GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

HOUSE BILL 765
Committee Substitute Favorable 4/17/25
Committee Substitute #2 Favorable 5/6/25

Short Title: Save the American Dream Act. (Public)

Sponsors:

Referred to:

April 7, 2025

A BILL TO BE ENTITLED

AN ACT TO REFORM LOCAL GOVERNMENT DEVELOPMENT REGULATIONS IN THIS STATE AND TO INCREASE THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM GENERAL STORMWATER PERMIT FEE.

The General Assembly of North Carolina enacts:

SECTION 1.(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.~~control, unless a less specific enactment of the General Assembly clearly shows a legislative intent to repeal or supersede the more specific provisions.

(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) Except as provided by local act, notwithstanding any other provision of law, a local government may not exercise development regulation authority except as expressly authorized by this Chapter. If State law governs a particular subject matter related to a local development regulation authority, a local government shall not enact or enforce development regulations more restrictive than those established by State law, unless the development regulation pertains to floodplain management regulations as described in G.S. 143-138(e)."

SECTION 1.(b) G.S. 160D-110(a) reads as rewritten:

"(a) G.S. 153A-4 and G.S. 160A-4 are not applicable to this Chapter."

SECTION 1.(c) G.S. 160D-111 reads as rewritten:

"**§ 160D-111. Effect on prior laws.**

(a) The enactment of this Chapter does not require the readoption of any local government ordinance enacted pursuant to laws that were in effect before January 1, 2020 and are restated or revised herein. The provisions of this Chapter do not affect any act heretofore done, any liability incurred, any right accrued or vested, or any suit or prosecution begun or cause of action accrued as of ~~January 1, 2020.~~ October 1, 2025. The enactment of this Chapter does not amend the geographic area within which local government development regulations adopted prior to January 1, 2020, are effective.

(b) G.S. 153A-3 and G.S. 160A-3 are applicable to this Chapter. Nothing in this Chapter repeals or amends a charter or local act in effect as of ~~June 19, 2020,~~ October 1, 2025, unless this Chapter or a subsequent enactment of the General Assembly clearly shows a legislative intent to repeal or supersede that charter or local ~~act.~~act, or if that charter or local act is inconsistent with the provisions of this Chapter.

…."

SECTION 1.(d) G.S. 153A-121 is amended by adding a new subsection to read:

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

SECTION 1.(e) G.S. 160A-174 is amended by adding a new subsection to read:

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

SECTION 2. G.S. 160D-102 reads as rewritten:

"**§ 160D-102. Definitions.**

Unless otherwise specifically provided, or unless otherwise clearly required by the context, the words and phrases defined in this section shall have the following meanings indicated when used in this Chapter:

(1) Acre. – The actual gross acreage of a parcel or parcels. For purposes of determining allowable residential density, the actual gross acreage shall not be reduced by subtracting buffers, setbacks, public or private streets, open space or recreation areas, or other nondevelopable areas.

(1b) Actual and legitimate needs of the community. – Demonstrable requirements or deficiencies within a local jurisdiction that are substantiated by objective data, recognized standards, or credible assessments. These needs must not be speculative, arbitrary, or a matter of mere preference or convenience, but rather must reflect a bona fide necessity consistent with lawful governmental purposes and be responsive to reasonably foreseeable conditions expected to affect the community.

(1d) Administrative decision. – Decisions made in the implementation, administration, or enforcement of development regulations that involve the determination of facts and the application of objective standards set forth in this Chapter or local government development regulations. These are sometimes referred to as ministerial decisions or administrative determinations.

…

(3b) Buffer yard. – A designated landscape area to separate uses or densities; to reduce impacts of traffic, noise, odor; or to enhance visual appearance.

…

(15b) Dwelling unit. – A single unit, subject to the North Carolina Residential Code, providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

…."

SECTION 3. G.S. 160D-107 reads as rewritten:

"**§ 160D-107. Moratoria.**

…

(b) Hearing Required. – Except in cases of imminent and substantial threat to ~~public health or safety,~~ the actual and legitimate needs of the community, before adopting a development regulation imposing a development moratorium with a duration of 60 days or any shorter period, the governing board shall hold a legislative hearing and shall publish a notice of the hearing in a newspaper having general circulation in the area not less than seven days before the date set for the hearing. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium so that the total duration is 61 days or longer, is subject to the notice and hearing requirements of G.S. 160D-601.

