

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 507
PROPOSED COMMITTEE SUBSTITUTE H507-PCS10290-ST-13

Short Title: Land-Use Regulatory Changes.

(Public)

Sponsors:

Referred to:

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CHANGES TO THE LAND-USE REGULATORY LAWS OF THE
3 STATE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143-755 reads as rewritten:

6 "**§ 143-755. Permit choice.**

7 (a) If a development permit applicant submits a permit application for any type of
8 development and a rule or ordinance ~~changes~~ is amended, including an amendment to a zoning
9 map or text of any applicable land development regulation or a change to a State agency
10 regulation affecting the development of property, between the time the development permit
11 application was submitted and a development permit decision is made, the development permit
12 applicant may choose which adopted version of the rule or ordinance will apply to the permit.
13 If the development permit applicant opts for the version of the rule or ordinance applicable at
14 the time of the permit application, the development permit applicant shall not be required to
15 wait for the outcome of the pending rule or ordinance.

16 (b) This section applies to all development permits issued by the State and by local
17 governments.

18 (c) Repealed by Session Laws 2015 246, s. 5(a), effective September 23, 2015.

19 (d) Any person aggrieved by the failure of a State agency or local government to
20 comply with this section or G.S. 160A-360.1 or G.S. 153A-320.1 may apply to the appropriate
21 division of the General Court of Justice for an order compelling compliance by the offending
22 agency, and the court shall have jurisdiction to issue that order. Actions brought pursuant to
23 any of these sections shall be set down for immediate hearing and subsequent proceedings in
24 those actions shall be accorded priority by the trial and appellate courts. If any State agency or
25 local government takes action that is inconsistent with, or in violation of, this section, the
26 development permit applicant shall be entitled to any damages that can be demonstrated as a
27 result of the State agency or local government's actions.

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

29 (1) Development. – The planning for or carrying out of a building activity, the
30 making of a material change in the use or appearance of any structure or
31 property, or the dividing of land into two or more parcels, including the
32 planning for and all other activity customarily associated with it.

33 (2) Development permit. – A building permit, zoning permit, subdivision
34 approval, special or conditional use permit, variance, site plan, or any other
35 official action of State or local government having the effect of permitting
36 the development of property.



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1 (3) Land development regulation. – Ordinances and regulations enacted by the
2 State or the appropriate governing body for the regulation of any aspect of
3 development and includes zoning, subdivision, or any other land
4 development ordinances."

5 **SECTION 2.** G.S. 160A-360.1 reads as rewritten:

6 **"§ 160A-360.1. Permit choice.**

7 If a rule or ~~ordinance~~ordinance, including an amendment to a zoning map or text of any
8 applicable land development regulation, changes between the time a development permit
9 application is submitted and a development permit decision is made, then G.S. 143-755 shall
10 apply."

11 **SECTION 3.** G.S. 153A-320.1 reads as rewritten:

12 **"§ 153A-320.1. Permit choice.**

13 If a rule or ~~ordinance~~ordinance, including an amendment to a zoning map or text of any
14 applicable land development regulation, changes between the time a development permit
15 application is submitted and a development permit decision is made, then G.S. 143-755 shall
16 apply."

17 **SECTION 4.** G.S. 160A-385 reads as rewritten:

18 **"§ 160A-385. Changes.**

19 (a) Citizen Comments. –

20 (1) ~~Zoning~~Subject to the limitations in this Chapter, zoning ordinances may
21 from time to time be amended, supplemented, changed, modified or
22 repealed. If any resident or property owner in the city submits a written
23 statement regarding a proposed amendment, modification, or repeal to a
24 zoning ~~ordinance~~ordinance, including a zoning map or text, that has been
25 properly initiated as provided in G.S. 160A-384, to the clerk to the board at
26 least two business days prior to the proposed vote on such change, the clerk
27 to the board shall deliver such written statement to the city council. If the
28 proposed change is the subject of a quasi-judicial proceeding under
29 G.S. 160A-388, or any other statute, the clerk shall provide only the names
30 and addresses of the individuals providing written comment, and the
31 provision of such names and addresses to all members of the board shall not
32 disqualify any member of the board from voting.

33 (2), (3) Repealed by Session Laws 2015-160, s. 1, effective August 1, 2015, and
34 applicable to zoning ordinance changes initiated on or after that date.

