

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 2058

Short Title: Person Property Conveyance.

(Local)

Sponsors: Representative Wilkins.

Referred to: Finance.

June 6, 1994

A BILL TO BE ENTITLED

AN ACT RELATING TO CONVEYANCE OF PROPERTY FOR ECONOMIC DEVELOPMENT IN PERSON COUNTY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 158-7.1 reads as rewritten:

"§ 158-7.1. Local development.

(a) Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by the levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(b) A county or city may undertake the following specific economic development activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(1) A county or city may acquire and develop land for an industrial park, to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar industrial or commercial purposes. A county may acquire land

1 anywhere in the county, including inside of cities, for an industrial
2 park, while a city may acquire land anywhere in the county or counties
3 in which it is located. A county or city may develop the land by
4 installing utilities, drainage facilities, street and transportation
5 facilities, street lighting, and similar facilities; may demolish or
6 rehabilitate existing structures; and may prepare the site for industrial
7 or commercial uses. A county or city may convey property located in
8 an industrial park pursuant to subsection (d) of this section.

9 (2) A county or city may acquire, assemble, and hold for resale property
10 that is suitable for industrial or commercial use. A county may acquire
11 such property anywhere in the county, including inside of cities, while
12 a city may acquire such property inside the city or, if the property will
13 be used by a business that will provide jobs to city residents, anywhere
14 in the county or counties in which it is located. A county or city may
15 convey property acquired or assembled under this subdivision pursuant
16 to subsection (d) of this section.

17 (3) A county or city may acquire options for the acquisition of property
18 that is suitable for industrial or commercial use. The county or city
19 may assign such an option, following such procedures, for such
20 consideration, and subject to such terms and conditions as the county
21 or city deems desirable.

22 (4) A county or city may acquire or construct one or more 'shell buildings',
23 which are structures of flexible design adaptable for use by a variety of
24 industrial or commercial businesses. A county or city may convey or
25 lease a shell building or space in a shell building pursuant to
26 subsection (c) of this section.

27 (5) A county or city may construct, extend or own utility facilities or may
28 provide for or assist in the extension of utility services to be furnished
29 to an industrial facility, whether the utility is publicly or privately
30 owned.

31 (6) A county or city may extend or may provide for or assist in the
32 extension of water and sewer lines to industrial properties or facilities,
33 whether the industrial property or facility is publicly or privately
34 owned.

35 (7) A county or city may engage in site preparation for industrial
36 properties or facilities, whether the industrial property or facility is
37 publicly or privately owned.

38 (c) Any appropriation or expenditure pursuant to subsection (b) of this section
39 must be approved by the county or city governing body after a public hearing. The
40 county or city shall publish notice of the public hearing at least 10 days before the
41 hearing is held. If the appropriation or expenditure is for the acquisition of an interest in
42 real property, the notice shall describe the interest to be acquired, the proposed
43 acquisition cost of such interest, the governing body's intention to approve the
44 acquisition, the source of funding for the acquisition and such other information needed

1 to reasonably describe the acquisition. If the appropriation or expenditure is for the
2 improvement of privately owned property by site preparation or by the extension of
3 water and sewer lines to the property, the notice shall describe the improvements to be
4 made, the proposed cost of making the improvements, the source of funding for the
5 improvements, the public benefit to be derived from making the improvements, and any
6 other information needed to reasonably describe the improvements and their purpose.

7 (d) A county or city may lease or convey interests in real property held or
8 acquired pursuant to subsection (b) of this section in accordance with the procedures of
9 this subsection. A county or city may convey or lease interests in property by private
10 negotiation and may subject the property to such covenants, conditions, and restrictions
11 as the county or city deems to be in the public interest or necessary to carry out the
12 purposes of this section. Any such conveyance or lease must be approved by the county
13 or city governing body, after a public hearing. The county or city shall publish notice of
14 the public hearing at least 10 days before the hearing is held; the notice shall describe
15 the interest to be conveyed or leased, the value of the interest, the proposed
16 consideration for the conveyance or lease, and the governing body's intention to approve
17 the conveyance or lease. Before such an interest may be conveyed, the county or city
18 governing body shall determine the probable average hourly wage to be paid to workers
19 by the business to be located at the property to be conveyed and the fair market value of
20 the interest, subject to whatever covenants, conditions, and restrictions the county or
21 city proposes to subject it to. The consideration for the conveyance may not be less
22 than the value so determined.

23 (d1) Repealed by Session Laws 1993, c. 497, s. 22.

24 (d2) In arriving at the amount of consideration that it receives, the Board may take
25 into account prospective tax revenues from improvements to be constructed on the
26 property, prospective sales tax revenues to be generated in the area, as well as any other
27 prospective tax revenues or income coming to the county or city over the next 10 years
28 as a result of the conveyance or lease provided the following conditions are met:

29 (1) The governing board of the county or city shall determine that the
30 conveyance of the property will stimulate the local economy, promote
31 business, and result in the creation of a substantial number of jobs in
32 the county or city that pay at or above the median average wage in the
33 county or, for a city, in the county where the city is located. A city
34 that spans more than one county is considered to be located in the
35 county where the greatest population of the city resides. For the
36 purpose of this subdivision, the median average wage in a county is the
37 median average wage for all insured industries in the county as
38 computed by the Employment Security Commission for the most
39 recent period for which data is available.

40 (2) The governing board of the county or city shall contractually bind the
41 purchaser of the property to construct, within a specified period of
42 time not to exceed five years, improvements on the property that will
43 generate the tax revenue taken into account in arriving at the
44 consideration. Upon failure to construct the improvements specified in

1 the contract, the purchaser shall reconvey the property back to the
2 county or city.

3 (e) All appropriations and expenditures pursuant to subsections (b) and (c) of this
4 section shall be subject to the provisions of the Local Government Budget and Fiscal
5 Control Acts of the North Carolina General Statutes, respectively, for cities and counties
6 and shall be listed in the annual financial report the county or city submits to the Local
7 Government Commission. The budget format for each such governing body shall make
8 such disclosures in such detail as the Local Government Commission may by rule and
9 regulation direct.

10 (f) At the end of each fiscal year, the total of the following for each county and
11 city may not exceed one-half of one percent (0.5%) of the outstanding assessed property
12 tax valuation for the county or city as of January 1 preceding the beginning of the fiscal
13 year:

- 14 (1) The investment in property acquired at any time under subdivisions
15 (b)(1) through (b)(4) of this section and owned at the end of the fiscal
16 year.
17 (2) The amount expended during the fiscal year under subdivisions (b)(5)
18 and (b)(7) of this section.
19 (3) The amount of tax revenue that was taken into account under
20 subsection (d2) of this section and was expected to be received during
21 the fiscal year.

22 The Local Government Commission shall review the annual financial reports filed
23 by counties and cities to determine if any county or city has exceeded the limit set by
24 this subsection. If the Commission finds that a county or city has exceeded this limit, it
25 shall notify the county or city. A county or city that receives a notice from the
26 Commission under this subsection must submit to the Commission for its review and
27 approval any appropriation or expenditure the county or city proposes to make under
28 this section during the next three fiscal years. The Commission shall not approve an
29 appropriation or expenditure that would cause a county or city to exceed the limit set by
30 this subsection.

- 31 (g) Repealed by Session Laws 1989, c. 374."
32 Sec. 2. This act applies only to Person County.
33 Sec. 3. This act is effective upon ratification.