(c) Exempt Projects. – Absent an imminent threat to ~~public health or safety,~~ the actual and legitimate needs of the community, a development moratorium adopted pursuant to this section does not apply to any project for which a valid building permit issued pursuant to G.S. 160D-1108 is outstanding, to any project for which a special use permit application has been accepted as complete, to development set forth in a site-specific vesting plan approved pursuant to G.S. 160D-108.1, to development for which substantial expenditures have already been made in good-faith reliance on a prior valid development approval, or to preliminary or final subdivision plats that have been accepted for review by the local government prior to the call for a hearing to adopt the moratorium. Any preliminary subdivision plat accepted for review by the local government prior to the call for a hearing, if subsequently approved, shall be allowed to proceed to final plat approval without being subject to the moratorium. Notwithstanding the foregoing, if a complete application for a development approval has been submitted prior to the effective date of a moratorium, G.S. 160D-108(b) applies when permit processing resumes.

…."

SECTION 4. G.S. 160D-108 reads as rewritten:

"**§ 160D-108. Permit choice and vested rights.**

…

(d) Duration of Vesting. – Upon issuance of a development permit, the statutory vesting granted by subsection (c) of this section for a development project is effective upon filing of the application in accordance with G.S. 143-755, for so long as the permit remains valid pursuant to law. Unless otherwise specified by this section or other statute, local development permits expire one year after issuance unless work authorized by the permit has substantially commenced. A local land development regulation may provide for a longer permit expiration period. For the purposes of this section, a permit is issued either in the ordinary course of business of the applicable governmental agency or by the applicable governmental agency as a court directive.

Except where a longer vesting period is provided by statute or land development regulation, the statutory vesting granted by this section, once established, expires for an uncompleted development project if development work is intentionally and voluntarily discontinued for a period of not less than 24 consecutive months, and the statutory vesting period granted by this section for a nonconforming use of property expires if the use is intentionally and voluntarily discontinued for a period of not less than 24 consecutive months. The 24-month discontinuance period is automatically tolled during ~~the~~ any of the following:

(1) The pendency of any board of adjustment proceeding or civil action in a State or federal trial or appellate court regarding the validity of a development permit, the use of the property, or the existence of the statutory vesting period granted by this section.

(2) The 24-month discontinuance period is also tolled during the pendency of any litigation involving the development project or property that is the subject of the vesting.

(3) The duration of any emergency declaration issued under G.S. 166A-19.20 or G.S. 166A-19.22 for which the defined emergency area includes the property, in whole or in part.

…."

SECTION 5. 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 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.~~ actual and legitimate needs of the community. 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~~ 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.~~nonconformities.

…."

SECTION 6. 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 mutual agreement~~ government, the following shall apply:

(1) If 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.

(2) 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 landowner may designate which local government's planning and development regulations shall apply to the land.

(3) 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.

(b) The jurisdiction established by this section 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.~~"

SECTION 7. G.S. 160D-402, as amended by S.L. 2024-49, reads as rewritten:

"**§ 160D-402. Administrative staff.**

(a) Authorization. – Local governments may appoint administrators, inspectors, enforcement officers, planners, technicians, and other staff to develop, administer, and enforce development regulations authorized by this Chapter. Local governments shall designate at least one staff member charged with making determinations under that local government's development regulations for purposes of G.S. 160D-703.

(b) Duties. – Duties assigned to staff may include, but are not limited to, drafting and implementing plans and development regulations to be adopted pursuant to this Chapter; determining whether applications for development approvals are complete; receiving and processing applications for development approvals; providing notices of applications and hearings; making decisions and determinations regarding development regulation implementation; determining whether applications for development approvals meet applicable standards as established by law and local ordinance; conducting inspections; issuing or denying certificates of compliance or occupancy; enforcing development regulations, including issuing notices of violation, orders to correct violations, and recommending bringing judicial actions against actual or threatened violations; keeping adequate records; and any other actions that may be required in order adequately to enforce the laws and development regulations under their jurisdiction. A development regulation may require that designated staff members take an oath of office. The local government shall have the authority to enact ordinances, procedures, and fee schedules relating to the administration and the enforcement of this Chapter. The administrative and enforcement provisions related to building permits set forth in Article 11 of this Chapter shall be followed for those permits.

(c) Alternative Local Government Staff Arrangements. – A local government may enter into contracts with another city, county, or combination thereof under which the parties agree to create a joint staff for the enforcement of State and local laws specified in the agreement. The governing boards of the contracting parties may make any necessary appropriations for this purpose.

In lieu of joint staff, a governing board may designate staff from any other city or county to serve as a member of its staff with the approval of the governing board of the other city or county. A staff member, if designated from another city or county under this ~~section,~~ subsection, shall, while exercising the duties of the position, be considered an agent of the local government exercising those duties. The governing board of one local government may request the governing

board of a second local government to direct one or more of the second local government's staff members to exercise their powers within part or all of the first local government's jurisdiction, and they shall thereupon be empowered to do so until the first local government officially withdraws its request in the manner provided in G.S. 160D-202.

The contract or designation of staff under this subsection shall specify at least one individual designated as charged with making determinations under each local government's development regulations for purposes of G.S. 160D-703.