35 (b) Amendments in land development regulations, including zoning
36 ~~ordinances~~ordinances, subdivision ordinances, or unified development ordinances, shall not be
37 applicable or enforceable without the written consent of the owner with regard to buildings and
38 uses for which either (i) building permits have been issued pursuant to G.S. 160A-417 prior to
39 the enactment of the ordinance making the change or changes so long as the permits remain
40 valid and unexpired pursuant to G.S. 160A-418 and unrevoked pursuant to G.S. 160A-422 or
41 ~~(ii)~~(i) uses of buildings or land, or subdivisions of land, for which a development permit has
42 been issued that authorizes the use or subdivision of land or (ii) buildings, or uses thereof, for
43 which a building permit has been issued pursuant to this Chapter. Upon issuance of a
44 development permit, the statutory vesting granted by this subsection commences at the time the
45 application for the development permit is submitted in accordance with G.S. 143-755 prior to
46 the change in the land development regulations so long as the permit remains valid and
47 unexpired pursuant to law. Unless otherwise specified by statute, local development permits
48 expire one year after issuance unless work authorized by such permit has substantially
49 commenced. Amendments shall also not be applicable or enforceable without the written
50 consent of the owner if a vested right has been established pursuant to G.S. 160A-385.1 and
51 such vested right remains valid and unexpired pursuant to ~~G.S. 160A-385.1~~thereto or if a

1 vested right is established by the terms of a development agreement authorized by Part 3D of
 2 this Article. The establishment of a vested right under one subsection does not preclude vesting
 3 under one or more other subsections or vesting by application of common law principles. A
 4 vested right, once established as provided for in this subsection, precludes any action by a city
 5 that would change, alter, impair, prevent, diminish, or otherwise delay the development or use
 6 of the property as set forth in the application, except where a change in State or federal law
 7 mandating local government enforcement occurs after the application is submitted that has a
 8 fundamental and retroactive effect on such development or use.

9 (c) Amendments in land development regulations, including zoning ordinances,
 10 subdivision ordinances, ~~and~~ unified development ordinances—ordinances, shall not be
 11 applicable or enforceable without the written consent of the owner with regard to a
 12 multi-phased development as defined in G.S. 160A-385.1(b)(7).provided for in this subsection.
 13 A multi-phased development shall be vested for the entire development with the zoning
 14 ordinances, subdivision ordinances, and unified development ordinancesland development
 15 regulations then in place at the time a site plan approval is granted for the initial phase of the
 16 multi-phased development,the applicable application for a development permitis submitted in
 17 accordance with G.S. 143-755 prior to the change in the land development regulations, so long
 18 as the permit remains valid and unexpired pursuant to law. A right which has been vested as
 19 provided for in this subsection shall remain vested for a period of seven years from the time a
 20 site plan approval is granted for the initial phase of the multi-phased development. For
 21 purposes of this subsection, a "multi-phased development" shall mean a development
 22 containing 25 acres or more that (i) is submitted for development permit approval to occur in
 23 more than one phase and (ii) is subject to a master development plan with committed elements,
 24 showing the type and intensity of use of each phase.

25 (d) For purposes of this section, the definitions in G.S. 143-755 shall apply."

26 **SECTION 5.** G.S. 160A-385.1 reads as rewritten:

27 **"§ 160A-385.1. Vested rights.**

28 ...

29 (b) Definitions. –

30 ...

31 (7) ~~"Multi-phased development" means a development containing 100 acres or~~
 32 ~~more that (i) is submitted for site plan approval for construction to occur in~~
 33 ~~more than one phase and (ii) is subject to a master development plan with~~
 34 ~~committed elements, including a requirement to offer land for public use as a~~
 35 ~~condition of its master development plan approval.~~

36"

37 **SECTION 6.** G.S. 153A-344 reads as rewritten:

38 **"§ 153A-344. Planning board; zoning plan; certification to board of commissioners.**

39 ...

