

UPDATE ON 2025 PLANNING RELATED LEGISLATION

Carrboro Town Council - April 15, 2025



TOWN OF CARRBORO • NC

Overview – Proposed NC Legislation

House Bills	Senate Bills
HB9 Firearm Discharge/Preempt Local Ordinance	SB291 Regulation of Short-Term Rentals
HB24 Restore Down-Zoning Authority	SB413 Eliminate ETJ Overlap
HB372 Home-Based Business Fairness Act	SB419 Restore Down-Zoning Authority
HB369 Parking Lot Reform and Modernization	SB493 Land Use Clarification and Changes
HB627 Regulation of Accessory Dwelling Units	SB495 Regulation of Accessory Dwelling Units
HB661 Building Industry Efficiency Act	SB497 Expand Middle Housing
HB765 Local Government Development Regulations Omnibus	SB499 Allow Housing Near Jobs
	SB587 Clarify Nonconforming Uses
	SB688 Local Government Land Use Reform
	SB713 Limit Local Government Environmental Requirements
	SB736 Foundation Act: Building NC's Housing Future
	SB758 Water & Sewer Allocation Reforms

HB765 Local Government Development Regs Omnibus

- **Fiscal Note Requirement (Sec. 1)**
 - Fiscal notes required for ordinances affecting single-family housing costs.
 - Must cover 5 fiscal years, use median-priced home data, and be available 5+ days in advance.
 - Civil action allowed if not prepared.
- **Jurisdiction Rule Choice (Sec. 5)**
 - Application of development rules when property crosses boundary lines and water/sewer service.
- **Review Timelines (Sec. 8)**
 - 14 days to deem amendment (text/map) applications complete/deficient.
 - 90-day max to decide on rezonings/site plans—automatic approval if deadline missed.

HB765 Local Government Development Regs Omnibus

- **Grant of Power Limitations (Sec. 9)**

- Prohibits local governments from:
 - Applying certain conditions based on voluntary consent such as single-family residential design standards.
 - Setting minimum width or length for structure.
 - Establishing driveway dimensions or parking requirements/dimensions (except ADA).
 - Requiring sidewalk installation for commercial or school property unless it connects to an existing or planned sidewalk (within 2 years).
 - Enforcing road standards stricter than NCDOT (unless city maintains the road).

- **Zoning Based on Density (Sec. 10)**

- Zoning must be based on density, not lot size.
- Cities (pop. 20,000–124,999) must allow ≥ 5 units/acre in every zoning district.
- Local governments cannot add conditions to approvals unless specifically authorized by law.
- Density yield must use full parcel size—no deductions for buffers, streets, open space, etc.

HB765 Local Government Development Regs Omnibus

- **Expanded Range of Decisions Available for Challenge via Civil Action (Sec. 15)**
 - Broadens standing to associations with qualifying members.
 - Defines "local governmental official" as elected, appointed board members, or administrative staff.
- **Private Remedies Expansion (Sec. 16)**
 - Expands rights for individuals to pursue private legal remedies for violations of Chapter 160D.
- **Increased Liability for Local Officials (Sec. 17)**
 - Personal Civil Liability if officials:
 - Violate due process.
 - Use outside evidence in quasi-judicial decisions.
 - Act with malice, arbitrariness, capriciousness, or unlawfulness.
 - Courts may award punitive damages; courts must award attorney fees to successful plaintiffs under 160D-1406.
 - Local governments cannot regulate development through general ordinance-making power alone.

HB765 Local Government Development Regs Omnibus

- **Driveway Regulation Restrictions (Sec. 19)**
 - Cities cannot regulate driveway size, location, traffic flow, or construction methods of driveway connections.
 - Cities may only require medians or turning lanes if they show substantial evidence of need.
- **Water & Sewer Capacity Reservations (Sec. 20a)**
 - Prohibits reserving water/sewer capacity for speculative or future development (OWASA).
- **On-Site Wastewater Systems (Sec. 21)**
 - Allows landowners to install package plant wastewater systems even within public sewer service areas (OC Environmental Health).
 - Landowners cannot be forced to connect to public sewer unless their system fails.

SB688 Local Government Land Use Reform

- **Application of Chapter 160D (Sec. 1)**
 - Limits local government land use authority solely to that expressly authorized in Statutes.
- **Grant of Zoning Power (Sec. 2)**
 - **Restrictions on local government powers:**
 - (b) Local regulations (including conditional districts) cannot impose building design standards on residential structures.
 - (c) Prohibits regulations that:
 - Set minimum structure dimensions (width, length, square footage)
 - Set parking standards
 - Require fire apparatus access roads
 - Mandate street design standards beyond NCDOT's (unless locally maintained)
 - (e) Cities with a population of 149,000 or less must allow at least 4 dwelling units per acre by-right or by special use permit (SUP).

SB688 Local Government Land Use Reform

Zoning Districts (Sec. 3)

- **Recognizes zoning districts as:**
 - Conventional, Conditional, Form-Based, Overlay, or as authorized by charter.
- **(b) Conditional Districts:**
 - Prohibits any conditions deemed unenforceable by courts, even if voluntarily offered by a developer.
- **(b1) Limitations:**
 - No requirement for developments to be “in harmony” with surroundings if affordable housing is included (serving <80% Area Median Income).
- **(c) Uniformity Clause:**
 - All zoning regulations must be uniform for each class of building in the same district.
- **(e) Process:**
 - Adoption of zoning or development regulation must follow quasi-judicial procedures.

SB688 Local Government Land Use Reform

Attorneys' Fees & Personal Liability (Sec. 5)

- **Courts may award attorneys' fees if local officials:**
 - Act inconsistently with or violate G.S. 160D-108(b) or G.S. 143-755
 - Engage in actions that are arbitrary, capricious, unlawful, or outside statutory authority
- **Personal liability applies to elected officials** (e.g., commissioners, aldermen, councilmembers) if their conduct is found to be fraudulent, malicious, corrupt, or beyond authority.

Driveway Regulation Limits (Sec. 6)

- Cities may not regulate the size, traffic flow direction, or construction method of driveway connections, except as expressly allowed under Chapter 160D.

Civil Action for Local Government Decisions (Sec. 7)

- Allows individuals/entities to seek judicial review of local government or official decisions.
- Provides options for declaratory relief, injunctive relief, or other remedies.
- Ensures legal recourse if local decisions are challenged.

SB713 Limit Local Government Environmental Rqmt's

Limitation on regulation of environmental matters by units of local government. (Sec. 1)

- (a) No unit of local government, as that term is defined by G.S. 159-44, may enact, adopt, implement, or enforce any ordinance, rule, regulation, or policy for the protection of the environment or natural resources that imposes a more restrictive standard or limitation than those imposed by State or federal law, unless otherwise specifically directed by the General Assembly.
- (b) Nothing in this section shall be construed to prohibit a unit of local government from adopting, implementing, and enforcing requirements necessary to comply with federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency, provided such requirement does not exceed the scope of the authority expressly granted.
- (c) The limitation established by this section shall not be construed to apply to any ordinance, rule, regulation, or policy adopted by a unit of local where the regulations are adopted as a condition of participation in the National Flood Insurance Program."

This act is effective when it becomes law. (Sec. 2)

Each unit of local government shall review and amend its ordinances, rules, regulations, and policies to ensure compliance with G.S. 143B-279.30, as enacted by Section 1 of this act, by December 1, 2025, after which date any non-compliant provisions remaining shall be null and void.

Questions / Discussion