(c1) Alternative Contract Staff Arrangements. – A local government may contract with an individual, company, council of governments, regional planning agency, metropolitan planning organization, or rural planning agency to designate an individual who is not a city or county employee to work under the supervision of the local government to exercise the functions authorized by this section. The local government shall have the same potential liability, if any, for inspections conducted by an individual who is not an employee of the local government as it does for an individual who is an employee of the local government. The company or individual with whom the local government contracts shall have errors and omissions and other insurance coverage acceptable to the local government. The contract shall require at least one individual designated as charged with making determinations under that local government's development regulations for purposes of G.S. 160D-703.

(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.~~ Chapter, and those fees shall not exceed the actual, direct, and reasonable costs required to support, administer, and implement programs authorized by this Chapter. All fees collected by a building inspection department for the administration and enforcement of provisions set forth in Article 11 of this Chapter shall be used to support the administration and operations of the building inspection department and 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."

SECTION 8. G.S. 160D-403, as amended by S.L. 2024-49, reads as rewritten:

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

(a) Development Approvals. – To the extent consistent with the scope of ~~regulatory~~ development regulation 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.

(a1) Time Period for Approval. – 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 of 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 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 9. G.S. 160D-605(a) reads as rewritten:

"(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."

SECTION 10. G.S. 160D-701 reads as rewritten:

"**§ 160D-701. Purposes.**

Zoning regulations shall be made in accordance with a comprehensive plan and shall be designed to ~~promote the public health, safety, and general welfare.~~ reflect the actual and legitimate needs of the community. To that end, the regulations may address, among other things, the following public purposes: to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen congestion in the streets; to secure safety from fire, panic, and dangers; to facilitate the efficient and adequate provision of transportation, water, sewerage, schools, parks, and other public requirements; and to promote the ~~health, safety, morals, or general welfare~~ actual and legitimate needs of the community. The regulations shall be made with reasonable consideration, among other things, as to the character of the district and its peculiar suitability for particular uses and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the local government's planning and development regulation jurisdiction. The regulations may not include, as a basis for denying a zoning or rezoning request from a school, the level of service of a road facility or facilities abutting the school or proximately located to the school."

SECTION 11. 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~~ or otherwise specify the size, placement, configuration, allocation, location, or number of parking ~~space~~ spaces to be ~~larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or~~

~~diagonal parking.~~greater than those required by the Americans with Disabilities Act.

(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 North Carolina Fire ~~Code of the North Carolina Residential Code for One- and Two-Family Dwellings.~~Code.

(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. This subdivision shall not be construed to expand, diminish, or alter the Department of Transportation's authority to regulate driveways adjacent to public roads owned by the State.

(5) Except as provided in this subdivision, set design standards for public roads within a development in excess of those required by the Department of Transportation. A city may set design standards for public roads within a development in excess of those required by the Department of Transportation if the city is financially responsible for the cost of the excess and accepts ownership and maintenance responsibility for the public road prior to, or in conjunction with, site plan approval. Confirmation of conformity of the improvements consistent with the city's design standards under this subsection 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 city shall record with the register of deeds a plat evidencing the city's ownership of the public road.

(6) Require installation of sidewalks or improvement of existing sidewalks for any residential, commercial, or school property unless the sidewalk is either of the following:

a. Connected to an existing sidewalk.

b. Will be connected to a planned adjacent sidewalk that the local government demonstrates through credible and reliable facts and information, based on a development approval, will be constructed within two years of the residential, commercial, or school property site plan approval.

(7) For cities with a population of 125,000 or more, according to the most recent decennial federal census, establish setback or buffer yard requirements for a multifamily development that exceeds 15 units per acre.

(d) In exercising its authority under this section, a local government shall support its determinations by demonstrating there is a rational and substantial relationship between the zoning map, zoning regulations, or zoning amendment and (i) the local government's comprehensive plan and (ii) the actual and legitimate needs of the community, through findings of facts and information, other than mere personal preferences or speculation, that a reasonable person would accept in support of a conclusion.

(e) For purposes of this section, the term "public road" shall mean any road, street, highway, thoroughfare, or other way of passage that is owned and maintained by a city or the Department of Transportation."

SECTION 12. 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~~ By illustration, zoning districts may ~~include, but are not be limited to,~~ include any of 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 county zoning regulation in a county with a population of 275,000 or more, according to the 2020 federal decennial census, shall allow by right the siting of no fewer than six dwelling units per acre.

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

(1) In areas zoned for residential use in a city with a population between 55,000 and 124,999, according to the 2020 federal decennial census, the siting of no fewer than five dwelling units per acre.

(2) In areas zoned for residential use in a city with a population of 125,000 or more, according to the 2020 federal decennial census, the siting of no fewer than six dwelling units per acre.