40 (b) Amendments in land development regulations, including zoning
 41 ordinancesordinances, subdivision ordinances, or unified development ordinances, shall not be
 42 applicable or enforceable without the written consent of the owner with regard to buildings and
 43 uses for which either (i) building permits have been issued pursuant to G.S. 153A-357 prior to
 44 the enactment of the ordinance making the change or changes so long as the permits remain
 45 valid and unexpired pursuant to G.S. 153A-358 and unrevoked pursuant to G.S. 153A-362 or
 46 (ii)(i) uses of buildings or land, or subdivisions of land, for which a development permit has
 47 been issued that authorizes the use or subdivision of land or (ii) buildings, or uses thereof, for
 48 which a building permit has been issued pursuant to this Chapter. Upon issuance of a
 49 development permit, the statutory vesting granted by this subsection commences at the time the
 50 application for the development permit is submitted in accordance with G.S. 143-755 prior to
 51 the change in the land development regulations so long as the permit remains valid and

1 unexpired pursuant to law. Unless otherwise specified by statute, local development permits
 2 expire one year after issuance unless work authorized by such permit has substantially
 3 commenced. Amendments shall also not be applicable or enforceable without the written
 4 consent of the owner if a vested right has been established pursuant to G.S. 153A-344.1 and
 5 such vested right remains valid and unexpired pursuant to ~~G.S. 153A-344.1~~thereto or if a
 6 vested right is established by the terms of a development agreement authorized by Part 3A of
 7 this Article. The establishment of a vested right under one subsection does not preclude vesting
 8 under one or more other subsections or vesting by application of common law principles. A
 9 vested right, once established as provided for in this subsection, precludes any action by a
 10 county that would change, alter, impair, prevent, diminish, or otherwise delay the development
 11 or use of the property as set forth in the application, except where a change in State or federal
 12 law mandating local government enforcement occurs after the application is submitted that has
 13 a fundamental and retroactive effect on such development or use.

14 (b1) Amendments in land development regulations, including zoning ordinances,
 15 subdivision ordinances, ~~and~~or unified development ordinances—ordinances, shall not be
 16 applicable or enforceable without the written consent of the owner with regard to a
 17 multi-phased development as defined in G.S. 153A-344.1(b)(7), as provided in this subsection.
 18 A multi-phased development shall be vested for the entire development with the zoning
 19 ordinances, subdivision ordinances, and unified development ordinancesland development
 20 regulations then in place at the time a site plan approval is granted for the initial phase of the
 21 multi-phased development, the applicable application for a development permit is submitted in
 22 accordance with G.S. 143-755 prior to the change in the land development regulations, so long
 23 as the permit remains valid and unexpired pursuant to law. A right which has been vested as
 24 provided for in this subsection shall remain vested for a period of seven years from the time a
 25 site plan approval is granted for the initial phase of the multi-phased development. For
 26 purposes of this subsection, a "multi-phased development" shall mean a development
 27 containing 25 acres or more that (i) is submitted for development permit approval to occur in
 28 more than one phase and (ii) is subject to a master development plan with committed elements,
 29 showing the type and intensity of use of each phase.

30 (c) For purposes of this section, the definitions in G.S. 143-755 shall apply."

31 **SECTION 7.** G.S. 153A-344.1 reads as rewritten:

32 **"§ 153A-344.1. Vesting rights.**

33 ...
 34 (b) Definitions.

35 ...
 36 (7) "Multi-phased development" means a development containing 100 acres or
 37 more that (i) is submitted for site plan approval for construction to occur in
 38 more than one phase and (ii) is subject to a master development plan with
 39 committed elements, including a requirement to offer land for public use as a
 40 condition of its master development plan approval.

41"

42 **SECTION 8.** G.S. 160A-384 reads as rewritten:

43 **"§ 160A-384. Method of procedure.**

44 (a) TheSubject to the limitations of this Chapter, the city council shall provide for the
 45 manner in which zoning regulations and restrictions and the boundaries of zoning districts shall
 46 be determined, established and enforced, and from time to time amended, supplemented or
 47 changed, in accordance with the provisions of this Article. The procedures adopted pursuant to
 48 this section shall provide that whenever there is a zoning map amendment, the owner of that
 49 parcel of land as shown on the county tax listing, and the owners of all parcels of land abutting
 50 that parcel of land as shown on the county tax listing, shall be mailed a notice of a public
 51 hearing on the proposed amendment by first class mail at the last addresses listed for such

