

# Local Government

**See full summary documents for additional detail**

## **Local Government Budgets/Settlement Projects – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 1.1

Section 1.1 of S.L. 2024-1 expands the accounting requirements for local governments and public authorities to authorize the budgeting of settlement projects in project ordinances. A "settlement project" is defined as "a project financed in whole or in part by revenues received pursuant to an order of the court or other binding agreement resolving a legal dispute."

This section became effective July 1, 2023.

## **School Resource Officers in Nonpublic Schools – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.8A

Section 2.8A of S.L. 2024-1 makes various clarifications regarding school resource officers. It does the following:

- Requires that initial and in-service educational and training standards for school resource officers be established by the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission, in consultation with the Center for Safer Schools and the Department of Health and Human Services.
- Defines "school" as a public school within a public school unit or nonpublic school as defined in Article 39 of Chapter 115C of the General Statutes.
- Defines "school resource officer" as any law enforcement officer assigned to one or more schools at least 20 hours per week for more than 12 weeks per calendar year, to assist with all of the following:
  - School safety and security.
  - Emergency preparedness and response.
  - Any additional responsibilities related to school safety or security assigned by the officer's employer while the officer is acting as a school resource officer.
- Mandates that all school resource officers must comply with the training requirements.

The section further provides that police chiefs of municipalities and sheriffs of counties can enter into agreements to provide school resource officers to schools. If the agreement is with a nonpublic school, the nonpublic school must provide funds at least equal to the compensation, benefits, and related expenses of any school resource officer assigned to the school. The governing board receiving funds from a nonpublic school pursuant to such an agreement must appropriate the funds to the police chief or sheriff for school resource officers.

This section became effective May 15, 2024, and applies to agreements entered into or renewed on or after that date.

## **Insurance Revisions/Online Auctions/Firefighters.**

SL 2024-29 (S319)

Session Law 2024-29:

- Clarifies that risk retention groups chartered in this State are subject to examination by the Commissioner of Insurance and are responsible for the costs of the examination.
- Reduces from 5% to 1.85% the tax rate applicable to gross premiums paid for coverages within this State to risk retention groups not chartered in this State.
- Removes the requirement that foreign captive insurance companies redomesticate to North Carolina before December 31, 2022, in order to qualify for the exemption from paying gross premiums taxes in the year of and after redomestication and extends by two years the expiration date of this exemption, ending it for taxable years beginning on or after January 1, 2026.
- Allows certain foreclosure sales to be conducted at designated public locations, expands the time allowed for a scheduled foreclosure sale to commence, and establishes a procedure for remote bidding at a foreclosure sale.
- Permits health benefit plan sponsors, on behalf of any enrolled individual, to consent to delivery of all plan-related documents by electronic means in compliance with the Uniform Electronic Transactions Act, if that is not otherwise prohibited under ERISA.
- Permits an individual to be licensed simultaneously as an adjuster and as an insurance producer with casualty, personal lines, or property lines of authority.
- Clarifies that either the appointing insurer or the appointed insurance producer can notify the Commissioner when the appointment is cancelled.
- Amends the definition of an "underinsured motor vehicle" by removing language that states the applicable limits of underinsured (UIM) coverage at the time of the accident are those "for the vehicle involved in the accident and insured under the owner's policy."
- Makes technical corrections to certain insurance provisions in S.L. 2023-133 concerning the calculation of underinsured motorist coverage and insurance ratemaking laws.
- Establishes the Firefighters' Cancer Insurance Program to provide health benefits to eligible firefighters with a new diagnosis of cancer on or after January 1, 2022.
- Increases from \$10.00 to \$15.00 the monthly payment by eligible firefighters and rescue squad workers who participate in the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund and increases the monthly pension benefit from \$170.00 to \$175.00.
- Requires a county to ensure a criminal history record check is conducted for an applicant over the age of 18 who is applying for a firefighting position and allows county clerks of court and third-party vendors to conduct a record check under certain conditions.

This act has various effective dates. Please see the full summary for more details.