(3) In areas zoned for non-agricultural commercial, business, or industrial use in a city with a population of 125,000 or more, according to the 2020 federal decennial census, the siting of buildings and structures subject to the North Carolina Residential Code and multifamily housing structures with more than four residential dwelling units, with a maximum height restriction of not less than 60 feet.

(a4) Exemption from Building Design Elements and Buffer Yards. – In a city with a population of 125,000 or more, according to the most recent decennial federal census, buildings and structures subject to the North Carolina Residential Code and uses allowable under subdivision (2) or (3) of subsection (a3) of this section shall not be subject to either of the following:

(1) Building design elements as defined under G.S. 160D-702(b).

(2) Buffer yards or other landscape buffering regulations.

(a5) Applicability of Permitted Uses. – 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. Nothing in subsection (a2) or (a3) of this section shall be construed to expand, diminish, or alter the scope of authority for planning, development, or land use regulations set forth in Chapter 143 or Chapter 113A of the General Statutes. However, to the extent a local government asserts that a parcel is subject to planning, development, or land use standards authorized under Chapter 143 or Chapter 113A of the General Statutes, the local government must support its determination with facts and information, other than mere personal preferences or speculation, that a reasonable person would accept in support

of its conclusion. Subsections (a2) and (a3) of this section apply regardless of whether the dwelling units are located on multiple adjacent lots or a single lot.

(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 any condition, requirement, or deed restriction not specifically authorized by law, (ii) require, enforce, or incorporate into the zoning regulations any condition or requirement that the courts have held to be unenforceable if imposed directly by the local government, or (iii) 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. This subsection shall also apply to the approval of any site plan, development agreement, conditional zoning permit, or any other instrument under this Chapter. 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 zoning regulations shall be uniform for each class or kind of building throughout each district but the zoning 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) Staff Approvals. – Development approvals for a development that is a permitted use in the zoning district where the development is located shall be made only by the designated staff member as described in G.S. 160D-402.

(f) Basis for Conditional District. – In exercising its authority under subsection (b) of this section, a local government shall support its determinations with facts and information, other than mere personal preferences or speculation, that a reasonable person would accept in support of a conclusion that there is a rational and substantial relationship between the conditional district and the actual and legitimate needs of the community."

SECTION 13. 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 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 14. 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. Within 10 days after approving a preliminary or final plat, an authorized representative of the local government shall enter the approval on the face of the preliminary or final plat. 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.

(e) Notwithstanding G.S. 160D-403(c), once approval has been entered on the face of the plat in accordance with this section, the approval shall be valid and not expire unless the landowner applies for, and receives, a subsequent development approval."

SECTION 15. G.S. 160D-804 reads as rewritten:

"**§ 160D-804. Contents and requirements of regulation.**

(a) Purposes. – A subdivision regulation may provide for the orderly growth and development of the local government; for the coordination of transportation networks and utilities within proposed subdivisions with existing or planned streets and highways and with other public facilities; and for the distribution of population and traffic in a manner that will avoid congestion and overcrowding and will create conditions that substantially promote ~~public health, safety, and general welfare.~~the actual and legitimate needs of the community.

…

(d) Recreation Areas and Open Space. – The regulation may provide for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision or, alternatively, for payment of funds to be used to acquire or develop recreation areas serving residents of the development or subdivision or more than one subdivision or development within the immediate area. All funds received by ~~cities~~ a local government pursuant to this subsection shall be used only for the acquisition or development of recreation, park, or open space sites. ~~All funds received by counties pursuant to this subsection shall be used only for the acquisition of recreation, park, or open space sites.~~ Any formula enacted to determine the amount of funds that are to be provided under this subsection shall be based on the value of the development or subdivision for property tax purposes. The regulation may allow a combination or partial payment of funds and partial dedication of land when the governing board determines that this combination is in the best interests of the citizens of the area to be served.

…."

SECTION 16. 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 development 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~~ development 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~~ development 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~~ development 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.~~development 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."

SECTION 17. Article 9 of Chapter 160D of the General Statutes is amended by adding the following two new sections to read:

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

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

(b) 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 development regulation adopted pursuant to this section shall not apply to an area designated as a local historic district (i) pursuant to Part 4 of this Article 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 increased capacity.

(c) Definitions. – As used in this section, the term "tiny housing" 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.

(d) Applicability. – This section applies only to cities with a population of 125,000 or more, according to the most recent decennial federal census.

"**§ 160D-975. Accessory dwelling units in certain cities.**

(a) 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.

(b) 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.

(c) 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.

(d) Except as otherwise provided in this section, a city may regulate accessory dwelling units pursuant to this Chapter, provided that the development 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.

(e) 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.

(f) 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.

(g) This section applies only to cities with a population of 125,000 or more, according to the most recent decennial federal census."

