GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H D

HOUSE BILL DRH10346-TQ-30

Short Title:	Local Gov. Development Regulations Omnibus.	(Public)
Sponsors:	Representative Zenger.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO REFORM LOCAL GOVERNMENT DEVELOPMENT REGULATIONS IN THIS STATE.

The General Assembly of North Carolina enacts:

HOUSING AFFORDABILITY IMPACT STATEMENTS

SECTION 1.(a) G.S. 120-36.7 reads as rewritten:

"**§ 120-36.7. Long-term fiscal notes.**

(a) Budget Outlook; Proposed Legislation. – Every fiscal analysis of the State budget outlook shall encompass the upcoming five-year period. Every fiscal analysis of the impact of proposed legislation on the State budget shall estimate the impact for the first five fiscal years the legislation would be in effect.

(b) Proposed State Buildings. – Upon the request of a member of the General Assembly, the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to appropriate funds for a State building. The analysis shall estimate the projected maintenance and operating costs of the building for the first 20 fiscal years after it is completed.

(c) Proposed New Programs. – Upon the request of a member of the General Assembly, the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to create a new State program. The analysis shall identify and estimate all personnel costs of the proposed new program for the first five fiscal years it will operate. The analysis shall also include a five-year estimate of space requirements, an indication of whether those requirements can be satisfied using existing State-owned facilities, and estimated costs of occupying leased space where State-owned space is not available.

(d) Proposed Increases in Incarceration. – Every bill and resolution introduced in the General Assembly proposing any change in the law that could cause a net increase in the length of time for which persons are incarcerated or the number of persons incarcerated, whether by increasing penalties for violating existing laws, by criminalizing behavior, or by any other means, shall have attached to it at the time of its consideration by the General Assembly a fiscal note prepared by the Fiscal Research Division. The fiscal note shall be prepared in consultation with the Sentencing Policy and Advisory Commission and shall identify and estimate, for the first five fiscal years the proposed change would be in effect, all costs of the proposed net increase in incarceration, including capital outlay costs if the legislation would require increased cell space. If, after careful investigation, the Fiscal Research Division determines that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the fiscal note with regard to

the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

The sponsor of each bill or resolution to which this subsection applies shall present a copy of the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the sponsor agrees to an extension of time.

This fiscal note shall be attached to the original of each proposed bill or resolution that is reported favorably by any committee of the General Assembly, but shall be separate from the bill or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression of legislative intent proposed by the bill or resolution.

If a committee of the General Assembly reports favorably a proposed bill or resolution with an amendment that proposes a change in the law that could cause a net increase in the length of time for which persons are incarcerated or the number of persons incarcerated, whether by increasing penalties for violating existing laws, by criminalizing behavior, or by any other means, the chair of the committee shall obtain from the Fiscal Research Division and attach to the amended bill or resolution a fiscal note as provided in this section.

(e) Proposed Increases Affecting Home Affordability. – Every bill and resolution introduced in the General Assembly proposing any change in the law that could cause a net increase or decrease in the cost of constructing, purchasing, owning, or selling a single-family residence, either directly or indirectly, shall have attached to it at the time of its consideration by the General Assembly a fiscal note prepared by the Fiscal Research Division. The fiscal note shall identify and estimate, for the first five fiscal years the proposed change would be in effect, all anticipated effects on costs of the proposed change. The fiscal note shall be prepared on the basis of a median priced single-family residence and may include an estimate for a larger development as an analysis of the long-range effect of a measure. If, after careful investigation, the Fiscal Research Division determines that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the fiscal note with regard to the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

The sponsor of each bill or resolution to which this subsection applies shall present a copy of the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the sponsor agrees to an extension of time.

This fiscal note shall be attached to the original of each proposed bill or resolution that is reported favorably by any committee of the General Assembly but shall be separate from the bill or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression of legislative intent proposed by the bill or resolution.

If a committee of the General Assembly reports favorably a proposed bill or resolution with an amendment that proposes a change in the law that could cause a net increase or decrease the cost of constructing, purchasing, owning, or selling a single-family residence, either directly or indirectly, the chair of the committee shall obtain from the Fiscal Research Division and attach to the amended bill or resolution a fiscal note as provided in this section."

SECTION 1.(b) Article 3 of Chapter 159 of the General Statutes is amended by adding a new section to read:

"**§ 159-42.2. Fiscal note required for ordinances affecting housing affordability.**

(a) Prior to adopting, amending, or repealing an ordinance that could cause a net increase or decrease in the cost of constructing, purchasing, owning, or selling a single-family residence, either directly or indirectly, the governing body of a county or city shall have a fiscal note prepared by its planning department or another department designated by the governing body. The fiscal note shall be submitted to the governing body at least five days prior to the meeting at which the ordinance is to be introduced and shall be made available to the public at that meeting. For purposes of this section, the term "introduced" has the same meaning as in G.S. 160A-75(c). In preparing the fiscal note, the planning or other department may consult with relevant trade organizations representing the real estate or home building industries. The fiscal note shall identify and estimate, for the first five fiscal years the ordinance, or the amendment or repeal thereof, would be in effect, all anticipated effects on costs of the proposed change. The fiscal note shall be prepared on the basis of a median priced single-family residence and may include an estimate for a larger development as an analysis of the long-range effect of a measure. If, after careful investigation, the planning or other department determines that no dollar estimate is possible, the fiscal note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the fiscal note with regard to the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

(b) Any resident of the county or city may bring a civil action in the superior court of the county for failure of the governing body to have a fiscal note prepared as required by this section. If the court determines the governing body failed to have a fiscal note prepared as required by this section, the court shall order that a fiscal note be prepared. The court shall have no authority to determine the sufficiency of a fiscal note."

SECTION 1.(c) This section becomes effective July 1, 2025, and applies to legislation and ordinances introduced for consideration on or after that date.

LIMIT PLANNING AND DEVELOPMENT REGULATION AUTHORITY TO THAT EXPRESSLY GRANTED BY CHAPTER 160D OF THE GENERAL STATUTES

SECTION 2.(a) G.S. 160D-101 reads as rewritten:

"**§ 160D-101. Application.**

(a) The provisions of this Article shall apply to all development regulations and programs adopted pursuant to this Chapter or applicable or related local acts. To the extent there are contrary provisions in local charters or acts, G.S. 160D-111 is applicable unless this Chapter expressly provides otherwise. The provisions of this Article also apply to any other local ordinance that substantially affects land use and development.

(b) The provisions of this Article are supplemental to specific provisions included in other Articles of this Chapter. To the extent there are conflicts between the provisions of this Article and the provisions of other Articles of this Chapter, the more specific provisions shall control.

(c) Local governments may also apply any of the definitions and procedures authorized by this Chapter to any ordinance that does not substantially affect land use and development adopted under the general police power of cities and counties, Article 8 of Chapter 160A of the General Statutes and Article 6 of Chapter 153A of the General Statutes respectively, and may employ any organizational structure, board, commission, or staffing arrangement authorized by this Chapter to any or all aspects of those ordinances.

