

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

2

HOUSE BILL 391
Senate Finance Committee Substitute Adopted 5/30/12

Short Title: RTP District Amendments.

(Public)

Sponsors:

Referred to:

March 17, 2011

A BILL TO BE ENTITLED

AN ACT TO REVISE THE LAWS RELATING TO COUNTY RESEARCH AND
PRODUCTION SERVICE DISTRICTS TO REFLECT CHANGED CIRCUMSTANCES
AND TO ALLOW FLEXIBILITY IN PROVISION OF SERVICES IN URBAN AREAS
OF SUCH DISTRICTS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 2 of Article 16 of Chapter 153A of the General Statutes reads as
rewritten:

"Part 2. County Research and Production Service ~~Districts~~ Districts and Urban Research
Service Districts.

"§ 153A-311. Purposes for which districts may be established.

The board of commissioners of any county may define a county research and production
service district in order to finance, provide, and maintain for the district any service, facility, or
function that a county or a city is authorized by general law to provide, finance, or maintain.
Such a service, facility, or function shall be financed, provided, or maintained in the district
either in addition to or to a greater extent than services, facilities, or functions are financed,
provided, or maintained for the entire county.

"§ 153A-312. Definition of research and production service district.

(a) Standards. – The board of commissioners may by resolution establish a research and
production service district for any area of the county that, at the time the resolution is adopted,
meets the following standards:

- (1) All (i) real property in the district is being used for or is subject to covenants
that limit its use to ~~research~~ research; or scientifically-oriented ~~production or~~
~~for~~ production, technology, education, or associated commercial
commercial, residential, or institutional purposes ~~purposes~~; or for other
purposes specifically authorized pursuant to the terms and conditions of the
covenants, or (ii) if all the real property in the district is part of a
multijurisdictional industrial park that satisfies the criteria of
G.S. 143B-437.08(h), all such real property in the district is subject to
covenants that limit its use to research or scientifically oriented production,
associated commercial or institutional purposes, or other industrial and
associated commercial and institutional uses.
- (2) The district (i) contains at least 4,000 acres or (ii) satisfies the criteria of
G.S. 143B-437.08(h).



- 1 (3) The district (i) includes research and production facilities that in
2 combination employ at least 5,000 persons or (ii) satisfies the criteria of
3 G.S. 143B-437.08(h).
- 4 (4) ~~All real property located in the district was at one time or is currently owned~~
5 ~~by a nonprofit corporation, which developed or is developing the property as~~
6 ~~a research and production park.~~
- 7 (5) A petition requesting creation of the district signed by at least fifty percent
8 (50%) of the owners of real property in the district who own at least fifty
9 percent (50%) of total area of the real property in the district has been
10 presented to the board of commissioners. In determining the total area of real
11 property in the district and the number of owners of real property, there shall
12 be excluded (1) real property exempted from taxation and real property
13 classified and excluded from taxation and (2) the owners of such exempted
14 or classified and excluded property.
- 15 (6) ~~The district has no more than 25 permanent residents.~~
- 16 (7) There exists in the district an association of owners and tenants, to which at
17 least seventy-five percent (75%) of the owners of nonresidential real
18 property belong, which association can make the recommendations provided
19 for in G.S. 153A-313. This subdivision shall not apply to a research and
20 production service district that satisfies the criteria of G.S. 143B-437.08(h).
- 21 (8) ~~There exists, or will exist when conveyed by the nonprofit corporation~~
22 ~~described in subdivision (4) of this subsection, exist deed-imposed~~
23 ~~conditions, covenants, restrictions, and reservations that apply to all real~~
24 ~~property in the district other than property owned by the federal~~
25 ~~government district, provided that the covenants, restrictions, and~~
26 ~~reservations shall not be effective against the United States as long as it~~
27 ~~owns or leases property in the district but shall apply to any subsequent~~
28 ~~owner or lessee of such property.~~
- 29 (9) No part of the district lies within the boundaries of any incorporated city or
30 town.

31 The Board of Commissioners may establish a research and production service district if,
32 upon the information and evidence it receives, the Board finds that:

- 33 (1) The proposed district meets the standards set forth in this subsection; and
34 (2) It is impossible or impracticable to provide on a countywide basis the
35 additional or higher levels of services, facilities, or functions proposed for
36 the district; and
37 (3) It is economically feasible to provide the proposed services, facilities, or
38 functions to the district without unreasonable or burdensome tax levies.