1 owners on the county tax abstracts. This notice must be deposited in the mail at least 10 but not
2 more than 25 days prior to the date of the public hearing. No zoning map amendment shall be
3 initiated nor shall it be enforceable without the written consent of all property owners whose
4 property is the subject of the zoning map amendment, unless the zoning map amendment is
5 initiated by the city. ~~Except for a city initiated zoning map amendment, when an application is~~
6 ~~filed to request a zoning map amendment and that application is not made by the owner of the~~
7 ~~parcel of land to which the amendment would apply, the applicant shall certify to the city~~
8 ~~council that the owner of the parcel of land as shown on the county tax listing has received~~
9 ~~actual notice of the proposed amendment and a copy of the notice of public hearing. The person~~
10 ~~or persons required to provide notice shall certify to the city council that proper notice has been~~
11 ~~provided in fact, and such certificate shall be deemed conclusive in the absence of fraud.~~

12 (b) The first class mail notice required under subsection (a) of this section shall not be
13 required if the zoning map amendment directly affects more than 50 properties, owned by a
14 total of at least 50 different property owners, and the city elects to use the expanded published
15 notice provided for in this subsection. In this instance, a city may elect to either make the
16 mailed notice provided for in subsection (a) of this section or may as an alternative elect to
17 publish notice of the hearing as required by G.S. 160A-364, but provided that each
18 advertisement shall not be less than one-half of a newspaper page in size. The advertisement
19 shall only be effective for property owners who reside in the area of general circulation of the
20 newspaper which publishes the notice. Property owners who reside outside of the newspaper
21 circulation area, according to the address listed on the most recent property tax listing for the
22 affected property, shall be notified according to the provisions of subsection (a) of this section.

23 ~~(b1) Actual notice of the proposed amendment and a copy of the notice of public hearing~~
24 ~~required under subsection (a) of this section shall be by any manner permitted under G.S. 1A-1,~~
25 ~~Rule 4(j). If notice cannot with due diligence be achieved by personal delivery, registered or~~
26 ~~certified mail, or by a designated delivery service authorized pursuant to 26 U.S.C. §~~
27 ~~7502(f)(2), notice may be given by publication consistent with G.S. 1A-1, Rule 4(j1). This~~
28 ~~subsection applies only to an application to request a zoning map amendment where the~~
29 ~~application is not made by the owner of the parcel of land to which the amendment would~~
30 ~~apply. This subsection does not apply to a city initiated zoning map amendment.~~

31 (c) When a zoning map amendment is proposed, the city shall prominently post a notice
32 of the public hearing on the site proposed for rezoning or on an adjacent public street or
33 highway right-of-way. When multiple parcels are included within a proposed zoning map
34 amendment, a posting on each individual parcel is not required, but the city shall post sufficient
35 notices to provide reasonable notice to interested persons."

36 **SECTION 9.** G.S. 153A-343 reads as rewritten:

37 **"§ 153A-343. Method of procedure.**

38 (a) The board of commissioners shall, in accordance with the provisions of this Article,
39 provide for the manner in which zoning regulations and restrictions and the boundaries of
40 zoning districts shall be determined, established, and enforced, and from time to time amended,
41 supplemented, or changed. The procedures adopted pursuant to this section shall provide that
42 whenever there is a zoning map amendment, the owner of that parcel of land as shown on the
43 county tax listing, and the owners of all parcels of land abutting that parcel of land as shown on
44 the county tax listing, shall be mailed a notice of a public hearing on the proposed amendment
45 by first class mail at the last addresses listed for such owners on the county tax abstracts. This
46 notice must be deposited in the mail at least 10 but not more than 25 days prior to the date of
47 the public hearing. No zoning map amendment shall be initiated nor shall it be enforceable
48 without the written consent of all property owners whose property is the subject of the zoning
49 map amendment, unless the zoning map amendment is initiated by the county. ~~Except for a~~
50 ~~county initiated zoning map amendment, when an application is filed to request a zoning map~~
51 ~~amendment and that application is not made by the owner of the parcel of land to which the~~

1 amendment would apply, the applicant shall certify to the board of commissioners that the
2 owner of the parcel of land as shown on the county tax listing has received actual notice of the
3 proposed amendment and a copy of the notice of public hearing. The person or persons
4 required to provide notice shall certify to the board of commissioners that proper notice has
5 been provided in fact, and such certificate shall be deemed conclusive in the absence of fraud.

