

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 823

Short Title: County Service Districts/Research & URSD. (Public)

Sponsors: Representatives Hawkins, Longest, Alston, and Ball (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 9, 2025

1 A BILL TO BE ENTITLED
2 AN ACT MAKING CHANGES TO THE LAWS RELATED TO RESEARCH AND
3 PRODUCTION SERVICE DISTRICTS AND URBAN RESEARCH SERVICE
4 DISTRICTS.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. RESEARCH AND PRODUCTION SERVICE DISTRICT**

8 **SECTION 1.1.** G.S. 153A-311 reads as rewritten:

9 "**§ 153A-311. Purposes for which districts may be established.**

10 The board of commissioners of any county may define a county research and production
11 service district in order to finance, provide, and maintain for the district any service, facility, or
12 function that a county or a city is authorized by general law to provide, finance, or ~~maintain~~
13 maintain in its territorial jurisdiction. Such a service, facility, or function shall be financed,
14 provided, or maintained in the district either in addition to or to a greater extent than services,
15 facilities, or functions are financed, provided, or maintained for the entire county."

16 **SECTION 1.2.** G.S. 153A-313 reads as rewritten:

17 "**§ 153A-313. Research and production service district advisory committee.**

18 (a) The board or boards of commissioners, in the resolution establishing a research and
19 production service district, shall also provide for an advisory committee for the district. Such a
20 committee shall have at least 10 members, serving terms as set forth in the resolution; one
21 member shall be the representative of the developer of the research and production park
22 established as a research and production service district. The resolution shall provide for the
23 appointment or designation of a chair. The board of commissioners or, in the case of a
24 multi-county district, the boards of commissioners shall appoint the members of the advisory
25 committee. If a multi-county district is established, the concurrent resolutions establishing the
26 district shall provide the number of members of the advisory committee, which shall be at least
27 10, and how many members of the advisory committee are to be appointed by each board of
28 commissioners-commissioners. The concurrent resolutions may allow for the appointments to
29 be divided among the counties proportionate to the respective size of the research and production
30 service district. Before making the appointments, the appropriate board shall request the
31 association of owners and tenants, required by G.S. 153A-312(a), to submit a list of persons to
32 be considered for appointment to the committee; the association shall submit at least two names
33 for each appointment to be made. Except as provided in the next two sentences, the board of
34 commissioners shall make the appointments to the committee from the list of persons submitted.
35 In addition, the developer of the research and production park shall appoint one person to the



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1 advisory committee as the developer's representative on the committee. In addition, in a single
2 county district, the board of commissioners may make two additional appointments of such other
3 persons as the board of commissioners deems appropriate, and in a multi-county district, each
4 board of county commissioners may make one additional appointment of such other person as
5 that board of commissioners deems appropriate. Whenever a vacancy occurs on the committee
6 in a position filled by appointment by the board of commissioners, the appropriate board, before
7 filling the vacancy, shall request the association to submit the names of at least two persons to
8 be considered for the vacancy; and the board shall fill the vacancy by appointing one of the
9 persons so submitted, except that if the vacancy is in a position appointed by the board of
10 commissioners under the preceding sentence of this section, the board of commissioners making
11 that appointment shall fill the vacancy with such person as that board of commissioners deems
12 appropriate.

13"

14 **SECTION 1.3.** G.S. 153A-314 reads as rewritten:

15 "**§ 153A-314. Extension of service districts.**

16 ...

17 (a1) Multi-County Districts. – If territory that lies wholly in one county is to be annexed
18 to a multi-county district, only the board of commissioners of that county is required to adopt a
19 resolution annexing the territory. In annexing territory under this subsection, the board of
20 commissioners shall comply with the provisions of this section.