39 (a1) Additional Uses. – A developer of a research and production service district
40 established prior to June 1, 2012, may amend the covenants that limit the use of real property in
41 the district to include any of the following uses: research; or scientifically-oriented production,
42 technology, education; or associated commercial, residential, or institutional purposes; or for
43 other purposes specifically authorized pursuant to the terms and conditions of the covenants. A
44 research and production service district is presumed to be in compliance with the standards in
45 subsection (a) of this section if the district met the standards in subsection (a) of this section, as
46 that subsection was enacted at the time of the establishment of the district.

47 (b) Multi-County Districts. – If an area that meets the standards for creation of a
48 research and production service district lies in more than one county, the boards of
49 commissioners of those counties may adopt concurrent resolutions establishing a service
50 district, even if that portion of the district lying in any one of the counties does not by itself

1 meet the standards. Each of the county boards of commissioners shall follow the procedure set
2 out in this section for creation of a ~~service~~-district.

3 If a multi-county ~~service~~-district is established, as provided in this subsection, the boards of
4 commissioners of the counties involved shall jointly determine whether the same appraisal and
5 assessment standards apply uniformly throughout the district. This determination shall be set
6 out in concurrent resolutions of the boards. If the same appraisal and assessment standards
7 apply uniformly throughout the district, the boards of commissioners of all the counties shall
8 levy the same rate of tax for the district, so that a uniform rate of tax is levied for district
9 purposes throughout the district. If the boards determine that the same standards do not apply
10 uniformly throughout the district, the boards shall agree on the extent of divergence between
11 the counties and on the resulting adjustments of tax rates that will be necessary in order that an
12 effectively uniform rate of tax is levied for district purposes throughout the district.

13 The boards of commissioners of the counties establishing a multi-county ~~service~~-district
14 pursuant to this subsection may, by concurrent resolution, provide for the administration of
15 services within the district by one or more counties on behalf of all the establishing counties.

16 (c) Report. – Before the public hearing required by subsection (d), the board of
17 commissioners shall cause to be prepared a report containing:

- 18 (1) A map of the proposed district, showing its proposed boundaries;
- 19 (2) A statement showing that the proposed district meets the standards set out in
20 subsection (a); and
- 21 (3) A plan for providing one or more services, facilities, or functions to the
22 district.

23 The report shall be available for public inspection in the office of the clerk to the board for
24 at least four weeks before the date of the public hearing.

25 (d) Hearing and Notice. – The board of commissioners shall hold a public hearing
26 before adopting any resolution defining a ~~service~~-district under this section. Notice of the
27 hearing shall state the date, hour, and place of the hearing and its subject, and shall include a
28 map of the proposed district and a statement that the report required by subsection (c) is
29 available for public inspection in the office of the clerk to the board. The notice shall be
30 published at least once not less than one week before the date of the hearing. In addition, it
31 shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail
32 which is fully prepaid to the owners as shown by the county tax records as of the preceding
33 January 1 (and at the address shown thereon) of all property located within the proposed
34 district. The person designated by the board to mail the notice shall certify to the board that the
35 mailing has been completed and his certificate is conclusive in the absence of fraud.

36 (e) Effective Date. – The resolution defining a ~~service~~-district shall take effect at the
37 beginning of a fiscal year commencing after its passage, as determined by the board of
38 commissioners.

39 "**§ 153A-313. Advisory-Research and production service district advisory committee.**

40 (a) The board or boards of commissioners, in the resolution establishing a research and
41 production service district, shall also provide for an advisory committee for the district. Such a
42 committee shall have at least 10 members, serving terms as set forth in the resolution; one
43 member shall be the representative of the developer of the research and production ~~park~~-~~park~~
44 established as a research and production service district. The resolution shall provide for the
45 appointment or designation of a ~~chairman~~-~~chair~~. The board of commissioners or, in the case of
46 a multi-county ~~service~~-district, the boards of commissioners shall appoint the members of the
47 advisory committee. If a multi-county ~~service~~-district is established, the concurrent resolutions
48 establishing the district shall provide how many members of the advisory committee are to be
49 appointed by each board of commissioners. Before making the appointments, the appropriate
50 board shall request the association of owners and tenants, required by G.S. 153A-312(a), to
51 submit a list of persons to be considered for appointment to the committee; the association shall