6 (b) The first class mail notice required under subsection (a) of this section shall not be
7 required if the zoning map amendment directly affects more than 50 properties, owned by a
8 total of at least 50 different property owners, and the county elects to use the expanded
9 published notice provided for in this subsection. In this instance, a county may elect to either
10 make the mailed notice provided for in subsection (a) of this section or may as an alternative
11 elect to publish notice of the hearings required by G.S. 153A-323, but provided that each of the
12 advertisements shall not be less than one-half of a newspaper page in size. The advertisement
13 shall only be effective for property owners who reside in the area of general circulation of the
14 newspaper which publishes the notice. Property owners who reside outside of the newspaper
15 circulation area, according to the address listed on the most recent property tax listing for the
16 affected property, shall be notified according to the provisions of subsection (a) of this section.

17 ~~(b1) Actual notice of the proposed amendment and a copy of the notice of public hearing~~
18 ~~required under subsection (a) of this section shall be by any manner permitted under G.S. 1A-1,~~
19 ~~Rule 4(j). If notice cannot with due diligence be achieved by personal delivery, registered or~~
20 ~~certified mail, or by a designated delivery service authorized pursuant to 26 U.S.C. §~~
21 ~~7502(f)(2), notice may be given by publication consistent with G.S. 1A-1, Rule 4(j1). This~~
22 ~~subsection applies only to an application to request a zoning map amendment where the~~
23 ~~application is not made by the owner of the parcel of land to which the amendment would~~
24 ~~apply. This subsection does not apply to a county-initiated zoning map amendment.~~

25 (c) Repealed by Session Laws 2005-418, s. 4, effective January 1, 2006.

26 (d) When a zoning map amendment is proposed, the county shall prominently post a
27 notice of the public hearing on the site proposed for rezoning or on an adjacent public street or
28 highway right-of-way. When multiple parcels are included within a proposed zoning map
29 amendment, a posting on each individual parcel is not required, but the county shall post
30 sufficient notices to provide reasonable notice to interested persons."

31 **SECTION 10.** Part 3 of Article 19 of Chapter 160A of the General Statutes is
32 amended by adding a new section to read:

33 "**§ 160A-393.1 Civil action for declaratory relief, injunctive relief, or other remedies.**

34 (a) Action for Relief Authorized. – Any party who is either an owner of an interest in
35 real property that is the subject matter of a local government enforcement action or a permit
36 applicant who is aggrieved by a final and binding decision of an administrative official
37 involving the application or enforcement of a city or county zoning or unified development
38 ordinance or any other ordinance that regulates land use or development may, in lieu of an
39 appeal to a board of adjustment prescribed by Chapter 153A or Chapter 160A of the General
40 Statutes, maintain an original action in superior court for declaratory relief, injunctive relief,
41 damages, or any other remedies provided by law or equity, where any of the following claims
42 or defenses are asserted by the aggrieved party:

- 43 (1) That the ordinance, either on its face or as applied by the final decision of
44 the administrative official, violates the United States or North Carolina
45 Constitutions.
46 (2) That the ordinance or the final decision of the administrative official is
47 invalid or unenforceable on grounds of ultra vires or preemption, or is
48 otherwise in excess of authority.
49 (3) That the ordinance or the final decision of the administrative official violates
50 common law or statutory vested rights of the aggrieved party.

1 (4) That the ordinance or final decision of the administrative official constitutes
2 a taking of property.

3 In any action brought pursuant to this subsection and notwithstanding G.S. 160A-388(b1),
4 the aggrieved party may, in addition to the above, join any other available claims or defenses,
5 arising from or relating to the final decision of the administrative official, including, without
6 limitation, claims or defenses relating to the interpretation or application of the ordinance. The
7 burden of proof to show a violation of a city or county zoning or unified development
8 ordinance or any other ordinance that regulates land-use or development rests with the party
9 seeking to enforce such ordinance.

10 (b) Time for Commencement of Action. – Any action brought pursuant to this section
11 shall be commenced within one year after the date on which written notice of the final decision
12 is delivered to the aggrieved party by personal delivery, electronic mail, or by first-class mail.

