land development regulations, policies and rules adopted by a local government affecting the development of property, and includes laws governing permitted uses of the property, governing density, and governing design, improvement, and construction standards and specifications.
 - (8) Property. All real property subject to land use regulation by a local government and includes any improvements or structures customarily regarded as a part of real property.
 - (9) <u>Local government.</u> Any municipality or county that exercises regulatory authority over and grants development permits for land development or which provides public facilities.
 - (10) Local planning board. Any planning board established pursuant to G.S. 160A-361 or 153A-321.
 - (11) Person. An individual, corporation, business or land trust, estate, trust, partnership, association, two or more persons having a joint or common interest, state agency, or any legal entity.
 - (12) Public facilities. Major capital improvements, including, but not limited to, transportation, sanitary sewer, solid waste, drainage, potable water, educational, parks and recreational, and health systems and facilities.

"§ 160A-400.22. Local governments authorized to enter into development agreements; approval of county or municipal governing body required.

A local government may establish procedures and requirements, as provided in this Part, to consider and enter into development agreements with developers. A development agreement must be approved by the governing body of a county or municipality by written resolution.

"§ 160A-400.23. Developed property must contain certain number of acres; permissible durations of agreements.

A local government may enter into a development agreement with a developer for the development of property as provided in this Part, provided the property contains 25 acres or more of developable property (exclusive of wetlands, mandatory buffers, steep slopes, and other portions of the property precluded from development at the time of application). Development agreements shall be of a term specified in the agreement, provided they may not be for a term exceeding 20 years.

"§ 160A-400.24. Public hearing.

Before entering into a development agreement, a local government shall conduct a public hearing on the proposed agreement following the procedures set forth in G.S. 160A-364 or G.S. 153A-323 regarding zoning ordinance adoption or amendment. The notice for the public hearing must specify the location of the property subject to the development agreement, the development uses proposed on the property, and must specify a place where a copy of the proposed development agreement can be obtained. In the event that the development agreement provides that the local government shall provide certain public facilities, the development agreement shall provide that the delivery date of such public facilities will be tied to defined completion percentages or other defined performance standards to be met by the developer.

"§ 160A-400.25. What development agreement must provide; what it may provide; major modification requires public notice and hearing.

- (a) A development agreement shall include all of the following:
 - (1) A legal description of the property subject to the agreement and the names of its legal and equitable property owners.
 - (2) The duration of the agreement. However, the parties are not precluded from extending the termination date by mutual agreement or from entering into subsequent development agreements.
 - (3) The development uses permitted on the property, including population densities and building types, intensities, placement on the site, and design.
 - (4) A description of public facilities that will service the development, including who provides the facilities, the date any new public facilities, if needed, will be constructed, and a schedule to assure public facilities are available concurrent with the impacts of the development.
 - (5) A description, where appropriate, of any reservation or dedication of land for public purposes and any provisions to protect environmentally sensitive property as may be required or permitted pursuant to laws in effect at the time of entering into the development agreement.
 - (6) A description of all local development permits approved or needed to be approved for the development of the property together with a statement indicating that the failure of the agreement to address a particular permit, condition, term, or restriction does not relieve the developer of the necessity of complying with the law governing the permitting requirements, conditions, terms, or restrictions.
 - (7) A finding that the development permitted or proposed is consistent with the local government's comprehensive plan and land development regulations.
 - (8) A description of any conditions, terms, restrictions, or other requirements determined to be necessary by the local government for the public health, safety, or welfare of its citizens.
 - (9) A description, where appropriate, of any provisions for the preservation and restoration of historic structures.

- (b) A development agreement may provide that the entire development or any phase of it be commenced or completed within a specified period of time. The development agreement must provide a development schedule including commencement dates and interim completion dates at no greater than five-year intervals; provided, however, the failure to meet a commencement or completion date shall not, in and of itself, constitute a material breach of the development agreement pursuant to G.S. 160A-400.28, but must be judged based upon the totality of the circumstances. The development agreement may include other defined performance standards to be met by the developer. If the developer requests a modification in the dates as set forth in the agreement and is able to demonstrate and establish that there is good cause to modify those dates, those dates must be modified by the local government. A major modification of the agreement may occur only after public notice and a public hearing by the local government.
- (c) If more than one local government is made party to an agreement, the agreement must specify which local government is responsible for the overall administration of the development agreement.
- (d) The development agreement also may cover any other matter not inconsistent with this Part.

"§ 160A-400.26. Agreement and development must be consistent with local government comprehensive plan and land development regulations.

A development agreement and authorized development must be consistent with the local government's comprehensive plan and land development regulations.

"§ 160A-400.27. Law in effect at time of agreement governs development; exceptions.