1 submit at least two names for each appointment to be made. Except as provided in the next two
2 sentences, the board of commissioners shall make the appointments to the committee from the
3 list of persons submitted. In addition, the developer of the research and production park shall
4 appoint one person to the advisory committee as the developer's representative on the
5 committee. In addition, in a single county ~~service~~-district, the board of commissioners may
6 make two additional appointments of such other persons as the board of commissioners deems
7 appropriate, and in a multi-county ~~service~~-district, each board of county commissioners may
8 make one additional appointment of such other person as that board of commissioners deems
9 appropriate. Whenever a vacancy occurs on the committee in a position filled by appointment
10 by ~~a~~-the board of commissioners, the appropriate board, before filling the vacancy, shall request
11 the association to submit the names of at least two persons to be considered for the vacancy;
12 and the board shall fill the vacancy by appointing one of the persons so submitted, except that if
13 the vacancy is in a position appointed by the board of commissioners under the preceding
14 sentence of this section, the board of commissioners making that appointment shall fill the
15 vacancy with such person as that board of commissioners deems appropriate.

16 Each year, before adopting the budget for the ~~service~~-district and levying the tax for the
17 district, the board or boards of commissioners shall request recommendations from the advisory
18 committee as to the level of services, facilities, or functions to be provided for the district for
19 the ensuing year. The board or boards of commissioners shall, to the extent permitted by law,
20 expend the proceeds of any tax levied for the district in the manner recommended by the
21 advisory ~~board~~-committee.

22 (b) In the event that the research and production service district satisfies the criteria of
23 G.S. 143B-437.08(h), the board of directors for the nonprofit corporation which owns the
24 industrial park shall serve as the advisory committee described in subsection (a) of this section.

25 **"§ 153A-314. Extension of service districts.**

26 (a) Standards. – A board of commissioners may by resolution annex territory to a
27 research and production service district upon finding that:

- 28 (1) The conditions, covenants, restrictions, and reservations required by
29 G.S. 153A-312(a)(8) that apply to all real property in the ~~research~~-district,
30 ~~other than property owned by the federal government,~~ district also apply or
31 will apply to the property, other than property owned by the federal
32 government, to be annexed. property to be annexed, provided that the
33 covenants, restrictions, and reservations shall not be effective against the
34 United States as long as it owns or leases property in the district but shall
35 apply to any subsequent owner or lessee of such property.
- 36 (2) One hundred percent (100%) of the owners of real property in the area to be
37 annexed have petitioned for annexation.
- 38 (3) The district, following the annexation, will continue to meet the standards
39 set out in G.S. 153A-312(a).
- 40 (4) The area to be annexed requires the services, facilities, or functions
41 financed, provided, or maintained for the district.
- 42 (5) The area to be annexed is contiguous to the district.

43 (b) Report. – Before the public hearing required by subsection (c), the board shall cause
44 to be prepared a report containing:

- 45 (1) A map of the district and the adjacent territory proposed to be annexed,
46 showing the present and proposed boundaries of the district; and
- 47 (2) A statement showing that the area to be annexed meets the standards and
48 requirements of subsection (a) of this section.

49 The report shall be available for public inspection in the office of the clerk to the board for at
50 least four weeks before the date of the public hearing.

1 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
2 resolution extending the boundaries of a ~~service~~-district. Notice of the hearing shall state the
3 date, hour and place of the hearing and its subject, and shall include a statement that the report
4 required by subsection (b) of this section is available for inspection in the office of the clerk to
5 the board. The notice shall be published at least once not less than four weeks before the
6 hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing
7 by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax
8 records as of the preceding January 1 (and at the address shown thereon) of all property located
9 within the area to be annexed. The person designated by the board to mail the notice shall
10 certify to the board that the mailing has been completed, and the certificate shall be conclusive
11 in the absence of fraud.

12 (d) Effective Date. – The resolution extending the boundaries of the district shall take
13 effect at the beginning of a fiscal year commencing after its passage, as determined by the
14 board.

15 **"§ 153A-314.1. Removal of territory from ~~service~~-districts.**

16 (a) Standards. – A board of commissioners may by resolution remove territory from a
17 research and production service district upon finding that:

18 (1) ~~The owners of the territory to be removed contemplate placing residential~~
19 ~~uses on some of the territory to be removed.~~removal has been recommended
20 by a vote of two-thirds of the eligible votes of the owners and tenants
21 association.