SECTION 18. G.S. 160D-905 reads as rewritten:

"**§ 160D-905. Amateur radio antennas.**

A local government ordinance based on ~~health, safety,~~ the actual and legitimate needs of the community or aesthetic considerations that regulates the placement, screening, or height of the antennas or support structures of amateur radio operators must reasonably accommodate amateur radio communications and must represent the minimum practicable regulation necessary to accomplish the purpose of the local government. A local government may not restrict antennas or antenna support structures of amateur radio operators to heights of 90 feet or lower unless the restriction is necessary to achieve a clearly defined health, safety, or aesthetic objective of the local government."

SECTION 19. G.S. 160D-1006(a)(6) reads as rewritten:

"(6) A description, where appropriate, of any conditions, terms, restrictions, or other requirements ~~for the protection of public health, safety, or welfare.~~that reflect the actual and legitimate needs of the community."

SECTION 20. G.S. 160D-1102(c) reads as rewritten:

"(c) No later than October 1 of ~~2023, 2024, and 2025,~~ each year, every local government shall publish an annual financial report on how it used fees from the prior fiscal year for the support, administration, and implementation of its building code enforcement program as required by G.S. 160D-402(d). This report is in addition to any other financial report required by law."

SECTION 21. G.S. 160D-1110(d) is amended by adding a new subdivision to read:

"(3) Require more than a shell permit for the construction of a multifamily development. Upon the request of the permittee, the local government shall issue certificates of occupancy for individual units in a multifamily development 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 22. G.S. 160D-1208(b) reads as rewritten:

"(b) The housing appeals board shall fix a reasonable time for hearing appeals, shall give due notice to the parties, and shall render its decision within a reasonable time. Any party may appear in person or by agent or attorney. The board may reverse or affirm, wholly or partly, or may modify the decision or order appealed from, and may make any decision and order that in its opinion ought to be made in the matter, and, to that end, it has all the powers of the public officer, but the concurring vote of four members of the board is necessary to reverse or modify any decision or order of the public officer. The board also has power in passing upon appeals, when unnecessary hardships would result from carrying out the strict letter of the ordinance, to adapt the application of the ordinance to the necessities of the case to the end that the spirit of the ordinance is observed, ~~public safety and welfare~~ the actual and legitimate needs of the community secured, and substantial justice done."

SECTION 23. G.S. 160D-1403 reads as rewritten:

"**§ 160D-1403. Appeals of decisions on subdivision plats.**

~~(a) When a subdivision regulation adopted under this Chapter provides that the decision whether to approve or deny a preliminary or final subdivision plat is quasi-judicial, then that decision of the board is subject to review by the superior court by a proceeding in the nature of certiorari. G.S. 160D-406 and this section apply to those appeals.~~

(b) ~~When a subdivision regulation adopted under this Chapter provides that the decision whether to approve or deny a preliminary or final subdivision plat is administrative, or for~~ For any ~~other~~ administrative decision implementing a subdivision regulation, the ~~following applies:~~

~~(1) If made by the governing board or planning board, the decision is subject to review by filing an action in superior court seeking appropriate declaratory or equitable relief within 30 days from receipt of the written notice of the decision, which shall be made as provided in G.S. 160D-403(b).~~

~~(2)~~ If made by the staff or a staff committee, the decision is subject to appeal as provided in G.S. 160D-405.

~~(c) For purposes of this section, a subdivision regulation is deemed to authorize a quasi-judicial decision if the decision-making entity under G.S. 160D-803(c) is authorized to decide whether to approve or deny the plat based not only upon whether the application complies with the specific requirements set forth in the regulation but also on whether the application complies with one or more generally stated standards requiring a discretionary decision to be made.~~"

SECTION 24.(a) 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 development approval for any of the following claims:

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

(2) The ~~ordinance,~~ development regulation, 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,~~ development regulation, either on its face or as applied, constitutes a taking of property.

(4) The development approval 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.

(a1) Appeals of Administrative Decisions. – If the ~~decision~~ development approval being challenged under subsection (a) of this section 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~~ development regulation 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~~ definition of "development permit" in G.S. 143-755 shall apply in this section."

SECTION 24.(b) G.S. 143-755(e) reads as rewritten:

"(e) For purposes of this section, the following definitions apply:

(1) Development. – Without altering the scope of any regulatory authority granted by statute or local act, any of the following:

a. The construction, erection, alteration, enlargement, renovation, substantial repair, movement to another site, or demolition of any structure.

b. Excavation, grading, filling, clearing, or alteration of land.

c. The subdivision of land as defined in G.S. 160D-802.
d. The initiation of substantial change in the use of land or the intensity of the use of land.

