

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE BILL 2787\*  
Committee Substitute Favorable 7/10/08  
Committee Substitute #2 Favorable 7/15/08

Short Title: Special Assessments Authority.

(Public)

Sponsors:

Referred to:

May 29, 2008

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW SPECIAL ASSESSMENTS TO BE PAID IN MORE THAN  
3 TEN ANNUAL INSTALLMENTS AND TO BE PLEDGED TO THE  
4 REPAYMENT OF REVENUE BONDS ISSUED FOR CRITICAL  
5 INFRASTRUCTURE NEEDS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Chapter 153A of the General Statutes is amended by adding a  
8 new Article to read:

9 "Article 9A.

10 "Special Assessments for Critical Infrastructure Needs.

11 "§ 153A-210.1. Purpose.

12 This Article enables counties that face increased demands for infrastructure  
13 improvements as a result of rapid growth and development to issue revenue bonds  
14 payable from special assessments imposed under this Article on benefited property. This  
15 Article supplements the authority counties have in Article 9 of this Chapter. The  
16 provisions of Article 9 of this Chapter apply to this Article, to the extent they do not  
17 conflict with this Article.

18 "§ 153A-210.2. Assessments.

19 (a) Projects. – The board of commissioners of a county may make special  
20 assessments as provided in this Article against benefited property within the county for  
21 the purpose of financing the capital costs of projects for which bonds may be issued  
22 under any of the following:

23 (1) G.S. 159-48(b)(17), sanitary sewer systems.

24 (2) G.S. 159-48(b)(19), storm sewers and flood control facilities.

25 (3) G.S. 159-48(b)(21), water systems.

26 (4) G.S. 159-48(b)(23), public transportation facilities.

27 (5) G.S. 159-48(c)(4), school facilities.

28 (6) G.S. 159-48(d)(5), streets and sidewalks.

1       (b) Costs. – The board of commissioners must determine a project's total  
2 estimated cost. In addition to the costs allowed under G.S. 153A-193, the costs may  
3 include any expenses allowed under G.S. 159-84. A preliminary assessment roll may be  
4 prepared, and an assessment may be imposed before the costs are incurred, based on the  
5 estimated cost.

6       (c) Method. – The board of commissioners must establish an assessment method  
7 that will most accurately assess each lot or parcel of land according to the benefits  
8 conferred upon it by the project for which the assessment is made. In addition to the  
9 bases upon which assessments may be made under G.S. 153A-186, the board may select  
10 any other method designed to allocate the costs in accordance with benefits conferred.

11 **"§ 153A-210.3. Petition required.**

12       (a) Petition. – The board of commissioners may not impose a special assessment  
13 under this Article unless it receives a petition for the project to be financed by the  
14 assessment signed by at least a majority of the owners of real property to be assessed  
15 who must represent at least sixty-six percent (66%) of the assessed value of all real  
16 property to be assessed. The petition must include the following:

17           (1) A statement of the project proposed to be financed in whole or in part  
18 by the imposition of an assessment under this Article.

19           (2) An estimate of the cost of the project.

20           (3) An estimate of the portion of the cost of the project to be assessed.

21       (b) Petition Withdrawn. – The board of commissioners must wait at least 10 days  
22 after the public hearing on the preliminary assessment resolution before adopting a final  
23 assessment resolution. A petition submitted under subsection (a) of this section may be  
24 withdrawn if notice of petition withdrawal is given in writing to the board signed by at  
25 least a majority of the owners who signed the petition submitted under subsection (a) of  
26 this section representing at least fifty percent (50%) of the assessed value of all real  
27 property to be assessed. The board may not adopt a final assessment resolution if it  
28 receives a timely notice of petition withdrawal.

29       (c) Validity of Assessment. – No right of action or defense asserting the  
30 invalidity of an assessment on grounds that the county did not comply with this section  
31 may be asserted except in an action or proceeding begun within 90 days after  
32 publication of the notice of adoption of the preliminary assessment resolution.

33 **"§ 153A-210.4. Financing a project for which an assessment is imposed.**

34       A board of commissioners may provide for the payment of the cost of a project for  
35 which an assessment may be imposed under this Article solely from revenue bonds to  
36 be repaid from the assessments or from a combination of financing sources that include  
37 the revenue bonds. Other financing sources include general obligation bonds and  
38 general revenues. The assessment resolution must include the estimated cost of the  
39 project and the amount of the cost to be derived from revenue bonds and any other  
40 financing source.

41 **"§ 153A-210.5. Payment of assessments by installments.**

42       An assessment imposed under this Article is payable in annual installments. The  
43 board of commissioners must set the number of annual installments, which may not be  
44 more than 30. The installments are due on the date that property taxes are due.

1 **"§ 153A-210.6. Revenue bonds.**

2 (a) Authorization. – A board of commissioners that imposes an assessment under  
3 this Article may issue revenue bonds under Article 5 of Chapter 159 of the General  
4 Statutes to finance the project for which the assessment is imposed and use the proceeds  
5 of the assessment imposed as revenues pertaining to the project.

6 (b) Modifications. – This Article specifically modifies the authority of a county  
7 to issue revenue bonds under Article 5 of Chapter 159 of the General Statutes by  
8 extending the authority in that Article to include a project for which an assessment may  
9 be imposed under this Article. In applying the provisions of Article 5, the following  
10 definitions apply:

11 (1) Revenue bond project. – Defined in G.S. 159-81(3). The term includes  
12 projects for which an assessment is imposed under this Article.