~~(d) This Chapter does not expand, diminish, or alter the scope of authority for planning and development regulation authorized by other Chapters of the General Statutes.~~

(e) Notwithstanding any other provision of law, a local government may not exercise planning, zoning, subdivision, or development regulation authority except as expressly authorized by this Chapter. If a State law or rule governs a particular subject matter related to a local government's planning, zoning, subdivision, or development regulation authority, a local

government shall not enact or enforce planning, zoning, subdivision or development regulations standards, limitations, or requirements that are more restrictive than those established by State law, unless the regulation pertains to floodplain management regulations as described in G.S. 143-138(e)."

SECTION 2.(b) This section becomes effective January 1, 2026. Any local government ordinance in effect on, or adopted subsequent to, that date that is inconsistent with this section is void and unenforceable.

EXTEND DURATION OF SITE-SPECIFIC VESTING PLANS FROM TWO YEARS TO FIVE YEARS AND LIMIT THE APPLICABILITY OF SUBSEQUENT CHANGES TO LAND DEVELOPMENT REGULATIONS

SECTION 3.(a) G.S. 160D-108.1 reads as rewritten:

"**§ 160D-108.1. Vested rights – site-specific vesting plans.**

…

(c) Approval and Amendment of Plans. – If a site-specific vesting plan is based on an approval required by a local development regulation, the local government shall provide whatever notice and hearing is required for that underlying approval. A duration of the underlying approval that is less than ~~two~~ five years does not affect the duration of the site-specific vesting plan established under this section. If the site-specific vesting plan is not based on ~~such an approval,~~ an approval required by a local development regulation, a legislative hearing with notice as required by G.S. 160D-602 shall be held.

A local government may approve a site-specific vesting plan upon any terms and conditions that may reasonably be necessary to protect the public health, safety, and welfare. Conditional approval results in a vested right, although failure to abide by the terms and conditions of the approval will result in a forfeiture of vested rights. A local government shall not require a landowner to waive the landowner's vested rights as a condition of developmental approval. A site-specific vesting plan is deemed approved upon the effective date of the local government's decision approving the plan or another date determined by the governing board upon approval. An approved site-specific vesting plan and its conditions may be amended with the approval of the owner and the local government as follows: any substantial modification must be reviewed and approved in the same manner as the original approval; minor modifications may be approved by staff, if ~~such~~ the modifications are defined and authorized by local regulation.

…

(e) Duration and Termination of Vested Right. –

(1) A vested right for a site-specific vesting plan remains vested for a period of ~~two~~ five years. This vesting shall not be extended by any amendments or modifications to a site-specific vesting plan unless expressly provided by the local government.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, a local government may provide for rights to be vested for a period exceeding ~~two~~ five years but not exceeding ~~five~~ eight years where warranted in light of all relevant circumstances, including, but not limited to, the size and phasing of development, the level of investment, the need for the development, economic cycles, and market conditions or other considerations. These determinations are in the sound discretion of the local government and shall be made following the process specified for the particular form of a site-specific vesting plan involved in accordance with subsection (a) of this section.

(3) Upon issuance of a building permit, the provisions of G.S. 160D-1111 and G.S. 160D-1115 apply, except that a permit does not expire and shall not be revoked because of the running of time while a vested right under this section is outstanding.

(4) A right vested as provided in this section terminates at the end of the applicable vesting period with respect to buildings and uses for which no valid building permit applications have been filed.

(f) Subsequent Changes Prohibited; Exceptions. –

(1) A vested right, once established as provided for in this section, precludes any ~~zoning action~~ land development regulation by a local government which would change, alter, impair, prevent, diminish, or otherwise delay the development or use of the property as set forth in an approved site-specific vesting plan, except under one or more of the following conditions:

a. With the written consent of the affected landowner.

b. Upon findings, by ordinance after notice and an evidentiary hearing, that natural or man-made hazards on or in the immediate vicinity of the property, if uncorrected, would pose a serious threat to the public health, safety, and welfare if the project were to proceed as contemplated in the site-specific vesting plan.

c. To the extent that the affected landowner receives compensation for all costs, expenses, and other losses incurred by the landowner, including, but not limited to, all fees paid in consideration of financing, and all architectural, planning, marketing, legal, and other consulting fees incurred after approval by the local government, together with interest as provided under G.S. 160D-106. Compensation shall not include any diminution in the value of the property which is caused by the action.

d. Upon findings, by ordinance after notice and an evidentiary hearing, that the landowner or the landowner's representative intentionally supplied inaccurate information or made material misrepresentations that made a difference in the approval by the local government of the site-specific vesting plan or the phased development plan.

e. Upon the enactment or promulgation of a State or federal law or regulation that precludes development as contemplated in the site-specific vesting plan or the phased development plan, in which case the local government may modify the affected provisions, upon a finding that the change in State or federal law has a fundamental effect on the plan, by ordinance after notice and an evidentiary hearing.

(2) The establishment of a vested right under this section ~~does not preclude~~ precludes the application of overlay zoning or other development regulations which impose additional requirements but do not affect the allowable type or intensity of use, or ordinances or regulations which are general in nature and are applicable to all property subject to development regulation by a local government, including, but not limited to, building, fire, plumbing, electrical, and mechanical codes. Otherwise applicable new development regulations become effective with respect to property which is subject to a site-specific vesting plan upon the expiration or termination of the vesting rights period provided for in this section.

(3) Notwithstanding any provision of this section, the establishment of a vested right does not preclude, change, or impair the authority of a local government to adopt and enforce development regulations governing nonconforming situations or uses.

…."

SECTION 3.(b) This section is effective when it becomes law and applies to applications and appeals filed on or after that date.

STRENGTHEN PROHIBITION ON LOCAL GOVERNING BOARD CONFLICTS OF INTEREST

SECTION 4.(a) G.S. 160D-109 reads as rewritten:

"**§ 160D-109. Conflicts of interest.**

(a) Governing Board. – A governing board member shall not participate in or vote on any legislative decision regarding a development regulation adopted pursuant to this Chapter ~~where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the member. A governing board member shall not vote on any zoning amendment if the landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, or other associational relationship.~~where:

(1) The outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable impact on the member.

(2) The landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, or other associational relationship.

(3) The member has a fixed opinion prior to the hearing on the matter that is not susceptible to change.

(4) The member has undisclosed ex parte communication about the matter.

(b) Appointed Boards. – Members of appointed boards shall not participate in or vote on any advisory or legislative decision regarding a development regulation adopted pursuant to this Chapter ~~where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the member. An appointed board member shall not vote on any zoning amendment if the landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, or other associational relationship.~~where:

(1) The outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable impact on the member.

(2) The landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, or other associational relationship.

(3) The member has a fixed opinion prior to the hearing on the matter that is not susceptible to change.

(4) The member has undisclosed ex parte communication about the matter.

…."