22 (2) One hundred percent (100%) of the owners of real property in the territory to
23 be removed have petitioned for removal.

24 (3) The territory to be removed no longer requires the services, facilities, or
25 functions financed, provided, or maintained for the district.

26 (b) Report. – Before the public hearing required by subsection (c) of this section, the
27 board shall cause to be prepared a report containing:

28 (1) A map of the district highlighting the territory proposed to be removed,
29 showing the present and proposed boundaries of the district; and

30 (2) A statement showing that the territory to be removed meets the standards
31 and requirements of subsection (a) of this section.

32 The report shall be available for public inspection in the office of the clerk to the board for at
33 least 10 days before the date of the public hearing.

34 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
35 resolution reducing the boundaries of a ~~service~~-district. Notice of the hearing shall state the
36 date, hour, and place of the hearing and its subject and shall include a statement that the report
37 required by subsection (b) of this section is available for inspection in the office of the clerk to
38 the board. The notice shall be published at least once not less than seven days before the
39 hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing
40 by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax
41 records as of the preceding January 1 (and at the address shown thereon) of all property located
42 within the territory to be removed. The person designated by the board to mail the notice shall
43 certify to the board that the mailing has been completed, and the certificate shall be conclusive
44 in the absence of fraud.

45 (d) Municipal Annexation Allowed Under General Law. – The general law concerning
46 annexation, Article 4A of Chapter 160A of the General Statutes, shall apply to any territory
47 removed from the district under this section, notwithstanding any local act to the contrary.

48 (e) Effective Date. – The resolution reducing the boundaries of the district shall take
49 effect at the beginning of a fiscal year commencing after its passage, as determined by the
50 board.

51 **"§ 153A-315. Required provision or maintenance of services.**

1 (a) New District. – When a county or counties define a research and production service
2 district, it or they shall provide, maintain, or let contracts for the services for which the district
3 is being taxed within a reasonable time, not to exceed one year, after the effective date of the
4 definition of the district.

5 (b) Extended District. – When a territory is annexed to a research and production
6 service district, the county or counties shall provide, maintain, or let contracts for the services
7 provided or maintained throughout the district to property in the area annexed to the district
8 within a reasonable time, not to exceed one year, after the effective date of the annexation.

9 **"§ 153A-316. Abolition of service-districts.**

10 A board or boards of county commissioners may by resolution abolish a research and
11 production service district upon finding that (i) a petition requesting abolition, signed by at
12 least fifty percent (50%) of the owners of nonresidential real property in the district who own at
13 least fifty percent (50%) of the total area of nonresidential real property in the district, has been
14 submitted to the board or boards; and (ii) there is no longer a need for such ~~service~~-district. In
15 determining the total area of nonresidential real property in the district and the number of
16 owners of nonresidential real property, there shall be excluded (1) real property exempted from
17 taxation and real property classified and excluded from taxation and (2) the owners of such
18 exempted or classified and excluded property. The board or boards shall hold a public hearing
19 before adopting a resolution abolishing a district. Notice of the hearing shall state the date,
20 hour, and place of the hearing, and its subject, and shall be published at least once not less than
21 one week before the date of the hearing. The abolition of any ~~service~~-district shall take effect at
22 the end of a fiscal year following passage of the resolution, as determined by the board or
23 boards. If a multi-county ~~service~~-district is established, it may be abolished only by concurrent
24 resolution of the board of commissioners of each county in which the district is located.

25 **"§ 153A-316.1. Urban research service district (URSD).**

26 (a) Standards. – The board of commissioners of a county may establish one or more
27 urban research service districts ("URSD" as used in this Part) that meets the following
28 standards:

- 29 (1) The URSD is within a county research and production service district
30 located partly within that county.
31 (2) The URSD is located wholly within that county.
32 (3) The URSD is not contained within another URSD.

33 (b) Report. – Before the public hearing required by subsection (c) of this section, the
34 board of commissioners shall cause to be prepared and adopted by it a report. The report shall
35 be available for public inspection in the office of the clerk to the board for at least four weeks
36 before the date of the public hearing. The report shall contain the following:

- 37 (1) A map of the proposed URSD, showing its proposed boundaries.
38 (2) A statement showing that the proposed URSD is for the purpose of
39 providing urban services, facilities, or functions to a greater extent than (i) in
40 the entire county and (ii) in the county research and production service
41 district.
42 (3) A plan for providing one or more services, facilities, or functions to the
43 URSD.