- (a) Unless otherwise provided by the development agreement, the laws applicable to development of the property subject to a development agreement are those in force at the time of execution of the agreement.
- (b) A local government may apply subsequently adopted laws to a development that is subject to a development agreement only if the local government has held a public hearing and determined:
 - (1) The laws are not in conflict with the laws governing the development agreement and do not prevent the development set forth in the development agreement;
 - (2) They are essential to the public health, safety, or welfare and the laws expressly state that they apply to a development that is subject to a development agreement;
 - (3) The laws are specifically anticipated and provided for in the development agreement;
 - (4) The local government demonstrates that substantial changes have occurred in pertinent conditions existing at the time of approval of the development agreement which changes, if not addressed by the local government, would pose a serious threat to the public health, safety, or welfare; or

- (5) The development agreement is based on substantially and materially inaccurate information supplied by the developer.
- (c) This section does not abrogate any rights preserved by G.S. 160A-385, 160A-385.1, 153A-344, and 153A-344.1 or that may vest pursuant to common law or otherwise in the absence of a development agreement.

"§ 160A-400.28. Periodic review to assess compliance with agreement; material breach by developer; notice of breach; cure of breach or modification or termination of agreement.

- (a) Procedures established pursuant to G.S. 160A-400.22 must include a provision for requiring periodic review by the zoning administrator, or, if the local government has no zoning administrator, by an appropriate officer of the local government, at least every 12 months, at which time the developer must be required to demonstrate good faith compliance with the terms of the development agreement.
- (b) If, as a result of a periodic review, the local government finds and determines that the developer has committed a material breach of the terms or conditions of the agreement, the local government shall serve notice in writing, within a reasonable time after the periodic review, upon the developer setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and providing the developer a reasonable time in which to cure the material breach.
- (c) If the developer fails to cure the material breach within the time given, then the local government unilaterally may terminate or modify the development agreement; provided, that the local government has first given the developer the opportunity to rebut the finding and determination or to consent to amend the development agreement to meet the concerns of the local government with respect to the findings and determinations.

"§ 160A-400.29. Amendment or cancellation of development agreement by mutual consent of parties or successors in interest.

A development agreement may be amended or canceled by mutual consent of the parties to the agreement or by their successors in interest.

"§ 160A-400.30. Validity and duration of agreement entered into prior to change of jurisdiction; subsequent modification or suspension.

- (a) Except as otherwise provided by this Part, any development agreement entered into by a local government before the effective date of a change of jurisdiction valid for the duration of the agreement, or eight years from the effective date of the incorporation or annexation, whichever is earlier. The parties to the development agreement and the local government assuming jurisdiction have the same rights and obligations with respect to each other regarding matters addressed in the development agreement as if the property had remained in the previous jurisdiction.
- (b) A local government assuming jurisdiction may modify or suspend the provisions of the development agreement if the local government determines that the failure of the local government to do so would place the residents of the territory subject to the development agreement, or the residents of the local government, or both, in a condition dangerous to their health or safety, or both.

"§ 160A-400.31. Developer to record agreement within 14 days; burdens and benefits inure to successors in interest.

Within 14 days after a local government enters into a development agreement, the developer shall record the agreement with the register of deeds in the county where the property is located. The burdens of the development agreement are binding upon, and the benefits of the agreement shall inure to, all successors in interest to the parties to the agreement.

"§ 160A-400.32. Agreement to be modified or suspended to comply with later-enacted state or federal laws or regulations.

In the event state or federal laws or regulations, enacted after a development agreement has been entered into, prevent or preclude compliance with one or more provisions of the development agreement, the provisions of the agreement must be modified or suspended as may be necessary to comply with the state or federal laws or regulations.

"§ 160A-400.33. Rights, duties, and privileges of gas and electricity suppliers not affected.

The provisions of this act are not intended nor may they be construed in any way to alter or amend in any way the rights, duties, and privileges of suppliers of electricity or natural gas with reference to the provision of electricity or gas service, including, but not limited to, the generation, transmission, distribution, or provision of electricity at wholesale, retail, or in any other capacity.

"§ 160A-400.34. Applicability to local government of constitutional and statutory procedures for approval of debt.

In the event that any of the obligations of the local government in the development agreement constitute debt, the local government shall comply at the time of the obligation to incur such debt becomes enforceable against the local government with any applicable constitutional and statutory procedures for the approval of this debt.

"§ 160A-400.35. Agreement may not contravene or supersede building or housing code; compliance with code if subsequently enacted.

Notwithstanding any other provision of law, a development agreement adopted pursuant to this chapter must comply with any building or housing codes subsequently adopted by the governing body of a municipality or county. A development agreement may not include provisions that supersede or contravene the requirements of any building or housing code adopted by the governing body of a municipality or county."

PART VI. EFFECTIVE DATE.

SECTION 38. This act becomes effective January 1, 2004.