SECTION 4.(b) G.S. 160D-605 reads as rewritten:

"**§ 160D-605. Governing board statement.**

(a) Plan Consistency. – When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required. A plan amendment and a zoning amendment may be considered concurrently. The plan consistency statement is ~~not~~ subject to judicial review. If a zoning map amendment qualifies as a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement describing plan

consistency may address the overall rezoning and describe how the analysis and policies in the relevant adopted plans were considered in the action taken.

…."

ESTABLISH JURISDICTION FOR LAND THAT LIES WITHIN MORE THAN ONE LOCAL GOVERNMENT

SECTION 5. G.S. 160D-203 reads as rewritten:

"**§ 160D-203. Split jurisdiction.**

(a) If a parcel of land lies within the planning and development regulation jurisdiction of more than one local government, for the purposes of this Chapter, the local governments may, by mutual agreement pursuant to Article 20 of Chapter 160A of the General Statutes and with the written consent of the landowner, assign exclusive planning and development regulation jurisdiction under this Chapter for the entire parcel to any one of those local governments. ~~Such a~~ The mutual agreement shall only be applicable to development regulations and shall not affect taxation or other nonregulatory matters. The mutual agreement shall be evidenced by a resolution formally adopted by each governing board and recorded with the register of deeds in the county where the property is located within 14 days of the adoption of the last required resolution.

(b) Notwithstanding subsection (a) of this section, if a parcel of land lies within the planning and development regulation jurisdiction of more than one local government and only one local government has the ability to provide water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government that has the ability to provide public water and sewer services shall have planning and development regulation jurisdiction over the entire parcel. If all of the local governments have the ability to either provide public water services or public sewer services to the parcel, but not both, at the time a site plan for the parcel is submitted, the owner of the parcel may designate which local government's planning and development regulations shall apply to the land. If all or none of the local governments have the ability to provide public water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government where the majority of the parcel is located shall have jurisdiction over the land."

CLARIFY LOCAL GOVERNMENT FEES RELATED TO DEVELOPMENT REGULATIONS

SECTION 6. G.S. 160D-402(d) reads as rewritten:

"(d) Financial Support. – The local government may appropriate for the support of the staff any funds that it deems necessary. It shall have power to fix ~~reasonable~~ fees for support, administration, and implementation of programs authorized by this ~~Chapter, and all~~ Chapter. All such fees shall not exceed the amount reasonably required to support, administer, and implement programs authorized by this Chapter, and shall be used for no other purposes. When an inspection, for which the permit holder has paid a fee to the local government, is performed by a marketplace pool Code-enforcement official upon request of the State Fire Marshal under G.S. 143-151.12(9)a., the local government shall promptly return to the permit holder the fee collected by the local government for such inspection. This subsection applies to the following types of inspection: plumbing, electrical systems, general building restrictions and regulations, heating and air-conditioning, and the general construction of buildings."

REQUIRE DECISIONS ON USES PERMITTED BY RIGHT TO BE DETERMINED ADMINISTRATIVELY IN LARGE CITIES

SECTION 7. G.S. 160D-403 reads as rewritten:

"**§ 160D-403. Administrative development approvals and determinations.**

(a) Development Approvals. – To the extent consistent with the scope of regulatory authority granted by this Chapter, no person shall commence or proceed with development

without first securing any required development approval from the local government with jurisdiction over the site of the development. A development approval shall be in writing and may contain a provision requiring the development to comply with all applicable State and local laws. A local government may issue development approvals in print or electronic form. Any development approval issued exclusively in electronic form shall be protected from further editing once issued. Applications for development approvals may be made by the landowner, a lessee or person holding an option or contract to purchase or lease land, or an authorized agent of the landowner. An easement holder may also apply for development approval for ~~such~~ the development as is authorized by the easement.

(b) Determinations and Notice of Determinations. – A development regulation enacted under the authority of this Chapter may designate the staff member or members charged with making determinations under the development regulation. For cities with a population of 125,000 people or more, approvals concerning an application for a project that is a permitted use in the zoning district where the project is located shall be made only by the city's administrative staff, as described in G.S. 160D-402.

…."

REQUIRE REZONING AND SITE PLAN DECISIONS IN NO MORE THAN 90 DAYS

SECTION 8.(a) Article 7 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"**§ 160D-707. Review period for rezoning decisions.**

Within 14 calendar days of the filing of an application for amendment of a zoning map or zoning regulations, a local government or its designated administrative staff, as described under G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant of the application's completeness and (ii) if the local government or its designated administrative staff determines the application is incomplete, specify all the deficiencies in the notice to the applicant. The applicant may file an amended application or supplemental information to cure the deficiencies identified by the local government or its designated administrative staff for a completeness review, which shall be completed within 14 calendar days after receiving an amended application or supplemental application from the applicant. Upon the date the application is deemed complete, the local government or its designated administrative staff shall issue a receipt letter or electronic response stating that the application is complete and that a 90-calendar day review period has started as of that date. The local government shall approve or deny the application within 90 calendar days of the original date the application was deemed complete by the local government or its designated administrative staff, except that if the applicant requests a continuance of the application, the review period shall be tolled for the duration of any continuance. The time period for review may be extended only by agreement with the applicant if the application cannot be reviewed within the specified time limitation due to circumstances beyond the control of the local government. The extension shall not exceed six months. Failure of the local government or its designated administrative staff to act before the expiration of the time period allowed for review shall constitute an approval of the application, and the local government shall issue a written approval upon demand by the applicant."

SECTION 8.(b) G.S. 160D-403 is amended by adding a new subsection to read:

"(a1) Within 14 calendar days of the filing of an application for a development approval, a local government or its designated administrative staff, as described under G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant of the application's completeness and (ii) if the local government or its designated administrative staff determines the application is incomplete, specify all the deficiencies in the notice to the applicant. The applicant may file an amended application or supplemental information to cure the deficiencies identified by the local government or its designated administrative staff for a completeness review, which shall be completed within 14 calendar days after receiving an amended application

or supplemental application from the applicant. Upon the date the application is deemed complete, the local government or its designated administrative staff shall issue a receipt letter or electronic response stating that the application is complete and that a 90-calendar day review period has started as of that date. The local government shall approve or deny the application within 90 calendar days of the original date the application was deemed complete by the local government or its designated administrative staff, except that if the applicant requests a continuance of the application, the review period shall be tolled for the duration of any continuance. The time period for review may be extended only by agreement with the applicant if the application cannot be reviewed within the specified time limitation due to circumstances beyond the control of the local government. The extension shall not exceed six months. Failure of the local government or its designated administrative staff to act before the expiration of the time period allowed for review shall constitute an approval of the application, and the local government shall issue a written approval upon demand by the applicant."

SECTION 8.(c) This section is effective when it becomes law and applies to applications filed on or after that date.

