

Local Government

See full summary documents for additional detail

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

SL 2024-1 (S508), Sec. 1.1

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

This section became effective July 1, 2023.

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

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

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

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

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

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

Insurance Revisions/Online Auctions/Firefighters.

SL 2024-29 (S319)

Session Law 2024-29:

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

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

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

SL 2024-32 (S355), Sec. 12

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

This section became effective July 3, 2024.

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

SL 2024-32 (S355), Sec. 13

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

This section becomes effective January 1, 2025.

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

SL 2024-32 (S355), Sec. 14

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

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

Various General Local Laws.

SL 2024-38 (H593)

S.L. 2024-38 does the following:

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

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

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

SL 2024-38 (H593), Sec. 2

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

Boundaries for Certain Sanitary Districts – Various General Local Laws.

SL 2024-38 (H593), Sec. 4

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

C-PACE Program.

SL 2024-44 (S802)

S.L. 2024-44:

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

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

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

SL 2024-45 (S607), Sec. 12

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

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

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

- Includes consideration of building design elements, as defined in G.S. 160D-702(b).
- Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
- Requires a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.
- Requires additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the Fire Code of the North Carolina Residential Code.

This section became effective July 9, 2024.

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

SL 2024-45 (S607), Sec. 22.1

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

This section became effective July 9, 2024.

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

SL 2024-45 (S607), Sec. 22.5

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

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

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

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

SL 2024-45 (S607), Sec. 23

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

This section becomes effective October 1, 2024.

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

SL 2024-45 (S607), Sec. 23.1

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

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

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

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

SL 2024-47 (H556), Sec. 7

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

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

2024 Building Code Regulatory Reform.

SL 2024-49 (S166)

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

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

Construction Fee Moratorium – Disaster Recovery Act of 2024.

SL 2024-51 (H149), Sec. 16.2

Section 16.2 of S.L. 2024-51 imposes, in the area impacted by Hurricane Helene, a three-month moratorium on permit, inspection, or certificate of occupancy fees charged by the Department of Insurance, counties, and cities on property damaged by Hurricane Helene.

This section became effective on October 10, 2024, and applies to permit applications dated on or after September 26, 2024, and expired on December 31, 2024.

Local Government Commission Approval Exemption for Emergency Loans – The Disaster Recovery Act of 2024 - Part II.

SL 2024-53 (S743), Sec. 4C.6

Section 4C.6 of S.L. 2024-53 provides that certain emergency loans issued by the Department of Environmental Quality to local governments in the area impacted by Hurricane Helene, pursuant to S.L. 2024-51, do not require approval of the Local Government Commission.

This section became effective October 25, 2024.

Flexibility for Building Permit Issuance/Inspections in Disaster Area – The Disaster Recovery Act of 2024 - Part II.

SL 2024-53 (S743), Sec. 4E.3

Section 4E.3 of S.L. 2024-53 authorizes local governments in the area impacted by Hurricane Helene to adopt a resolution providing that, due to damage and disruption caused by Hurricane Helene, the local government's inspection department is unable to (i) review residential building plans within the statutorily required number of days, (ii) issue building permits for commercial and multifamily buildings within the statutorily required number of days, or (iii) timely conduct inspections required by the North Carolina State Building Code. Once the resolution is adopted, this section allows local governments to use and contract with a licensed professional engineer or licensed architect to perform independent third-party plan review, inspections, or other inspection department work.

This section became effective October 25, 2024, and applies to applications for building permits made on or after September 26, 2024, and expires March 1, 2025.

Local Government Commission to Provide Cashflow Loans to Local Governments for Disaster Response Activities – The Disaster Recovery Act of 2024 - Part II.

SL 2024-53 (S743), Sec. 4E.5

Section 4E.5 of S.L. 2024-53, as amended by Section 1F.1 of S.L. 2024-57, requires the Department of the State Treasurer (Department) to use \$100 million of the funds appropriated from the Helene Fund to provide cashflow loans to local governments in the areas affected by Hurricane Helene. The following apply to loans under Section 4E.5 of S.L. 2024-53, as amended by Section 1F.1 of S.L. 2024-57:

- The Department is authorized to administer the loan program and to develop an application process for the loans.
- Notwithstanding any other provision of law, in applying for a cashflow loan under this section, local governments are not required to get approval from the Local Government Commission (Commission).

- Loans must be used for disaster response activities only.
- Loan recipients will not be assessed any interest on the loans.
- Repayment of each loan made under this section begins one year after that loan's initiation.
- Loans must be repaid within five years of initiation or by June 30, 2030, whichever is earlier.

The Department can use funds appropriated for cashflow loans for administrative expenses, provided that total administrative expenses do not exceed 2% of loan initiations. The Department is exempt from rulemaking requirements in administering this section.