13 (c) Availability of Alternative Remedy. – Any person entitled to maintain an action
14 under this section may elect instead to present any of the claims or defenses set forth in
15 subdivisions (a)(1) through (a)(3) of this section by way of appeal to the board of adjustment as
16 provided in G.S. 160A-388(b1) and may thereafter appeal from an adverse decision by the
17 board of adjustment as provided in G.S. 160A-393. Once an appeal setting forth such claims or
18 defenses has been filed pursuant to G.S. 160A-388(b1)(1) and its related hearing before the
19 board of adjustment commenced, a party may not thereafter bring an action as authorized by
20 this section; provided, however, that nothing herein shall be deemed to preclude a party from
21 maintaining an action under federal law or a takings claim.

22 (d) Notice to Abutting Landowners. – A person who commences an action pursuant to
23 this section shall notify by first-class mail the owners of all parcels of land abutting the parcel
24 of land that is the subject of the complaint that such action has been filed. The notice shall
25 include a copy of the complaint. The party bringing the civil action may rely on the county tax
26 listings to determine owners of property entitled to mailed notice and the applicable mailing
27 addresses. The notice shall be mailed no later than 30 days after the commencement of the
28 action, unless an extension, not to extend 30 days, is granted pursuant to Rule 6(b) of the North
29 Carolina Rules of Civil Procedure.

30 (e) Determination of Issues Other Than Damages. – In any action brought pursuant to
31 this section, a judge shall hear and determine any and all issues of fact or law raised by the
32 pleadings or otherwise consented to other than the issue of damages which may be determined
33 by a jury, if requested by any party."

34 **SECTION 11.** G.S. 160A-364.1 reads as rewritten:

35 "**§ 160A-364.1. Statute of limitations.**

36 ...

37 (c) Nothing in this section or in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party in an
38 action involving the enforcement of a zoning or unified development ordinance or in an action
39 authorized by G.S. 160A-393.1 from raising as a claim or defense to such enforcement action in
40 such proceedings the invalidity of the ordinance. Nothing in this section or in G.S. 1-54(10) or
41 G.S. 1-54.1 shall bar a party who files a timely appeal from an order, requirement, decision, or
42 determination made by an administrative official contending that such party is in violation of a
43 zoning or unified development ordinance from raising in the appeal the invalidity of such
44 ordinance as a defense to such order, requirement, decision, or determination. A party in an
45 enforcement action or appeal may not assert the invalidity of the ordinance on the basis of an
46 alleged defect in the adoption process unless the defense is formally raised within three years of
47 the adoption of the challenged ordinance.

48 "

49 **SECTION 12.** G.S. 160A-393 reads as rewritten:

50 "**§ 160A-393. Appeals in the nature of certiorari.**

51 ...

1 (j) Hearing on the Record. – The court shall hear and decide all issues raised by the
2 petition by reviewing the record submitted in accordance with subsection ~~(h)~~(i) of this section.
3 Except that the court ~~may, in its discretion,~~ shall allow the record to be supplemented with
4 affidavits, testimony of witnesses, or documentary or other evidence if, and to the extent that,
5 the ~~record is not adequate to allow an appropriate determination~~ petition raises any of the
6 following ~~issues:~~ issues, in which case the rules of discovery set forth in the North Carolina
7 Rules of Civil Procedure shall apply to the supplementation of the record of said issues:

8 (1) Whether a petitioner or intervenor has standing.

9 (2) Whether, as a result of impermissible conflict as described in
10 G.S. 160A-388(e)(2), or locally adopted conflict rules, the decision-making
11 body was not sufficiently impartial to comply with due process principles.

12 (3) Whether the decision-making body erred for the reasons set forth in
13 sub-subdivisions a. and b. of subdivision (1) of subsection (k) of this
14 ~~section.~~ section, including an error related to the claims or defenses in
15 subdivision (k)(4) of this section.

16 (k) Scope of Review. –

17 (1) When reviewing the decision of a decision-making board under the
18 provisions of this section, the court shall ensure that the rights of petitioners
19 have not been prejudiced because the decision-making body's findings,
20 inferences, conclusions, or decisions were:

21 a. In violation of constitutional provisions, including those protecting
22 procedural due process rights.