LIMIT ZONING REGULATION AUTHORITY

SECTION 9. G.S. 160D-702 reads as rewritten:

"**§ 160D-702. Grant of power.**

(a) A local government may adopt zoning regulations. Except as provided in subsections (b) and (c) of this section, a zoning regulation may regulate and restrict the height, number of stories, 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; the location and use of buildings, structures, and land. A local government may regulate development, including floating homes, over estuarine waters and over lands covered by navigable waters owned by the State pursuant to G.S. 146-12. A zoning regulation shall 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. Where appropriate, a zoning regulation may include requirements that street and utility rights-of-way be dedicated to the public, that provision be made of recreational space and facilities, and that performance guarantees be provided, all to the same extent and with the same limitations as provided for in G.S. 160D-804 and G.S. 160D-804.1.

(b) Any regulation relating to building design elements adopted under this Chapter may not be applied to any structures subject to regulation under the North Carolina Residential Code except under one or more of the following circumstances:

(1) The structures are located in an area designated as a local historic district pursuant to Part 4 of Article 9 of this Chapter.

(2) The structures are located in an area designated as a historic district on the National Register of Historic Places.

(3) The structures are individually designated as local, State, or national historic landmarks.

(4) The regulations are directly and substantially related to the requirements of applicable safety codes adopted under G.S. 143-138.

(5) Where the regulations are applied to manufactured housing in a manner consistent with G.S. 160D-908 and federal law.

(6) Where the regulations are adopted as a condition of participation in the National Flood Insurance Program.

Regulations prohibited by this subsection may not be applied, directly or indirectly, in any zoning district or conditional ~~district unless voluntarily consented to by the owners of all the property to which those regulations may be applied as part of and in the course of the process of seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval,~~ district, nor may any such regulations be applied indirectly as part of a review pursuant to

G.S. 160D-604 or G.S. 160D-605 of any proposed zoning amendment for consistency with an adopted comprehensive plan or other applicable officially adopted plan.

For the purposes of this subsection, the phrase "building design elements" means exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of windows and doors, including garage doors; the number and types of rooms; and the interior layout of rooms. The phrase "building design elements" does not include any of the following: (i) the height, bulk, orientation, or location of a structure on a zoning lot, (ii) the use of buffering or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect the privacy of neighbors, or (iii) regulations adopted pursuant to this Article governing the permitted uses of land or structures subject to the North Carolina Residential Code.

Nothing in this subsection affects the validity or enforceability of private covenants or other contractual agreements among property owners relating to building design elements.

(c) A zoning or other development regulation shall not do any of the following:

(1) Set a minimum width, length, or square footage of any structures subject to regulation under the North Carolina Residential Code.

~~(2) Require a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.~~

(2a) Establish or require parking or parking space requirements or allocations except as required by the Americans with Disabilities Act. This subsection applies to parking space sizes, parking spaces required within a particular development, the location of parking spaces within a particular development, and the configuration of parking spaces within a particular development.

(3) Require additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the Fire Code of the North Carolina Residential Code for One- and Two-Family Dwellings.

(4) Except as provided under G.S. 160A-307, set a minimum width, length, or square footage for driveways within a development unless the driveway abuts a public road. A "public road" means any road, street, highway, thoroughfare, or other way of passage that is owned and maintained by a city or the Department of Transportation. This subdivision shall not be construed to expand, diminish, or alter the Department of Transportation's authority to regulate driveways adjacent to roads owned by the State.

(5) Set design standards for roads within a development in excess of those required by the Department of Transportation, except that a city may set design standards for roads within a development in excess of those required by the Department of Transportation if the city accepts ownership and maintenance responsibility for the road prior to or in conjunction with site plan approval. Confirmation of conformity of the improvements consistent with local government design specifications, regulations, or ordinances under this section shall be conducted consistent with G.S. 160D-804.1(1c). Upon confirmation that the improvements have been made consistent with G.S. 160D-804.1(1c), the local government shall record with the register of deeds a plat evincing ownership of the road by the city.

(6) Require installation of sidewalks or improvement of existing sidewalks for any commercial or school property unless the sidewalk (i) is connected to an existing sidewalk or (ii) will connect to a planned adjacent sidewalk that the local government believes, based on a development approval, will be

constructed within two years of the commercial or school property site plan approval.

(7) For cities with a population of 125,000 people or more, establish setback or buffer yard requirements for a multifamily development that exceeds 15 units per acre."

REQUIRE ZONING DISTRICTS TO BE BASED ON DENSITY AND CLARIFY PROHIBITION ON CONDITIONS NOT AUTHORIZED BY LAW

SECTION 10.(a) G.S. 160D-102 is amended by adding a new subdivision to read:

"(15a) Dwelling unit. – A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation."

SECTION 10.(b) G.S. 160D-703 reads as rewritten:

"**§ 160D-703. Zoning districts.**

(a) Types of Zoning Districts. – ~~A~~ Except as provided in subsection (a1) of this section, a local government may divide its territorial jurisdiction into zoning districts of any number, shape, and area deemed best suited to carry out the purposes of this Article. Within those districts, it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. Zoning districts may include, but are not ~~be~~ limited to, the following:

(1) Conventional districts, in which a variety of uses are allowed as permitted uses or uses by right and that may also include uses permitted only with a special use permit.

(2) Conditional districts, in which site plans or individualized development conditions are imposed.

(3) Form-based districts, or development form controls, that address the physical form, mass, and density of structures, public spaces, and streetscapes.

(4) Overlay districts, in which different requirements are imposed on certain properties within one or more underlying conventional, conditional, or form-based districts.

(5) Districts allowed by charter.

(a1) Residential Zoning Districts Classified Based on Density. – A local government shall classify residential zoning districts based on the number of dwelling units allowed per acre. A local government shall not classify residential zoning districts based on the minimum lot size allowed in the district.

(a2) Permitted Uses in Counties. – In areas zoned for residential use, a zoning or other development regulation in a county shall allow the following uses by right:

(1) In a county with a population of 49,999 or less, the siting of no fewer than four dwelling units per acre.

(2) In a county with a population between 50,000 and 274,999, the siting of no fewer than five dwelling units per acre.

(3) In a county with a population of 275,000 or more, the siting of no fewer than six dwelling units per acre.

(a3) Permitted Uses in Cities. – A city zoning or other development regulation in a city shall allow the following uses by right:

(1) In areas zoned for residential use in a city with a population of 19,999 or less, the siting of no fewer than four dwelling units per acre.

(2) In areas zoned for residential use in a city with a population between 20,000 and 124,999, the siting of no fewer than five dwelling units per acre.

(3) In areas zoned for residential use in a city with a population of 125,000 or more, the siting of no fewer than six dwelling units per acre. The minimum

dwelling unit requirement may be met by duplexes, triplexes, and quadruplexes, which shall be permitted by right.

(4) In areas zoned for non-agricultural commercial, business, or industrial use in a city with a population of 125,000 or more, all of the following:

a. Duplexes.

b. Triplexes.

c. Quadruplexes.

d. Multifamily housing structures with more than four residential dwelling units, with a maximum height restriction of not less than 60 feet.