21"

22 **SECTION 1.4.** G.S. 153A-315 reads as rewritten:

23 "**§ 153A-315. Required provision or maintenance of services.**

24 (a) New District. – When a county or counties define a research and production service
25 district, it or they shall provide, maintain, or let contracts for the services for which the district is
26 being taxed within a reasonable time, not to exceed one year, after the effective date of the
27 definition of the district. The county may designate the developer of the research and
28 development park established as a research and production service district as an agent that may
29 contract, with the approval of the county in which the research and production service district is
30 located, for the provision of services, construction, and procurement within the research and
31 production service district. The developer-agent may own property necessary to provide the
32 services, including, but not limited to, streets, sidewalks, parks, schools, utilities, and public
33 transportation systems, and proceeds of taxes levied within the research and production service
34 district used to pay for or maintain the property providing the service are presumptively expended
35 for a public purpose.

36"

37 **PART II. URBAN RESEARCH SERVICE DISTRICT**

38 **SECTION 2.1.** G.S. 153A-316.1 reads as rewritten:

39 "**§ 153A-316.1. Urban research service district (URSD).**

40 ...

41 (a1) Multi-County Districts. – If an area that meets the standards for creation of a research
42 and production service district lies in more than one county, the boards of commissioners of those
43 counties may adopt concurrent resolutions establishing a district, even if that portion of the
44 district lying in any one of the counties does not by itself meet the standards. Each of the county
45 boards of commissioners shall follow the procedure set out in this section for creation of a district.

46"

47 **SECTION 2.2.** G.S. 153A-316.2 reads as rewritten:

48 "**§ 153A-316.2. URSD advisory committee.**

49 (a) Members. – The board of commissioners, in the resolution establishing a URSD, shall
50 also provide for an advisory committee for the URSD. The committee shall have at least 10
51

1 members, ~~servi~~ng ~~whose appointments and terms as shall be~~ set forth in the resolution. The
2 resolution shall provide for the appointment or designation of a chairperson. ~~The board of~~
3 ~~commissioners shall appoint the members of the URSD [URSD] advisory committee.~~ In the case
4 of a multi-county URSD, the resolution may allow for the appointments to be divided among the
5 counties proportionate to the respective size of the research and production service district.
6 Before making the appointments, the board shall request the association of owners and tenants,
7 required by G.S. 153A-312(a), to submit a list of persons to be considered for appointment to the
8 committee. The association shall submit at least two names for each appointment to be made.
9 Except as provided in subsection (b) of this section, the board of commissioners shall make the
10 appointments to the committee from the list of persons submitted.

11 (b) Additional Members. – In addition to the members provided in subsection (a) of this
12 section, the developer of the research and production park established as a research and
13 production service district shall appoint one person to the URSD advisory committee as the
14 developer's representative on the committee. The board of commissioners may make two
15 additional appointments of such other persons as the board of commissioners deems
16 ~~appropriate~~ appropriate; provided, however, in the case of a multi-county URSD, established as
17 provided in G.S. 153A-316.1(a1), the board of commissioners of each county may make one
18 additional appointment.

19"

20 **SECTION 2.3.** G.S. 153A-316.3 reads as rewritten:

21 "**§ 153A-316.3. Extension of URSD.**

22 ...

23 (a1) Multi-County Districts. – If territory that lies wholly in one county is to be annexed
24 to a multi-county URSD, only the board of commissioners of that county shall be required to
25 adopt a resolution annexing the territory. In annexing territory under this subsection, the board
26 of commissioners shall comply with the provisions of this section.

27"

28 **SECTION 2.4.** G.S. 153A-316.5 reads as rewritten:

29 "**§ 153A-316.5. Required provision or maintenance of services in URSD.**

30 (a) New URSD. – When a county or counties defines a URSD, it shall provide, maintain,
31 or let contracts for the services for which the URSD is being taxed within a reasonable time, not
32 to exceed one year, after the effective date of the definition of the URSD. When a county defines
33 a URSD, it may designate the developer of the research and development park established as a
34 research and production service district in which the URSD is located as an agent that may
35 ~~contract with any local government for the provision of services within the URSD.~~ contract, with
36 the approval of the county or counties in which the URSD is located, for the provision of services,
37 construction, and procurement within the URSD. The developer-agent may own property
38 necessary to provide the services, including, but not limited to, streets, sidewalks, parks, schools,
39 utilities, and public transportation systems, and proceeds of taxes levied within the research and
40 production service district used to pay for or maintain the property providing the service are
41 presumptively expended for a public purpose.