## **Prohibit Regulation of Beehives in Municipal ETJs – North Carolina Farm Act of 2024.**

SL 2024-32 (S355), Sec. 12

Section 12 of S.L. 2024-32 allows city ordinances to regulate beehives only within the incorporated limits of the city, so that properties in the extraterritorial jurisdiction of the city are not subject to any city ordinance regulating beehives. The county ordinance, if one exists, will control.

This section became effective July 3, 2024.

## **Require Disclaimer on Local Government Geographic Information System (GIS) Tools – North Carolina Farm Act of 2024.**

SL 2024-32 (S355), Sec. 13

Section 13 of S.L. 2024-32 requires counties and cities that offer a geographic information system (GIS) tool to the public to provide a disclaimer notifying the user that the data offered by the tool is provided without warranty and that the user should consult public primary information sources, such as recorded deeds and plats, to verify the accuracy of the data provided. The disclaimer must be displayed prominently on a splash screen or interstitial webpage that the user must affirmatively acknowledge before accessing the tool.

This section becomes effective January 1, 2025.

## **Exempt Agricultural Land from Stormwater Fees – North Carolina Farm Act of 2024.**

SL 2024-32 (S355), Sec. 14

Section 14 of S.L. 2024-32 prohibits cities and counties from imposing stormwater utility fees for property used for bona fide farm purposes.

This section became effective July 3, 2024, and applies to fees levied on or after that date.

## **Various General Local Laws.**

SL 2024-38 (H593)

S.L. 2024-38 does the following:

- Provides an additional civil penalty for violating motor vehicle restrictions on a designated road segment in Macon County, effective December 1, 2024.
- Amends certain regulations applicable to sanitary districts, effective July 8, 2024.
- Clarifies funds allocated to certain localities, effective July 8, 2024.

- Requires the State, effective July 8, 2024, to transfer certain real property to the City of Monroe.

### **Residency Districts for Certain Sanitary Boards – Various General Local Laws.**

SL 2024-38 (H593), Sec. 2

Section 2 of S.L. 2024-38 requires certain sanitary districts to establish residency districts for use in their board elections. This section became effective July 8, 2024, and applies to elections held in 2025 and thereafter.

### **Boundaries for Certain Sanitary Districts – Various General Local Laws.**

SL 2024-38 (H593), Sec. 4

Section 4 of S.L. 2024-38 amends the process for expanding boundaries of certain sanitary districts. This section became effective July 8, 2024, and applies to any resolution from a municipality received by a sanitary district board on or after January 1, 2024.

### **C-PACE Program.**

SL 2024-44 (S802)

S.L. 2024-44:

- Establishes the commercial property assessed capital expenditure program (C-PACE Program), to be administered by the Economic Development Partnership of North Carolina (EDPNC) under the supervision of the Department of Commerce, providing a procedure by which owners of qualifying commercial property can apply to EDPNC for long-term financing to be provided by private lenders that will pay for property improvements that include energy efficiency, water conservation, renewable energy, and resilience measures, with repayment of the financed amount secured by a lien upon the improved property.
- Modifies the criteria under which an employee stock ownership (ESOP) company can qualify as a minority business or an historically underutilized business for purposes of public contract provisions in Chapter 143 of the General Statutes.
- Requires the Department of Environmental Quality and the Environmental Management Commission, no later than August 1, 2024, to develop and submit draft rules to the United States Environmental Protection Agency (USEPA) for USEPA's approval that establish methodologies and permitting requirements for the discharge of low-risk treated domestic wastewaters following site specific criteria to surface waters of the State.

The provisions regarding development of rules for wastewater discharge became effective July 8, 2024. The remainder of the act became effective July 1, 2024.

## **Prohibit Public Water and Sewer Systems from Imposing Unauthorized Conditions and Implementing Preference Systems for Allocating Service for Residential Development – Regulatory Reform Act of 2024.**

SL 2024-45 (S607), Sec. 12

Section 12 of S.L. 2024-45 prohibits local government units from requiring an applicant for water or sewer service for residential development to agree to any condition not otherwise authorized by law, or to accept any offer by the applicant to consent to any condition not otherwise authorized by law. These conditions include, without limitation, any of the following:

- Payment of taxes, impact fees or other fees, or contributions to any fund.
- Adherence to any restrictions related to land development or land use, including those within the scope of G.S. 160D-702(c).
- Adherence to any restrictions related to building design elements within the scope of G.S. 160D-702(b).