(a4) Exemption from Local Design Standards and Buffer Yards. – In a city with a population of 125,000 people or more, structures and uses allowable under subdivision (3) or (4) of subsection (a3) of this section shall not be subject to either of the following:

(1) Local design standards, except those adopted as a condition of participation in the National Flood Insurance Program.

(2) Landscape buffering regulations.

(a5) Applicability of Permitted Uses. – Subsections (a2) and (a3) of this section, as applicable, apply to all structures subject to the North Carolina Residential Code and shall apply regardless of whether the structures are located on multiple lots or on a single lot. Subsections (a2) and (a3) of this section do not apply to land used for a bona fide farm purpose as described in G.S. 160D-903 or an open space land purpose as described in G.S. 160D-1307.

(b) Conditional Districts. – Property may be placed in a conditional district only in response to a petition by all owners of the property to be included. Specific conditions may be proposed by the petitioner or the local government or its agencies, but only those conditions approved by the local government and consented to by the petitioner in writing may be incorporated into the zoning regulations. ~~Unless consented to by the petitioner in writing,~~ Notwithstanding any other provision of law, in the exercise of the authority granted by this section, a local government may not (i) require, enforce, or incorporate into the zoning ~~regulations any condition or requirement not authorized by otherwise applicable law,~~ regulations, or require as a condition of approval of any site plan, development agreement, conditional zoning permit, or any other instrument any condition, requirement, or deed restriction not specifically authorized by law, or any condition or requirement that the courts have held to be unenforceable if imposed directly by the local government, or (ii) accept any offer by the petitioner to consent to any condition not specifically authorized by law, including, without limitation, taxes, impact fees, building design elements within the scope of G.S. 160D-702(b), driveway-related improvements in excess of those allowed in G.S. 136-18(29) and G.S. 160A-307, or other unauthorized limitations on the development or use of land. 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 local government ordinances, plans adopted pursuant to G.S. 160D-501, or the impacts reasonably expected to be generated by the development or use of the site. The zoning regulation may provide that defined minor modifications in conditional district standards that do not involve a change in uses permitted or the density of overall development permitted may be reviewed and approved administratively. Any other modification of the conditions and standards in a conditional district shall follow the same process for approval as are applicable to zoning map amendments. If multiple parcels of land are subject to a conditional zoning, the owners of individual parcels may apply for modification of the conditions so long as the modification would not result in other properties failing to meet the terms of the conditions. Any modifications approved apply only to those properties whose owners petition for the modification.

(b1) Limitations. – For parcels where multifamily structures are an allowable use, a local government may not impose a harmony requirement for permit approval if the development

contains affordable housing units for families or individuals with incomes below eighty percent (80%) of the area median income.

(c) Uniformity Within Districts. – 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) Standards Applicable Regardless of District. – A zoning regulation or unified development ordinance may also include development standards that apply uniformly jurisdiction-wide rather than being applicable only in particular zoning districts.

(e) Definition. – For purposes of this section, the term "acre" means the actual gross acreage of a parcel or parcels within a zoning district and shall not be reduced for purposes of determining allowable residential density by subtracting buffers, setbacks, public or private streets, open space or recreation areas, or other nondevelopable areas from the density calculation."

SECTION 10.(c) This section becomes effective January 1, 2026. Any local government ordinance in effect on, or adopted subsequent to, that date that is inconsistent with this section is void and unenforceable.

ADMINISTRATIVE SUBDIVISION APPROVALS

SECTION 11. G.S. 160D-803 reads as rewritten:

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

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

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

(1) The district highway engineer as to proposed State streets, State highways, and related drainage systems.

(2) The county health director or local public utility, as appropriate, as to proposed water or sewerage systems.

(3) Any other agency or official designated by the governing board.

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

~~(1) The governing board.~~

~~(2) The governing board on recommendation of a designated body.~~

~~(3) A designated planning board, technical review committee of local government staff members, or other designated body or staff person.~~

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

(d) After the effective date that a subdivision regulation is adopted, no subdivision within a local government's planning and development regulation jurisdiction shall be filed or recorded until it shall have been submitted to and approved by ~~the governing board or appropriate body,~~ a staff person or committee comprised entirely of staff persons, as specified in the subdivision regulation, and until this approval shall have been entered on the face of the plat in writing by an authorized representative of the local government. The review officer, pursuant to G.S. 47-30.2, shall not certify a subdivision plat that has not been approved in accordance with these provisions

nor shall the clerk of superior court order or direct the recording of a plat if the recording would be in conflict with this section."

ALLOW TINY HOUSES AND ACCESSORY DWELLING UNITS IN RESIDENTIAL DISTRICTS IN LARGE CITIES

SECTION 12. Article 9 of Chapter 160D of the General Statutes is amended by adding two new sections to read:

"**§ 160D-974. Tiny houses in residential districts in large cities.**

(a) Applicability. – This section applies only to cities with a population of 125,000 people or more.

(b) Definitions. – As used in this section, the term "tiny house" means a detached single-family dwelling unit that is no greater than 600 square feet, built to standards applicable to the North Carolina Residential Code, and is either constructed or mounted on a foundation and is connected to utilities. The term does not include a recreational vehicle or manufactured home that has not been affixed to real property.

(c) Small Housing in Residential Zones. – A city shall allow small housing in areas zoned for residential or mixed-use residential, including those that allow for the development of detached single-family dwellings.

(d) Regulation and Scope. – Nothing in this section affects the validity or enforceability of private covenants or other contractual agreements among property owners relating to dwelling type restrictions. Any regulation adopted pursuant to this section shall not apply to an area designated as a local historic district (i) pursuant to Part 4 of Article 9 of this Chapter or (ii) on the National Register of Historic Places, unless approved by the local historic preservation authority. For septic systems, a city may require a new system or an upgrade to an existing system if it is determined that the existing system is incapable of handling extra capacity.

"**§ 160D-975. Accessory dwelling units.**

(a) Applicability. – This section applies only to cities with a population of 125,000 people or more.

(b) A city shall allow the development of at least one accessory dwelling unit which conforms to the North Carolina Residential Code, including applicable provisions from the North Carolina Fire Code, for each detached single-family dwelling that is greater than 600 square feet, in areas zoned for residential use that allow for development of detached single-family dwellings. An accessory dwelling unit may be built or sited concurrently with the primary dwelling or after the primary dwelling has been constructed or sited. Nothing in this section shall prohibit a local government from permitting accessory dwelling units in any area not otherwise required under this section. For the purposes of this section, the term "accessory dwelling unit" means an attached or detached residential structure that is used in connection with or that is accessory to a primary single-family dwelling and that has less total square footage than the primary single-family dwelling.

(c) Development and permitting of an accessory dwelling unit shall not be subject to any of the following requirements:

(1) Owner-occupancy of any dwelling unit, including an accessory unit.

(2) Minimum parking requirements or other parking restrictions, including the imposition of additional parking requirements where an existing structure is converted for use as an accessory dwelling unit.

(3) Conditional use zoning.