44 (c) Hearing and Notice. – The board of commissioners shall hold a public hearing
45 before adopting any resolution defining a URSD under this section. Notice of the hearing shall
46 state the date, hour, and place of the hearing and its subject, and shall include a map of the
47 proposed URSD and a statement that the report required by subsection (b) of this section is
48 available for public inspection in the office of the clerk to the board. The notice shall be
49 published at least once not less than one week before the date of the hearing. In addition, it
50 shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail that
51 is fully prepaid to the owners, as shown by the county tax records as of the preceding January

1 1, of all property located within the proposed URSD. The person designated by the board to
2 mail the notice shall certify to the board that the mailing has been completed, and the
3 designated person's certificate is conclusive in the absence of fraud.

4 (d) Effective Date. – The resolution defining a URSD shall take effect at the beginning
5 of a fiscal year commencing after its passage, as determined by the board of commissioners.

6 **"§ 153A-316.2. URSD advisory committee.**

7 (a) Members. – The board of commissioners, in the resolution establishing a URSD,
8 shall also provide for an advisory committee for the URSD. The committee shall have at least
9 10 members, serving terms as set forth in the resolution. The resolution shall provide for the
10 appointment or designation of a chairperson. The board of commissioners shall appoint the
11 members of the URSD advisory committee. Before making the appointments, the board shall
12 request the association of owners and tenants, required by G.S. 153A-312(a), to submit a list of
13 persons to be considered for appointment to the committee. The association shall submit at
14 least two names for each appointment to be made. Except as provided in subsection (b) of this
15 section, the board of commissioners shall make the appointments to the committee from the list
16 of persons submitted.

17 (b) Additional Members. – In addition to the members provided in subsection (a) of this
18 section, the developer of the research and production park established as a research and
19 production service district shall appoint one person to the URSD advisory committee as the
20 developer's representative on the committee. The board of commissioners may make two
21 additional appointments of such other persons as the board of commissioners deems
22 appropriate.

23 (c) Vacancy. – Whenever a vacancy occurs on the committee in a position filled by
24 appointment by the board of commissioners, the board, before filling the vacancy, shall request
25 the association to submit the names of at least two persons to be considered for the vacancy,
26 and the board shall fill the vacancy by appointing one of the persons so submitted, except that if
27 the vacancy is in a position appointed by the board of commissioners under subsection (b) of
28 this section, the board of commissioners making that appointment shall fill the vacancy with
29 such person as the board of commissioners deems appropriate.

30 (d) Advisory Role. – Each year, before adopting the budget for the URSD and levying
31 the tax for the URSD, the board of commissioners shall request recommendations from the
32 URSD advisory committee as to the level of services, facilities, or functions to be provided for
33 the URSD for the ensuing year. The board of commissioners shall, to the extent permitted by
34 law, expend the proceeds of any tax levied for the URSD in the manner recommended by the
35 URSD advisory committee.

36 **"§ 153A-316.3. Extension of URSD.**

37 (a) Standards. – A board of commissioners may by resolution annex territory to a
38 URSD upon finding that:

- 39 (1) The conditions, covenants, restrictions, and reservations required by
40 G.S. 153A-312(a)(8) that apply to all real property in the URSD also apply
41 or will apply to the property to be annexed, provided that such covenants,
42 restrictions, and reservations shall not be effective against the United States
43 as long as it owns or leases property in the URSD but shall apply to any
44 subsequent owner or lessee of such property.
- 45 (2) One hundred percent (100%) of the owners of real property in the area to be
46 annexed have petitioned for annexation.
- 47 (3) The URSD, following the annexation, will continue to meet the standards set
48 out in G.S. 153A-316.1(a).
- 49 (4) The area to be annexed requires the services, facilities, or functions financed,
50 provided, or maintained for the URSD.
- 51 (5) The area to be annexed is contiguous to the URSD.

1 (b) Report. – Before the public hearing required by subsection (c) of this section, the
2 board shall cause to be prepared a report. The report shall be available for public inspection in
3 the office of the clerk to the board for at least four weeks before the date of the public hearing.
4 The report shall contain the following:

- 5 (1) A map of the URSD and the adjacent territory proposed to be annexed,
6 showing the present and proposed boundaries of the URSD.
7 (2) A statement showing that the area to be annexed meets the standards and
8 requirements of subsection (a) of this section.