(2) Development permit. – An ~~administrative~~ administrative, legislative, or quasi-judicial approval ~~that is written and~~ that is required prior to commencing development or undertaking a specific activity, project, or development proposal, including any of the following:
a. Zoning permits.
b. Site plan approvals.
c. Special use permits.
d. Variances.
e. Certificates of appropriateness.
f. Plat approvals.
g. Development agreements.
h. Building permits.
i. Subdivision of land.
j. State agency permits for development.
k. Driveway permits.
l. Erosion and sedimentation control permits.
m. Sign permit.
n. Conditional zoning.

(3) Land development regulation. – Any State statute, rule, or regulation, or local ordinance affecting the development or use of real property, including any of the following:
a. Unified development ordinance.
b. Zoning regulation, including zoning maps.
c. Subdivision regulation.
d. Erosion and sedimentation control regulation.
e. Floodplain or flood damage prevention regulation.
f. Mountain ridge protection regulation.
g. Stormwater control regulation.
h. Wireless telecommunication facility regulation.
i. Historic preservation or landmark regulation.
j. Housing code.
k. Conditional zoning."

SECTION 25. 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 with standing under subdivision (2), (3), or (4) of G.S. 160D-1403.1(b) 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."

SECTION 26. 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 city or county is found to be liable under G.S. 160D-1403.1, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the acts of the city or county under G.S. 160D-1403.1.

(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 27. 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 and 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."

SECTION 28. G.S. 136-102.6 is amended by adding a new subsection to read:

"(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 development regulation under Chapter 160D of the General Statutes. 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."

SECTION 29. 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."

SECTION 30.(a) Chapter 162A of the General Statutes is amended by adding a new Article to read:

"Article 12.

"Water and Sewer Allocation.

"**§ 162A-1000. Short title and purpose.**

(a) This Article shall be known and may be cited as the "Water and Sewer Capacity Allocation and Planning Act."

(b) The purpose of this Article is to require all public water and sewer service providers to plan for future growth and allocate water and wastewater system capacity in a fair, transparent, and accountable manner. This act will ensure that sufficient water supply and wastewater treatment capacity is available for anticipated development and that capacity is allocated without discrimination or abuse.

"**§ 162A-1001. Definitions.**

For the purposes of this Article, the following definitions apply:

(1) Allocation or capacity allocation. – A reservation of a specific quantity of water or sewer capacity for a particular project.

(2) Applicant. – Any person, business, developer, property owner, or entity that has received preliminary or final site plan approval, as defined under G.S. 160D-102(29), for a project and submits an application for allocation for a new development or expansion of an existing development to a public water or sewer provider.

(3) Approved applicant. – An applicant whose application for allocation has been approved.

(4) Available capacity. – The portion of a facility's capacity that is not currently being used by existing customers and is not already reserved by prior allocations. Available capacity is determined by establishing a facility's capacity minus the sum of (i) current actual usage, (ii) any local government project allocation, and (iii) any outstanding allocations for projects in their reservation period.

(5) Capacity or system capacity. – The actual capacity of a facility. For wastewater systems, actual capacity refers to hydraulic capacity, meaning the maximum volume of wastewater that can be collected, conveyed, and treated

under the facility's permit limits without violation. For water systems, actual capacity refers to the actual available water supply, meaning the reliable quantity of water that can be treated and delivered, accounting for permitted withdrawal limits and treatment plant output, wells, or other sources, including any contractual or bulk supply capacity available to the local governmental unit.

(6) Department. – The Department of Environmental Quality.

(7) Facility. – As defined in G.S. 162A-201(4).

(8) Local government project. – Any of the following:

a. A project that serves a bona fide public purpose.

b. An economic development project that is reasonably likely to increase employment opportunities or support growth of manufacturing or commerce within the facility's service area.

c. An interlocal agreement between local governments to provide water or sewer allocation under G.S. 160A-461, 160A-462, or 162A-88.1.

(9) Local government project allocation. – The amount of allocation a local governmental unit can demonstrate through competent and reliable evidence is minimally necessary to serve a local government project within the facility's service area for which preliminary or final approval has been granted by the governing body of a local government served by the facility.

(10) Local governmental unit. – As defined in G.S. 162A-201(5) and any third-party persons who own or operate a facility on behalf of a local governmental unit.

(11) Project. – A development, as defined by G.S. 160D-102(12), for which water or sewer service is requested and is within the facility's service area. This includes new developments, and expansion or additions to existing developments, that require new or additional water or sewer service.

(12) Substantial expenditure. – A significant or considerable outlay of money, resources, or financial investment, viewed in light of the stage in which the project exists, that is not merely nominal or trivial.

"**§ 162A-1002. Allocation process.**

(a) Allocation Request. – A local governmental unit shall approve capacity allocation requests in accordance with this Article. Once approved, a capacity allocation guarantees the local governmental unit shall provide water service or sewer service for that project up to the approved allocation amount.