(d) In permitting accessory dwelling units under this section, a city shall not do any of the following:

(1) Prohibit the connection of the accessory dwelling unit to existing utilities serving the primary dwelling unit.

(2) Charge any fee, other than a building permit fee, that exceeds the amount charged for any single-family dwelling unit similar in nature.

(e) Except as otherwise provided in this section, a city may regulate accessory dwelling units pursuant to this Chapter, provided that the regulations do not act to discourage development or siting of accessory dwelling units through unreasonable costs or delay. Nothing in this section shall affect the validity or enforceability of private covenants or other contractual agreements among property owners relating to dwelling type restrictions.

(f) A city may impose a setback minimum for accessory dwelling units of 5 feet or the setback minimum imposed generally upon lots in the same zoning classification, whichever is less."

AMEND REQUIREMENTS FOR ESTABLISHMENT OF HISTORIC DISTRICTS

SECTION 13. G.S. 160D-944 reads as rewritten:

"**§ 160D-944. Designation of historic districts.**

(a) Any local government may, as part of a zoning regulation adopted pursuant to Article 7 of this Chapter or as a development regulation enacted or amended pursuant to Article 6 of this Chapter, designate and from time to time amend one or more historic districts within the area subject to the regulation. Historic districts established pursuant to this Part shall consist of areas that are deemed to be of special significance in terms of their history, prehistory, architecture, or culture and to possess integrity of design, setting, materials, feeling, and association.

A development regulation may treat historic districts either as a separate use district classification or as districts that overlay other zoning districts. Where historic districts are designated as separate use districts, the zoning regulation may include as uses by right or as special uses those uses found by the preservation commission to have existed during the period sought to be restored or preserved or to be compatible with the restoration or preservation of the district.

(b) No historic district or districts shall be designated under subsection (a) of this section until all of the following occur:

(1) An investigation and report describing the significance of the buildings, structures, features, sites, or surroundings included in the proposed district and a description of the boundaries of the district have been prepared.

(2) The Department of Natural and Cultural Resources, acting through the State Historic Preservation Officer or his or her designee, has made an analysis of and recommendations concerning the report and description of proposed boundaries. Failure of the Department to submit its written analysis and recommendations to the governing board within 30 calendar days after a written request for the analysis has been received by the Department relieves the governing board of any responsibility for awaiting the analysis, and the governing board may at any subsequent time take any necessary action to adopt or amend its zoning regulation.

(3) Seventy-five percent (75%) of the property owners in the proposed district sign a petition requesting designation of the district.

(c) The governing board may also, in its discretion, refer the report and proposed boundaries under subsection (b) of this section to any local preservation commission or other interested body for its recommendations prior to taking action to amend the zoning regulation. With respect to any changes in the boundaries of a district, subsequent to its initial establishment, or the creation of additional districts within the jurisdiction, the investigative studies and reports required by subdivision (1) of subsection (b) of this section shall be prepared by the preservation commission and shall be referred to the planning board for its review and comment according to procedures set forth in the zoning regulation. Changes in the boundaries of an initial district or

proposal for additional districts shall also be submitted to the Department of Natural and Cultural Resources in accordance with the provisions of subdivision (2) of subsection (b) of this section.

On receipt of these reports and recommendations, the local government may proceed in the same manner as would otherwise be required for the adoption or amendment of any appropriate zoning ~~regulation.~~regulation, except that the governing board shall unanimously approve the adoption of the district.

(d) G.S. 160D-914 applies to zoning or other development regulations pertaining to historic districts, and the authority under that statute for the ordinance to regulate the location or screening of solar collectors may encompass requiring the use of plantings or other measures to ensure that the use of solar collectors is not incongruous with the special character of the district."

REQUIRE ONLY A SHELL PERMIT FOR THE CONSTRUCTION OF MULTIFAMILY DEVELOPMENTS

SECTION 14.(a) G.S. 160D-1110(d) reads as rewritten:

"(d) A local government shall not do any of the following:

(1) Require more than one building permit for the complete installation or replacement of any natural gas, propane gas, or electrical appliance on an existing structure when the installation or replacement is performed by a person licensed under G.S. 87-21 or G.S. 87-43. The cost of the building permit for this work shall not exceed the cost of any one individual trade permit issued by that local government. The local government shall not increase the costs of any fees to offset the loss of revenue caused by this provision.

(2) Require more than one building permit for simultaneous projects at the time of the application located at the same address and subject to the North Carolina Residential Code.

(3) Require more than a shell permit for the construction of a multifamily development project. Upon the request of the permittee, the local government shall issue certificates of occupancy for individual units in a multifamily development project permitted under a shell permit as the units meet the criteria for issuance of a certificate of occupancy. For purposes of this subdivision, "shell permit" means a permit that allows for the structural construction of a building but does not result in the issuance of a certificate of occupancy."

SECTION 14.(b) This section is effective when it becomes law and applies to permit applications filed on or after that date.

EXPAND CAUSES FOR CIVIL ACTION INVOLVING CLAIMS INVOLVING QUESTIONS OF INTERPRETATION AND CLARIFY STANDING IN SUCH CASES

SECTION 15. G.S. 160D-1403.1 reads as rewritten:

"**§ 160D-1403.1. Civil action for declaratory relief, injunctive relief, other remedies; joinder of complaint and petition for writ of certiorari in certain cases.**

(a) Civil Action. – Except as otherwise provided in this section for claims involving questions of interpretation, in lieu of any remedies available under G.S. 160D-405 or G.S. 160D-108(h), a person with standing, as defined in subsection (b) of this section, may bring an original civil action seeking declaratory relief, injunctive relief, damages, or any other remedies provided by law or equity, in superior court or federal court to challenge the enforceability, validity, or effect of a local land development regulation or decision for any of the following claims:

(1) The ordinance, either on its face or as applied, is unconstitutional.

(2) The ordinance, either on its face or as applied, is ultra vires, preempted, arbitrary or capricious, or is otherwise in excess of statutory authority.
(3) The ordinance, either on its face or as applied, constitutes a taking of property.
(4) The decision of an administrative staff member, local government decision-making board or governing board, or a local government official made pursuant to a local government's authority under G.S. 160D-702, G.S. 160D-703, or both, is ultra vires, preempted, in excess of its statutory authority, made upon unlawful procedure, made in error of law, arbitrary and capricious, or an abuse of discretion.

If the decision being challenged is from an administrative official charged with enforcement of a local land development regulation, the party with standing must first bring any claim that the ordinance was erroneously interpreted to the applicable board of adjustment pursuant to G.S. 160D-405. An adverse ruling from the board of adjustment may then be challenged in an action brought pursuant to this subsection with the court hearing the matter de novo together with any of the claims listed in this subsection.

(b) Standing. – Any of the following criteria provide standing to bring an action under this section:

(1) The person has an ownership, leasehold, or easement interest in, or possesses an option or contract to purchase the property that is the subject matter of a final and binding decision made by an administrative official charged with applying or enforcing a land development regulation.
(2) The person was a development permit applicant before the decision-making board whose decision is being challenged.
(3) The person was a development permit applicant who is aggrieved by a final and binding decision of an administrative official charged with applying or enforcing a land development regulation.
(4) An association, organization, society, or entity whose membership is comprised of an individual or entity identified in subdivision (2) or (3) of this subsection.