9 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
10 resolution extending the boundaries of a URSD. Notice of the hearing shall state the date, hour,
11 and place of the hearing and its subject, and shall include a statement that the report required by
12 subsection (b) of this section is available for inspection in the office of the clerk to the board.
13 The notice shall be published at least once not less than four weeks before the hearing. In
14 addition, the notice shall be mailed at least four weeks before the date of the hearing by any
15 class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records as of
16 the preceding January 1, of all property located within the area to be annexed. The person
17 designated by the board to mail the notice shall certify to the board that the mailing has been
18 completed, and the certificate shall be conclusive in the absence of fraud.

19 (d) Effective Date. – The resolution extending the boundaries of the URSD shall take
20 effect at the beginning of a fiscal year commencing after its passage, as determined by the
21 board.

22 **"§ 153A-316.4. Removal of territory from URSD.**

23 (a) Standards. – A board of commissioners may by resolution remove territory from a
24 URSD upon finding that:

- 25 (1) The removal has been recommended by a vote of two-thirds of the eligible
26 voters of the owners and tenants association.
27 (2) One hundred percent (100%) of the owners of real property in the territory to
28 be removed have petitioned for removal.
29 (3) The territory to be removed no longer requires the services, facilities, or
30 functions financed, provided, or maintained for the URSD.
31 (4) The county has not financed any project for which taxes levied on the URSD
32 provide debt service pursuant to G.S. 153A-317.1(c).

33 (b) Report. – Before the public hearing required by subsection (c) of this section, the
34 board shall cause to be prepared a report. The report shall be available for public inspection in
35 the office of the clerk to the board for at least 10 days before the date of the public hearing. The
36 report shall contain the following:

- 37 (1) A map of the URSD highlighting the territory proposed to be removed,
38 showing the present and proposed boundaries of the URSD.
39 (2) A statement showing that the territory to be removed meets the standards
40 and requirements of subsection (a) of this section.

41 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
42 resolution reducing the boundaries of the URSD. Notice of the hearing shall state the date,
43 hour, and place of the hearing and its subject, and shall include a statement that the report
44 required by subsection (b) of this section is available for inspection in the office of the clerk to
45 the board. The notice shall be published at least once not less than seven days before the
46 hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing
47 by any class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records
48 as of the preceding January 1, of all property located within the territory to be removed. The
49 person designated by the board to mail the notice shall certify to the board that the mailing has
50 been completed, and the certificate shall be conclusive in the absence of fraud.

1 (d) Effective Date. – The resolution reducing the boundaries of the URSD shall take
2 effect at the beginning of a fiscal year commencing after its passage, as determined by the
3 board.

4 **"§ 153A-316.5. Required provision or maintenance of services in URSD.**

5 (a) New URSD. – When a county defines a URSD, it shall provide, maintain, or let
6 contracts for the services for which the URSD is being taxed within a reasonable time, not to
7 exceed one year, after the effective date of the definition of the URSD. When a county defines
8 a URSD, it may designate the developer of the research and development park established as a
9 research and production service district in which the URSD is located as an agent that may
10 contract with any local government for the provision of services within the URSD.

11 (b) Extended URSD. – When a territory is annexed to a URSD, the county shall
12 provide, maintain, or let contracts for the services provided or maintained throughout the
13 URSD to property in the area annexed to the URSD within a reasonable time, not to exceed one
14 year, after the effective date of the annexation.

15 **"§ 153A-316.6. Abolition of URSD.**

16 A county board of commissioners may by resolution abolish a URSD upon finding that (i) a
17 petition requesting abolition, signed by at least fifty percent (50%) of the owners of
18 nonresidential real property in the URSD who own at least fifty percent (50%) of the total area
19 of nonresidential real property in the URSD, has been submitted to the board or boards; (ii)
20 there is no longer a need for such URSD; and (iii) the county has not financed any project for
21 which there is outstanding debt serviced by tax revenues levied within the URSD. In
22 determining the total area of nonresidential real property in the URSD and the number of
23 owners of nonresidential real property, there shall be excluded (i) real property exempted from
24 taxation and real property classified and excluded from taxation and (ii) the owners of such
25 exempted or classified and excluded property. The board or boards shall hold a public hearing
26 before adopting a resolution abolishing a URSD. Notice of the hearing shall state the date,
27 hour, and place of the hearing and its subject, and shall be published at least once not less than
28 one week before the date of the hearing. The abolition of any URSD shall take effect at the end
29 of a fiscal year following passage of the resolution, as determined by the board.