(b) Form of Application. – A local governmental unit may request only the following information from an applicant, and may not require any other information that is not necessary for the local governmental unit to determine whether it has available capacity to serve the project:

(1) The name, address, and other relevant contact information of the applicant.

(2) Documentation evidencing that the applicant has received preliminary or final approval for a site plan, as defined under G.S. 160D-102(29), for the project.

(3) The amount of capacity allocation requested in gallons per day or other similarly objective measurement.

(4) The anticipated date the project will begin utilizing the capacity allocation.

(c) Approval of Allocation Request. – Not later than 10 days after receiving an application for allocation, a local governmental unit shall approve the allocation if available capacity exists and the application is complete. Upon approving the allocation, the local governmental unit shall provide the applicant with written documentation specifying (i) the amount of allocation reserved, (ii) the project for which the allocation has been reserved, (iii) the date of the allocation approval, and (iv) the date the reservation period expires. The local

governmental unit shall approve or deny applications for allocation according to the following process:

(1) The local governmental unit shall approve the total allocation requested by the applicant unless the request for allocation exceeds the local governmental unit's available capacity, in which case the local governmental unit shall, within 10 days after receiving the application for allocation, offer to provide the applicant with allocation equivalent to the available capacity, if any. The local governmental unit shall reserve the reduced allocation for a project under this subsection provided the applicant agrees, in writing, to the reduced allocation.

(2) Except as expressly provided in this section, a local governmental unit may not deny, reduce, or otherwise modify the amount of an allocation requested through an application if available capacity exists sufficient to accommodate an application's allocation request.

(3) A local governmental unit shall not require an applicant to agree to any condition not otherwise authorized by this section, 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:

a. Payment of taxes, impact fees, or other fees or contributions to any fund.

b. Adherence to any restrictions related to development regulations under Chapter 160D of the General Statutes, including those within the scope of G.S. 160D-702(c).

c. Adherence to any restriction related to building design elements within the scope of G.S. 160D-702(b).

(4) A local governmental unit shall not implement a scoring or preference system to allocate water service or sewer service among applicants, except as specifically authorized by this section.

(d) Reservation Period. – The initial reservation period shall be for 24 months after the date the allocation is approved. A local governmental unit shall extend the initial reservation period or extension reservation period for an additional 12 months provided (i) the applicant notifies the local governmental unit that it requires an extension of the initial reservation period or extension reservation period not later than 90 days prior to the expiration of the initial reservation period or extension reservation period and, (ii) concurrent with its notification, the applicant provides the local governmental unit with documentation demonstrating that the applicant has made substantial expenditure towards the completion of the project or the applicant provides documentation of a valid building permit.

(e) Allocations Approved in Chronological Order. – Except for requests to reserve capacity in accordance with G.S. 115C-521 and under subsection (k) of this section, allocations shall be granted in the chronological order that completed applications are received by the local governmental unit.

(f) Denial of Allocation Request. – A local governmental unit shall deny an application for allocation, within 10 days after receiving an application for allocation, only if one of the following applies:

(1) The applicant cannot demonstrate approval of a preliminary or final site plan, as defined in G.S. 160D-102(29).

(2) The local governmental unit does not have any available capacity.

(3) The applicant has rejected, in writing, the local governmental unit's offer to provide allocation equivalent to its available capacity as provided in subdivision (1) of subsection (c) of this section, if any.

(g) Modification of Allocation. – In the event an approved applicant determines that the allocation necessary to serve the project increases or decreases by more than ten percent (10%) of the approved allocation, the approved applicant shall immediately notify the local governmental unit, and the following shall apply:

(1) If the allocation approved by the local governmental unit decreases by more than ten percent (10%), the local governmental unit shall adjust its available capacity accordingly and the local governmental unit shall honor the approved allocation, less the decrease in necessary allocation.

(2) If the allocation approved by the provider increases by more than ten percent (10%), the local governmental unit shall increase the allocation provided available capacity exists. In the event available capacity does not exist, the local governmental unit shall notify the approved applicant that the local governmental unit does not have available capacity and extend an offer to the approved applicant to increase the allocation in an amount equivalent to the available capacity. If the approved applicant determines that the existing allocation or the offer by the local governmental unit to increase the allocation in an amount equivalent to the local governmental unit's available capacity does not meet the needs of the project, the approved applicant shall immediately notify the local governmental unit that it intends to terminate the allocation.

(3) In the event the allocation is terminated by the applicant, the provider shall adjust its available capacity accordingly.

(h) Expiration or Termination of Allocation. – Upon expiration or termination of allocation, including allocations that are not used in full, the local governmental unit shall return the expired, terminated, or unused capacity to its available capacity balance. Upon a return of the expired, terminated, or unused capacity to the local governmental unit's available capacity balance, the local governmental unit shall recalculate its available capacity and shall make it available to future applicants for allocation.