42"

43 **SECTION 2.5.** G.S. 153A-317 reads as rewritten:

44 "**§ 153A-317. Research and production service district taxes authorized; rate limitation.**

45 (a) Tax Authorized. – A county, upon recommendation of the advisory committee
46 established pursuant to G.S. 153A-313, may levy property taxes within a research and production
47 service district in addition to those levied throughout the county, in order to finance, provide, or
48 maintain for the district services provided therein in addition to or to a greater extent than those
49 financed, provided, or maintained for the entire county. In addition, a county may allocate to a
50 district any other revenues whose use is not otherwise restricted by law. The proceeds of taxes

1 only within a district may be expended only for services provided for the district. Only those
 2 services that counties and cities are authorized by law to provide may be provided.

3 Property subject to taxation in a newly established district or in an area annexed to an existing
 4 district is that subject to taxation by the county as of the preceding January 1.

5 (b) Limit. – Such additional property taxes may not be levied within any district
 6 established pursuant to this Article in excess of a rate of ~~ten cents (10¢)~~ twenty cents (20¢) on
 7 each one hundred dollars (\$100.00) value of property subject to ~~taxation or, in the event that the~~
 8 ~~research and production service district satisfies the criteria of G.S. 143B-437.08(h), such~~
 9 ~~additional property taxes may not be levied within said district in excess of a rate of twenty cents~~
 10 ~~(20¢) on each one hundred dollars (\$100.00) value of property subject to taxation.~~taxation.

11"

12 **SECTION 2.6.** G.S. 153A-317.1 reads as rewritten:

13 **"§ 153A-317.1. Urban research service district taxes authorized; rate.**

14 (a) Tax Authorized. – A county, upon recommendation of the advisory committee
 15 established pursuant to G.S. 153A-316.2, may levy property taxes within a URSD in addition to
 16 those levied throughout the county, and in addition to those levied throughout the county research
 17 and production service district, in order to finance, provide, or maintain for the URSD services
 18 provided therein in addition to or to a greater extent than those financed, provided, or maintained
 19 both for the entire county and for the county research and production service district. Only those
 20 services that counties and cities are authorized by law to provide may be provided. In addition, a
 21 county may allocate to a URSD any other revenue not otherwise restricted by law.

22 ...

23 (c) Use. – The proceeds of taxes levied within a URSD may be expended only for the
 24 benefit of the URSD. The taxes levied for the URSD may be used for debt service on any debt
 25 issued by the county that is used wholly or partly for capital projects located within the URSD,
 26 but not in greater proportion than expense of projects located within the URSD or for the benefit
 27 of the URSD bear to the entire expense of capital projects financed by that borrowing of the
 28 county. A capital project does not have to be located wholly within the URSD to be considered
 29 a project that benefits the URSD. For the purpose of this subsection, "debt" includes (i) general
 30 obligation bonds and notes issued under Chapter 159 of the General Statutes, (ii) revenue bonds
 31 issued under Chapter 159 of the General Statutes, (iii) financing agreements under Article 8 of
 32 Chapter 159 of the General Statutes, and (iv) special obligation bonds issued by the county."

33
 34 **PART III. MISCELLANEOUS**

35 **SECTION 3.1.** G.S. 153A-149 reads as rewritten:

36 **"§ 153A-149. Property taxes; authorized purposes; rate limitation.**

37 ...

38 (c) Each county may levy property taxes for one or more of the purposes listed in this
 39 subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars
 40 (\$100.00) appraised value of property subject to taxation. Authorized purposes subject to the rate
 41 limitation are:

42 ...

43 (27) Public Transportation. – To provide public transportation by rail, motor
 44 vehicle, or another means of conveyance other than a ferry, including any
 45 facility or equipment needed to provide the public ~~transportation.~~
 46 transportation, such as a greenway to the extent it supports a means of public
 47 conveyance. This subdivision does not authorize a county to provide public
 48 roads in the county in violation of G.S. 136-51.

49"

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 51 **PART IV. EFFECTIVE DATE**

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SECTION 4.1. This act is effective when it becomes law.