This section also prohibits local government units from implementing a scoring or preference system to allocate water or sewer service among applicants for water or sewer service for residential development that does any of the following:

- Includes consideration of building design elements, as defined in G.S. 160D-702(b).
- Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
- Requires 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.
- Requires 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.

This section became effective July 9, 2024.

## **Delivery of Permits Issued by State Agencies – Regulatory Reform Act of 2024.**

SL 2024-45 (S607), Sec. 22.1

Section 22.1 of S.L. 2024-45 requires executive branch, county, and city agencies to establish a policy to send permits issued by the agency using certain methods instead of requiring the permittee to receive in-person delivery at an office or physical location.

This section became effective July 9, 2024.

## **Clarify Prohibition on Counties and Cities Enacting and Enforcing Certain Ordinances, Rules, and Regulations Related to Battery-Charged Security Fences – Regulatory Reform Act of 2024.**

SL 2024-45 (S607), Sec. 22.5

Section 22.5 of S.L. 2024-45 does the following:

- Prohibits counties and cities from enforcing any existing ordinances, rules, or regulations related to battery-charged security fences.
- Clarifies that the preemption on adopting battery-charged security fence ordinances applies to property zoned "exclusively" for nonresidential uses.
- Modifies the height requirements for battery-charged security fences to "exactly 10 feet."

This section became effective on July 9, 2024, and applies to any ordinances adopted before, on, or after that date.

## **Advanced Air Mobility Radar Systems – Regulatory Reform Act of 2024.**

SL 2024-45 (S607), Sec. 23

Section 23 of S.L. 2024-45 creates a framework for local governments to plan for and regulate the siting, installation, modification, maintenance, and removal of advanced air mobility radar ("radar") for traffic control of unmanned aircraft systems. Local governments must require permit applications for the construction of radar and approve or deny the permits based on whether certain criteria are met and must consider the collocation of radar on property owned by the local government.

This section becomes effective October 1, 2024.

## **Reconstruction and Removal of On-Premises Advertising Signs – Regulatory Reform Act of 2024.**

SL 2024-45 (S607), Sec. 23.1

Section 23.1 of S.L. 2024-45 amends local government authority to regulate on-premises advertising signs by (i) allowing the relocation or reconstruction of a lawfully erected on-premises advertising sign within the same parcel if the square footage of the sign does not increase and the sign complies with local development regulations in place when the sign was erected and (ii) prohibiting a local government from requiring removal of a legally erected non-conforming on-premises advertising signs unless the local government pays monetary compensation to the sign owner.

Section 23.1 became effective on July 9, 2024, and applies to on-premises advertising signs removed on or after October 1, 2021. For any on-premises advertising sign removed on or after

October 1, 2021, but prior to July 9, 2024, construction work on relocation in accordance with G.S. 160D-912.1(b), as enacted by this section, must commence within two years of July 9, 2024.

### **Preemption of Local Regulations – Tenancy in Common/E-Notary/Small Claims Changes.**

SL 2024-47 (H556), Sec. 7

Section 7 of S.L. 2024-47 prohibits counties and cities from adopting certain ordinances or resolutions that would prohibit landlords from refusing to rent to a tenant because the tenant's lawful source of income to pay rent includes funding from a federal housing assistance program.

This bill was vetoed by the Governor on July 3, 2024, and that veto was overridden by the General Assembly on September 9, 2024. This section of the act became effective September 9, 2024.

### **2024 Building Code Regulatory Reform.**

SL 2024-49 (S166)

Session Law 2024-49 amends various development regulations, amends various North Carolina State Building Codes, amends various construction contractors and design professionals' regulations, amends various environment and environmental health regulations, and reorganizes the Building Code Council.

This bill was vetoed by the Governor on July 5, 2024, and that veto was overridden by the General Assembly on September 11, 2024. This act has various effective dates. Please see the full summary for more details.