(i) Vested Right. – Allocation approved under this section shall be deemed a vested element of the project for the duration of the reservation period. The vested right to allocation during the reservation period shall be in addition to any other vested rights the project may have by law and shall run with the land for the benefit of the project. During the vesting period, the local governmental unit may not revoke or reduce the allocation except by request of the applicant or as described in this section.

(j) Transferability of Allocation. – Allocation shall be provided to the project described in the application. An approved applicant may not transfer an unused allocation to a different project. If the project for which an allocation has been reserved is sold or the development rights are assigned to a successor in interest, the allocation shall transfer to the successor in interest and the allocation and reservation period shall be honored and may not be terminated or revoked by the local governmental unit. In the event the project for which the allocation was reserved is sold or transferred to a successor in interest, the approved applicant shall immediately notify the local governmental unit of the sale or transfer.

(k) Emergency Allocations. – Notwithstanding any other provision of this section, a local governmental unit shall provide priority in allocation to applications demonstrating a substantial threat to public health, safety, or welfare that can be mitigated only by the immediate provision of water service or sewer service. An applicant seeking an emergency allocation must present competent evidence to the local governmental unit of the risk to the public health, safety, or welfare. Upon verifying that the application constitutes an emergency, the local governmental unit shall approve allocation in the minimum amount necessary to abate the emergency on a priority basis.

(*l*) Use of Allocation. – A local governmental unit shall not unreasonably delay an approved applicant's ability to connect the approved applicant's project to the local governmental unit's infrastructure. A local governmental unit shall begin providing water service or sewer service to an approved applicant within 90 days after receiving a request from the approved applicant to begin providing water service or sewer service, provided (i) the project is connected to the local governmental unit's infrastructure and (ii) the request is made within the reservation period described in subsection (d) of this section.

"**§ 162A-1003. Planning and reporting.**

(a) Each local governmental unit shall prepare an annual report not later than October 1 of each year documenting facility capacity and available capacity. The report shall include, at a minimum, all of the following information for each facility of the local governmental unit:

(1) The current system capacity.

(2) The current available capacity.

(3) The amount of capacity allocated to approved developments or projects not yet connected to the local governmental unit's infrastructure.

(4) The remaining available capacity for new allocations.

(5) Any changes in capacity since the last report.

(6) Any planned improvements or expansions and the expected impact on capacity.

(7) The current actual usage of the facility, including average daily demand and peak daily demand over the year immediately preceding the preparation of the report.

(8) If the local governmental unit receives State or federal funding for water or sewer infrastructure, a description of efforts to expand capacity to meet growth, including progress on any State-funded projects.

(b) The Department shall make the annual reports available to the public. Each local governmental unit shall also post the annual report on the website of that local governmental unit, if any.

"**§ 162A-1004. Enforcement and remedies.**

(a) State Enforcement Authority. – If the Department finds that a local governmental unit has violated any requirement of this Article, the Department may take appropriate preventive or remedial enforcement action authorized by Part 1 of Article 21 of Chapter 143 of the General Statutes.

(b) Civil Penalties. – A local governmental unit that fails to comply with the provisions of this Article or willfully fails to administer or enforce the provisions of this Article shall be subject to a civil penalty pursuant to G.S. 143-215.6A(e).

(c) Judicial Review. – Any applicant whose application was denied by a local governmental unit, or who is otherwise aggrieved or injured by the action of a local governmental unit, may file an action in the superior court of the county where the local governmental unit is located or where the project is located. In any civil action brought under this section, the court may award reasonable attorneys' fees to a prevailing plaintiff who brought the action."

SECTION 30.(b) G.S. 162A-900, as enacted by S.L. 2024-45 and S.L. 2024-49, is repealed.

SECTION 30.(c) For applicants that, on or after July 31, 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.

SECTION 30.(d) The annual report required by G.S. 162A-1003, as enacted by this act, shall be due October 1, 2026.

SECTION 30.1.(a) G.S. 143-215.3D(a)(10)b. reads as rewritten:

"b. The fee for coverage under a construction or industrial NPDES general permit is one hundred ~~twenty~~ twenty-five dollars ~~($120.00).~~($125.00)."

SECTION 30.1.(b) This section becomes effective July 1, 2025, and applies to permit applications received on or after that date.

SECTION 31. 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 32. Except as otherwise provided, this act becomes effective October 1, 2025, and applies to applications, approvals, and actions filed on or after that date. Any local government ordinance in effect on, or adopted subsequent to, October 1, 2025, that is inconsistent with this section is void and unenforceable. Unless expressly stated otherwise, the provisions of this act do not affect any right accrued or vested prior to its enactment.