13 (2) Revenues. – Defined in G.S. 159-81(4). The term includes assessments  
14 imposed under this Article to finance a project allowed under this  
15 Article."

16 **SECTION 2.** Chapter 160A of the General Statutes is amended by adding a  
17 new article to read:

18 "Article 10A.

19 "Special Assessments for Critical Infrastructure Needs.

20 **"§ 160A-239.1. Purpose.**

21 This Article enables cities that face increased demands for infrastructure  
22 improvements as a result of rapid growth and development to issue revenue bonds  
23 payable from special assessments imposed under this Article on benefited property. This  
24 Article supplements the authority cities have in Article 10 of this Chapter. The  
25 provisions of Article 10 of this Chapter apply to this Article, to the extent they do not  
26 conflict with this Article.

27 **"§ 160A-239.2. Assessments.**

28 (a) Projects. – The council of a city may make special assessments against  
29 benefited property within the city for the purpose of financing the capital costs of  
30 projects for which bonds may be issued under any of the following:

31 (1) G.S. 159-48(b)(17), sanitary sewer systems.

32 (2) G.S. 159-48(b)(19), storm sewers and flood control facilities.

33 (3) G.S. 159-48(b)(21), water systems.

34 (4) G.S. 159-48(b)(23), public transportation facilities.

35 (5) G.S. 159-48(c)(4), school facilities.

36 (6) G.S. 159-48(d)(5), streets and sidewalks.

37 (b) Costs. – The city council must determine a project's total estimated cost. In  
38 addition to the costs allowed under G.S. 153A-193, the costs may include any expenses  
39 allowed under G.S. 159-84. An assessment may be imposed before the costs are  
40 incurred, based on the estimated cost.

41 (c) Method. – The city council must establish an assessment method that will  
42 most accurately assess each lot or parcel of land according to the benefits conferred  
43 upon it by the project for which the assessment is made. In addition to the bases upon

1 which assessments may be made under G.S. 153A-186, the council may select any other  
2 method designed to allocate the costs in accordance with benefits conferred.

3 **"§ 160A-239.3. Petition required.**

4 (a) Petition. – The city council may not impose a special assessment under this  
5 Article unless it receives a petition for the project to be financed by the assessment  
6 signed by at least a majority of the owners of real property to be assessed who must  
7 represent at least sixty-six percent (66%) of the assessed value of all real property to be  
8 assessed. The petition must include the following:

9 (1) A statement of the project proposed to be financed in whole or in part  
10 by the imposition of an assessment under this Article.

11 (2) An estimate of the cost of the project.

12 (3) An estimate of the portion of the cost of the project to be assessed.

13 (b) Petition Withdrawn. – The city council must wait at least 10 days after the  
14 public hearing on the preliminary assessment resolution before adopting a final  
15 assessment resolution. A petition submitted under subsection (a) of this section may be  
16 withdrawn if notice of petition withdrawal is given in writing to the council signed by at  
17 least a majority of the owners who signed the petition submitted under subsection (a) of  
18 this section representing at least fifty percent (50%) of the assessed value of all real  
19 property to be assessed. The council may not adopt a final assessment resolution if it  
20 receives a timely notice of petition withdrawal.

21 (c) Validity of Assessment. – No right of action or defense asserting the  
22 invalidity of an assessment on grounds that the city did not comply with this section  
23 may be asserted except in an action or proceeding begun within 90 days after  
24 publication of the notice of adoption of the preliminary assessment resolution.

25 **"§ 160A-239.4. Financing a project for which an assessment is imposed.**

26 A city council may provide for the payment of the cost of a project for which an  
27 assessment may be imposed under this Article solely from revenue bonds to be repaid  
28 from the assessments or from a combination of financing sources that include the  
29 revenue bonds. Other financing sources include general obligation bonds and general  
30 revenues. The assessment resolution must include the estimated cost of the project and  
31 the amount of the cost to be derived from revenue bonds and any other financing source.

32 **"§ 160A-239.5. Payment of assessments by installments.**

33 An assessment imposed under this Article is payable in annual installments. The city  
34 council must set the number of annual installments, which may not be more than 30.  
35 The installments are due on the date that property taxes are due.

36 **"§ 160A-239.6. Revenue bonds.**

37 (a) Authorization. – A city council that imposes an assessment under this Article  
38 may issue revenue bonds under Article 5 of Chapter 159 of the General Statutes to  
39 finance the project for which the assessment is imposed and use the proceeds of the  
40 assessment imposed as revenues pertaining to the project.

41 (b) Modifications. – This Article specifically modifies the authority of a city to  
42 issue revenue bonds under Article 5 of Chapter 159 of the General Statutes by extending  
43 the authority in that Article to include a project for which an assessment may be

1 imposed under this Article. In applying the provisions of Article 5, the following  
2 definitions apply:

3 (1) Revenue bond project. – Defined in G.S. 159-81(3). The term includes  
4 projects for which an assessment is imposed under this Article.

5 (2) Revenues. – Defined in G.S. 159-81(4). The term includes assessments  
6 imposed under this Article to finance a project allowed under this  
7 Article."

8 **SECTION 3.** If any provision of this act or its application is held invalid, the  
9 invalidity does not affect other provisions or applications of this act that can be given  
10 effect without the invalid provisions or application, and to this end the provisions of this  
11 act are severable.

12 **SECTION 4.** This act is effective when it becomes law and expires July 1,  
13 2013. The expiration does not affect the validity of assessments imposed or bonds  
14 issued or authorized under the provisions of this act prior to the effective date of the  
15 expiration.