…

(g) Definitions. – The definitions in G.S. 143-755 apply in this section. For purposes of this section, the term "local government official" means an elected official or appointed member of a decision-making board or governing board or a local government's administrative staff member."

EXPAND PRIVATE REMEDIES FOR VIOLATIONS OF CHAPTER 160D

SECTION 16. Article 14 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"**§ 160D-1403.3. Private remedies.**

In addition to any other remedy otherwise provided by law, any person, association, organization, society, or entity may bring a civil action to enforce the provisions of this Chapter and recover damages, costs, and disbursements, including costs of investigation and reasonable attorneys' fees, and receive other equitable relief as determined by the court."

PERSONAL LIABILITY FOR CERTAIN ACTS OF LOCAL GOVERNMENT OFFICIALS

SECTION 17.(a) G.S. 160D-110 reads as rewritten:

"**§ 160D-110. Chapter construction.**

(a) G.S. 153A-4 and G.S. 160A-4 are not applicable to this Chapter.
(b) "Written" or "in writing" is deemed to include electronic documentation.

(c) Unless specified otherwise, in the absence of evidence to the contrary, delivery by first-class mail shall be deemed received on the third business day following deposit of the item for mailing with the United States Postal Service, and delivery by electronic mail shall be deemed received on the date sent."

SECTION 17.(b) Article 14 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"**§ 160D-1406. Civil liability in certain instances.**

(a) In addition to any other remedy available, actual damages resulting from any development decision, or lack thereof, may be recovered by civil action instituted by any person with standing as described in G.S. 160D-1402(c) from any member or members of the decision-making board who did any of the following with respect to the development decision:

(1) Engaged in impermissible violations of due process.

(2) Considered evidence or other material gained outside of an evidentiary hearing when making a quasi-judicial decision.

(3) Acted maliciously, arbitrarily, and capriciously, or unlawfully.

(b) If a court determines that a member of a decision-making board is liable under subsection (a) of this section, the court may also award punitive damages.

(c) Subject to the common law of legislative privilege and legislative immunity, a court may compel disclosure of information if, in the presiding judge's opinion, the disclosure is necessary to a proper administration of justice.

(d) Attorneys' fees and costs shall be awarded in accordance with G.S. 6-21.7."

SECTION 17.(c) G.S. 6-21.7 reads as rewritten:

"**§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of ~~their~~ authority.**

(a) In any action in which a city or county is a party, upon a finding by the court that the city or county violated a statute or case law setting forth unambiguous limits on its authority, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the city's or county's action. In any action in which a member of a decision-making board under Chapter 160D of the General Statutes is found to be liable under G.S. 160D-1406, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the acts of the member of a decision-making board under Chapter 160D of the General Statutes.

(b) In any action in which a city or county is a party, upon finding by the court that the city or county took action inconsistent with, or in violation of, G.S. 160D-108(b) or G.S. 143-755, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the local government's failure to comply with any of those provisions.

(c) In all other ~~matters,~~ matters not covered by subsection (a) or (b) of this section, the court may award reasonable attorneys' fees and costs to the prevailing private litigant.

(d) For purposes of this section, "unambiguous" means that the limits of authority are not reasonably susceptible to multiple constructions."

SECTION 17.(d) G.S. 153A-121 reads as rewritten:

"**§ 153A-121. General ordinance-making power.**

(a) A county may by ordinance define, regulate, prohibit, or abate acts, omissions, or conditions detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the county; and may define and abate nuisances.

(b) This section does not authorize a county to regulate or control vehicular or pedestrian traffic on a street or highway under the control of the Board of Transportation, nor to regulate or control any right-of-way or right-of-passage belonging to a public utility, electric or telephone membership corporation, or public agency of the State. In addition, no county ordinance may regulate or control a highway right-of-way in a manner inconsistent with State law or an ordinance of the Board of Transportation.

(c) This section does not impair the authority of local boards of health to adopt rules and regulations to protect and promote public health.

(d) This section does not apply to the adoption or enforcement of development regulations under Chapter 160D of the General Statutes."

SECTION 17.(e) G.S. 160A-174 reads as rewritten:

"**§ 160A-174. General ordinance-making power.**

(a) A city may by ordinance define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the city, and may define and abate nuisances.

(b) A city ordinance shall be consistent with the Constitution and laws of North Carolina and of the United States. An ordinance is not consistent with State or federal law when:

(1) The ordinance infringes a liberty guaranteed to the people by the State or federal Constitution;

(2) The ordinance makes unlawful an act, omission or condition which is expressly made lawful by State or federal law;

(3) The ordinance makes lawful an act, omission, or condition which is expressly made unlawful by State or federal law;

(4) The ordinance purports to regulate a subject that cities are expressly forbidden to regulate by State or federal law;

(5) The ordinance purports to regulate a field for which a State or federal statute clearly shows a legislative intent to provide a complete and integrated regulatory scheme to the exclusion of local regulation;

(6) The elements of an offense defined by a city ordinance are identical to the elements of an offense defined by State or federal law.

The fact that a State or federal law, standing alone, makes a given act, omission, or condition unlawful shall not preclude city ordinances requiring a higher standard of conduct or condition.

(c) This section does not apply to the adoption or enforcement of development regulations under Chapter 160D of the General Statutes."

REQUIRE THE DIVISION OF HIGHWAYS TO ACCEPT PERFORMANCE GUARANTEES PENDING COMPLETION OF SUBDIVISION STREETS

SECTION 18. G.S. 136-102.6 reads as rewritten:

"**§ 136-102.6. Compliance of subdivision streets with minimum standards of the Board of Transportation required of developers.**

(a) The owner of a tract or parcel of land which is subdivided from and after October 1, 1975, into two or more lots, building sites, or other divisions for sale or building development for residential purposes, where ~~such~~ the subdivision includes a new street or the changing of an existing street, shall record a map or plat of the subdivision with the register of deeds of the county in which the land is located. The map or plat shall be recorded prior to any conveyance of a portion of said land, by reference to ~~said~~ the map or plat.

(b) The right-of-way of any new street or change in an existing street shall be delineated upon the map or plat with particularity and ~~such~~ the streets shall be designated to be either public or private. Any street designated on the plat or map as public shall be conclusively presumed to be an offer of dedication to the public of ~~such~~ the street.

(c) The right-of-way and design of streets designated as public shall be in accordance with the minimum right-of-way and construction standards established by the Board of Transportation for acceptance on the State highway system. If a municipal or county subdivision control ordinance is in effect in the area proposed for subdivision, the map or plat required by this section shall not be recorded by the register of deeds until after it has received final plat approval by the municipality or county, and until after it has received a certificate of approval by the Division of Highways as ~~herein~~ provided in this section as to those streets regulated in subsection (g). The certificate of approval may be issued by a district engineer of the Division of Highways of the Department of Transportation.