30 **"§ 153A-317. Research and production service district taxes~~Taxes~~ authorized; rate
31 limitation.**

32 (a) Tax Authorized. – A county, upon recommendation of the advisory committee
33 established pursuant to G.S. 153A-313, may levy property taxes within a research and
34 production service district in addition to those levied throughout the county, in order to finance,
35 provide, or maintain for the district services provided therein in addition to or to a greater
36 extent than those financed, provided, or maintained for the entire county. In addition, a county
37 may allocate to a ~~service~~-district any other revenues whose use is not otherwise restricted by
38 law. The proceeds of taxes only within a ~~service~~-district may be expended only for services
39 provided for the district.

40 Property subject to taxation in a newly established district or in an area annexed to an
41 existing district is that subject to taxation by the county as of the preceding January 1.

42 (b) Limit. – Such additional property taxes may not be levied within any district
43 established pursuant to this Article in excess of a rate of ten cents (10¢) on each one hundred
44 dollars (\$100.00) value of property subject to taxation or, in the event that the research and
45 production service district satisfies the criteria of G.S. 143B-437.08(h), such additional
46 property taxes may not be levied within said district in excess of a rate of fifteen cents (15¢) on
47 each one hundred dollars (\$100.00) value of property subject to taxation.

48 (c) Public Transportation. – For the purpose of constructing, maintaining, or operating
49 public transportation as defined by G.S. 153A-149(c)(27), in addition to the additional property
50 taxes levied under subsections (a) and (b) of this section, a county, upon recommendation of
51 the advisory committee established pursuant to G.S. 153A-313, may levy additional property

1 taxes within any ~~service~~-district established pursuant to this Article not in excess of a rate of ten
2 cents (10¢) on each one hundred dollars (\$100.00) value of property subject to taxation. Such
3 property taxes for public transportation may only be used within the ~~service~~-district, or to
4 provide for public transportation from the ~~service~~-district to other public transportation systems
5 or to other places outside the ~~service~~-district including airports."

6 "**§ 153A-317.1. Urban research service district taxes authorized; rate.**

7 (a) Tax Authorized. – A county, upon recommendation of the advisory committee
8 established pursuant to G.S. 153A-316.2, may levy property taxes within a URSD in addition to
9 those levied throughout the county, and in addition to those levied throughout the county
10 research and production service district, in order to finance, provide, or maintain for the URSD
11 services provided therein in addition to or to a greater extent than those financed, provided, or
12 maintained both for the entire county and for the county research and production service
13 district. Only those services that cities are authorized by law to provide may be provided. In
14 addition, a county may allocate to a URSD any other revenue not otherwise restricted by law.

15 (b) Rate. – Property subject to taxation in a newly established URSD or in an area
16 annexed to an existing URSD is that subject to taxation by the county as of the preceding
17 January. The maximum tax rate set forth in G.S. 153A-317 shall not apply to the URSD. The
18 additional property taxes within any URSD may not be levied in excess of the rate levied in the
19 prior year by a city that:

20 (1) Is the largest city in population that is contiguous to the county research and
21 production service district where the URSD is located.

22 (2) Is located primarily within the same county the URSD is located.

23 (c) Use. – The proceeds of taxes levied within a URSD may be expended only for the
24 benefit of the URSD. The taxes levied for the URSD may be used for debt service on any debt
25 issued by the county that is used wholly or partly for capital projects located within the URSD,
26 but not in greater proportion than expense of projects located within the URSD bear to the
27 entire expense of capital projects financed by that borrowing of the county. For the purpose of
28 this subsection, "debt" includes (i) general obligation bonds and notes issued under Chapter 159
29 of the General Statutes, (ii) revenue bonds issued under Chapter 159 of the General Statutes,
30 (iii) financing agreements under Article 8 of Chapter 159 of the General Statutes, and (iv)
31 special obligation bonds issued by the county."

32 **SECTION 2.** This act is effective when it becomes law.