

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1181*

Short Title: LRC Study Exactions.

(Public)

Sponsors: Senator Conder.

Referred to: Rules and Operations of the Senate.

May 18, 1993

A BILL TO BE ENTITLED

**AN ACT AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO
STUDY THE IMPOSITION OF EXACTIONS BY LOCAL GOVERNMENTS
UPON COMMERCIAL, INDUSTRIAL, AND RESIDENTIAL DEVELOPMENT
AND TO APPROPRIATE FUNDS FOR THE STUDY.**

Whereas, commercial, industrial, and residential development in North Carolina provides significant economic benefit to the State; and

Whereas, it is in the best interest of the State and its citizens to remove barriers to affordable housing and to encourage necessary industrial and commercial development; and

Whereas, some North Carolina local governments have imposed exactions which require that a public facility or improvement to be provided, at the expense of the developer, as a condition of local approval of a development project; and

Whereas, exactions imposed by local governments have included requirements that land be dedicated by developers for rights-of-way, parks, open space, or utility easements; and

Whereas, exactions imposed upon developers have also included the requirement that improvements be constructed or installed by developers on land so dedicated, or requirements that impact fees be paid in lieu of compliance with local dedication or improvement requirements; and

Whereas, these various exactions affect the property rights of individual citizens arising under the Fifth and Fourteenth Amendments to the United States Constitution and similar provisions of the Constitution of the State of North Carolina; and

1 Whereas, the imposition of exactions by local governments have generated
2 controversy and have given rise to expensive litigation; and

3 Whereas, the imposition of development exactions can be a powerful
4 deterrent to needed residential and commercial development; and

5 Whereas, local governments must provide communities with adequate
6 infrastructure to support growth while not discouraging the growth of those
7 communities; and

8 Whereas, the imposition of exactions by local governments is an issue of
9 considerable public interest deserving legislative scrutiny; Now, therefore,
10 The General Assembly of North Carolina enacts:

11 Section 1. The Legislative Research Commission is authorized to study
12 exactions imposed by local governments upon commercial, industrial, and residential
13 builders and developers. In conducting this study, the Commission may consider
14 whether inequities exist in the imposition of exactions by local governments upon
15 commercial, industrial, and residential development.

16 Sec. 2. The Legislative Research Commission may make a report and
17 recommendations to the 1993 General Assembly, Regular Session 1994, and a final
18 report to the 1995 General Assembly.

19 Sec. 3. There is appropriated from the General Fund to the Legislative
20 Research Commission the sum of fifteen thousand dollars (\$15,000) for the 1993-94
21 fiscal year for the study of exactions.

22 Sec. 4. This act is effective upon ratification.