Prior to amendment, Section 4E.5 of S.L. 2024-53 required the Commission to administer the cashflow loan program.

This section became effective October 25, 2024.

Extending Certain Governmental Approvals Affecting Development of Real Property Within the Affected Area – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 1D.3

Section 1D.3 of S.L. 2024-57 extends certain government approvals affecting the development of real property within areas impacted by Hurricane Helene by the following:

- Directs that for any development approval that is current and valid at any point during the period beginning January 1, 2024, and ending December 31, 2027, the running of the period of the development approval and any associated vested right under GS 160D-108 (concerning permit choice and vested rights) or G.S. 160D-108.1 (site-specific vesting plans) is suspended within the affected area during the period beginning January 1, 2024, and ending December 31, 2027.
- Directs that the running of the period of development approval and associated vested right should not be construed or implemented to: (i) extend any permit or approval issued by the United States or any of its agencies or instrumentalities; (ii) extend any permit or approval for which the term or duration of the permit or approval is specified or determined pursuant to federal law; (iii) shorten the duration that any development approval would have had in the absence of this section; (iv) prohibit the granting of such additional extensions as are provided by law; (v) affect any administrative consent order issued by the Department of Environmental Quality in effect or issued at any time from the effective date of the section to December 31, 2027; (vi) affect the ability of a government entity to revoke or modify a development approval pursuant to law; or (vii) modify any requirement of law that is necessary to retain federal delegation by the State of the authority to implement a federal law or program.
- Provides that when a development approval that is contingent upon connection to a water supply system or a sanitary sewer system is suspended and there is not sufficient

supply or treatment capacity to accommodate requests for additional allocation, the local government that granted the allocation can reallocate reserved capacity from projects whose approvals are suspended but are not ready to proceed if the local government meets the listed requirements for an allocation plan and reallocation plan and does not reallocate capacity to exceed the amount of the reserved capacity.

This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. This section of the act became effective December 11, 2024.

Temporary Public Water System Approval in Disaster Areas – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 1D.5

Section 1D.5 of S.L. 2024-57 allows a supplier of water to temporarily operate a transient non-community public water system in the affected area for up to 59 days, without having been issued an operating permit by the Department of Environmental Quality (DEQ). DEQ can revoke this temporary authorization upon issuing a written notice to the transient non-community public water system citing a public health risk.

This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. This section of the act became effective December 11, 2024.

Tree Ordinance Restriction in Disaster Declared Counties – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 1D.8

Section 1D.8 of S.L. 2024-57 prohibits local governments in an affected area^[1] from enforcing ordinances regulating the removal, replacement, and preservation of trees on private property or requiring a permit for any activity relating to trees, on the portion of any private property that is more than 10 feet from the property boundary. This section does not apply to imminent threats to public safety or areas where tree removal or maintenance activities are prohibited by State or federal law.

This act was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024.

This section became effective December 11, 2024, and expires March 1, 2025.

^[1] An "affected area" is defined in S.L. 2024-57 as "[t]he counties designated before, on, or after the effective date of this act under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene."

Modify Cashflow Loan Program – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 1F.1

Section 1F.1 of S.L. 2024-57 modifies Section 4E.5 of S.L. 2024-53, which required the Local Government Commission (Commission) to use \$100 million of the funds appropriated to the Department of the State Treasurer (Department) to provide cashflow loans to local governments in the areas affected by Hurricane Helene. Section 1F.1 of S.L. 2024-57 amends Section 4E.5 of S.L. 2024-53 by moving the cashflow loan program from the Commission to the Department as a whole. This section also provides that local governments seeking loans are not required to get approval from the Commission.

This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. This section became effective December 11, 2024.

Modify Statute Shielding Individuals from Prosecution Related to Certain Local Ordinances – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 2D.1

Section 2D.1 of S.L. 2024-57 modifies the requirements for an individual to avoid criminal prosecution for violations of certain local government ordinances. This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. Section 2D.1 of S.L. 2024-57 became effective January 1, 2025, and applies to offenses committed on or after that date.

No Local Government Initiated Down-Zoning Without Consent of Affected Property Owner – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 3K.1

Section 3K.1 of S.L. 2024-57 prohibits, without the written consent of affected property owners, local government initiated rezonings or text amendments that (i) decrease the permitted density of development, (ii) reduce the range or permitted uses of the property, or (iii) create any type of nonconformity on land not in a residential zoning district, including a nonconforming use, nonconforming lot, nonconforming structure, nonconforming improvement, or nonconforming site element.

This bill was vetoed by the Governor on November 26, 2024, and the veto was overridden by the General Assembly on December 11, 2024. This section of the act became effective on December 11, 2024 and applies to local government ordinances adopted on or after that date, and any local government ordinance enacting down-zoning of property during the 180 days prior to December 11, 2024.