(c1) Notwithstanding anything to the contrary in this section, the Division of Highways shall accept a performance guarantee as provided under G.S. 160D-804.1 to ensure completion of streets that are required by a municipal or county subdivision control ordinance. On receipt of the performance guarantee, the Division of Highways shall issue a certificate of approval to the municipality or county as to those streets.

(d) The right-of-way and construction plans for ~~such~~ the public streets in residential subdivisions, including plans for street drainage, shall be submitted to the Division of Highways for review and approval, prior to the recording of the subdivision plat in the office of the register of deeds. The plat or map required by this section shall not be recorded by the register of deeds without a certification pursuant to G.S. 47-30.2 and, if determined to be necessary by the Review Officer, a certificate of approval by the Division of Highways of the plans for the public street as being in accordance with the minimum standards of the Board of Transportation for acceptance of the subdivision street on the State highway system for maintenance. The Review Officer shall not certify a map or plat subject to this section unless the new streets or changes in existing streets are designated either public or private. The certificate of approval shall not be deemed an acceptance of the dedication of the streets on the subdivision plat or map. Final acceptance by the Division of Highways of the public streets and placing them on the State highway system for maintenance shall be conclusive proof that the streets have been constructed according to the minimum standards of the Board of Transportation. The Board of Transportation must approve the addition of subdivision street improvements designated as public to the State highway system for maintenance pursuant to this subsection within 90 days after the Department of Transportation receives a petition for road addition and the Department determines those subdivision streets meet the minimum standards of the Board of Transportation.

…."

LIMIT CURB CUT REGULATIONS

SECTION 19. G.S. 160A-307 reads as rewritten:

"**§ 160A-307. Curb cut regulations.**

(a) ~~A~~ Except as expressly permitted by Chapter 160D of the General Statutes, a city may not regulate by ordinance ~~regulate~~ the size, location, direction of traffic flow, and manner of construction of driveway connections into any street or alley. ~~The~~ To the extent allowed by Chapter 160D of the General Statutes, the ordinance may require the construction or reimbursement of the cost of construction and public dedication of medians, acceleration and deceleration lanes, and traffic storage lanes for driveway connections into any street or alley if all of the following apply:

(1) The city has shown through substantial evidence the need for ~~such~~ the improvements is reasonably attributable to the traffic using the driveway.

(2) The city has shown through substantial evidence the improvements serve the traffic of the driveway.

(b) No street or alley under the control of the Department of Transportation may be improved without the consent of the Department of Transportation. A city shall not require the applicant to acquire right-of-way from property not owned by the applicant. However, an applicant may voluntarily agree to acquire such right-of-way.

(c) For purposes of this section, "substantial evidence" means facts and information, other than mere personal preferences or speculation, that a reasonable person would accept in support of a conclusion."

PROVIDE FOR RESERVATION OF WATER AND SEWER CAPACITY FOR PROPOSED DEVELOPMENT

SECTION 20.(a) Article 11 of Chapter 162A of the General Statutes is amended by adding a new section to read:

"**§ 162A-901. Reservation of water and sewer capacity for proposed development.**

(a) On receiving a completed application for service commitment to a proposed development, a public water system, public sewer system, or public water and sewer system serving the site for the proposed development shall respond within 30 days as to whether the public system has capacity to serve the proposed development. For the purposes of this section, "proposed development" means a project for which a complete development application is submitted and that has received, or there is pending, required development approval under Chapter 160D of the General Statutes.

(b) Reservation of capacity in a public system shall be provided only to applicants with an active application for development approval under Chapter 160D of the General Statutes. A local government or public authority shall not reserve capacity in a public system for any speculative or future development or general purpose not associated with a specific proposed development.

(c) Unless the public system does not have capacity to serve the proposed development or is under a moratorium precluding expansion imposed under G.S. 160D-107 or by a State agency, a public system shall reserve the necessary capacity for the proposed development for 24 months from the date of the completed application for service commitment. If the public system lacks sufficient capacity to serve a proposed development, the public system shall, within 90 days of notice of reservation denial to the applicant, prepare a plan for expansion of the public system capacity. The plan shall include the estimated time line, funding sources, and steps necessary to implement the plan to expand the public system capacity.

(d) Upon costs associated with the proposed development having been incurred by the applicant in reliance on the public system capacity reservation, neither the public system nor a local government shall deny access to the public system in which capacity is reserved for the proposed development during the 24-month period. After the initial 24-month period, the public system shall extend the reservation of capacity until the construction of the proposed development is completed provided (i) the development application remains active or (ii) work on the development project has commenced and continues under a valid development permit.

(e) No less than 90 days prior the end of the initial 24-month reservation period, the public system shall notify the development applicant that the reservation of capacity will expire."

SECTION 20.(b) For applicants that, on or after July 1, 2020, received a service commitment from a public water system, public sewer system, or public water and sewer system confirming availability of capacity for the applicant's development project, but whose capacity needs have not been provided, the system shall reserve, allocate, and provide those applicants with the capacity assured in the system's service commitment in the chronological order that the service commitment was issued before the system reserves, allocates, or provides capacity to another applicant.

ALLOW PACKAGE PLANT WASTEWATER TREATMENT SYSTEMS

SECTION 21. Article 11 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-343.5. Wastewater systems for property within service area of a public or community wastewater system.**

(a) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner may install a wastewater system in accordance with this Article to serve any undeveloped or unimproved property located so as to be served by a public or community wastewater system.

(b) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner of developed or improved property located so as to be served by a public or community wastewater system may install a wastewater system in accordance with this Article if the public or community wastewater system has not yet installed sewer lines

directly available to the property or otherwise cannot provide wastewater service to the property at the time the property owner desires wastewater service.

(c) Upon compliance with this Article, the property owner installing a wastewater system pursuant to subsection (a) or (b) of this section shall not be required to connect to the public or community wastewater system for so long as the wastewater system installed in accordance with this Article remains compliant and in use. A property owner may opt to connect to the public or community wastewater system if the property owner so desires.

(d) Nothing in this section shall require a property owner to install a wastewater system in accordance with this Article if the property is located so as to be served by a public or community wastewater system and the public or community wastewater system is willing to provide wastewater service to the property.

(e) This section shall not apply, and a public or community wastewater system may mandate connection to that public or community wastewater system, in any of the following situations:

(1) The wastewater system in accordance with this Article serving the property has failed and cannot be repaired.

(2) The public authority or unit of government operating the public water system is being assisted by the Local Government Commission.

(3) The public authority or unit of government operating the public or community wastewater system is in the process of expanding or repairing the public or community wastewater system and is actively making progress to having wastewater lines installed directly available to provide wastewater service to that property within the 24 months of the time the property owner applies for a permit under this Article."

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 22.(a) If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application and, to this end, the provisions of this act are declared to be severable.

SECTION 22.(b) Except as otherwise provided, this act is effective when it becomes law.