23 b. In excess of the statutory authority conferred upon the city or the
24 authority conferred upon the decision-making board by ordinance.

25 c. Inconsistent with applicable procedures specified by statute or
26 ordinance.

27 d. Affected by other error of law.

28 e. Unsupported by substantial competent evidence in view of the entire
29 record.

30 f. Arbitrary or capricious.

31 (2) When the issue before the court is one set forth in sub-subdivisions a.
32 through d. of subdivision (1) of this subsection, including whether the
33 decision-making board erred in interpreting an ordinance, the court shall
34 review that issue de novo. The court shall consider the interpretation of the
35 decision-making board, but is not bound by that interpretation, and may
36 freely substitute its judgment as appropriate.

37 (3) The term "competent evidence," as used in this subsection, shall not preclude
38 reliance by the decision-making board on evidence that would not be
39 admissible under the rules of evidence as applied in the trial division of the
40 General Court of Justice if (i) except for the items noted in sub-subdivisions
41 a., b., and c. of this subdivision that are conclusively incompetent, the
42 evidence was admitted without objection or (ii) the evidence appears to be
43 sufficiently trustworthy and was admitted under such circumstances that it
44 was reasonable for the decision-making board to rely upon it. The term
45 "competent evidence," as used in this subsection, ~~shall~~ shall, regardless of the
46 lack of a timely objection, not be deemed to include the opinion testimony of
47 lay witnesses as to any of the following:

48 a. The use of property in a particular way would affect the value of
49 other property.

50 b. The increase in vehicular traffic resulting from a proposed
51 development would pose a danger to the public safety.

1 c. Matters about which only expert testimony would generally be
2 admissible under the rules of evidence.

3 (4) The petitioner may assert and the court shall determine de novo, based on
4 the record, as supplemented in accordance with subsection (j) of this section,
5 any of the following claims or defenses:

6 a. That the ordinance, either on its face or as applied by the final
7 decision of the administrative official, violates the United States or
8 North Carolina Constitutions.

9 b. That the ordinance or the final decision of the administrative official
10 is invalid or unenforceable on grounds of ultra vires or preemption,
11 or is otherwise in excess of authority.

12 c. That the ordinance or the final decision of the administrative official
13 violates common law or statutory vested rights of the petitioner.

14 (5) In order to raise any claim or defense listed in subdivision (4) of this
15 subsection, to the extent that they do not involve some act of the
16 decision-making board itself or any of its members, the claim or defense
17 shall be made known to the decision-making board at the hearing.

18 (l) Decision of the Court. – Following its review of the decision-making board in
19 accordance with subsection (k) of this section, the court may affirm the decision, reverse the
20 decision and remand the case with appropriate instructions, or remand the case for further
21 proceedings. If the court does not affirm the decision below in its entirety, then the court shall
22 be guided by the following in determining what relief should be granted to the petitioners:

23 (1) If the court concludes that the error committed by the decision-making board
24 is procedural only, the court may remand the case for further proceedings to
25 correct the procedural error.

26 (2) If the court concludes that the decision-making board has erred by failing to
27 make findings of fact such that the court cannot properly perform its
28 function, then the court may remand the case with appropriate instructions so
29 long as the record contains substantial competent evidence that could
30 support the decision below with appropriate findings of fact. However,
31 findings of fact are not necessary when the record sufficiently reveals the
32 basis for the decision below or when the material facts are undisputed and
33 the case presents only an issue of law.

34 (3) If the court concludes that the decision by the decision-making board is not
35 supported by substantial competent evidence in the record or is based upon
36 an error of law, then the court may remand the case with an order that directs
37 the decision-making board to take whatever action should have been taken
38 had the error not been committed or to take such other action as is necessary
39 to correct the error. Specifically:

40 a. If the court concludes that a permit was wrongfully denied because
41 the denial was not based on substantial competent evidence or was
42 otherwise based on an error of law, the court ~~may~~shall remand with
43 instructions that the permit be issued, subject to ~~reasonable and~~
44 ~~appropriate conditions.~~any conditions expressly consented to by the
45 permit applicant as part of the application or during the board of
46 adjustment appeal or writ of certiorari appeal.

47 b. If the court concludes that a permit was wrongfully issued because
48 the issuance was not based on substantial competent evidence or was
49 otherwise based on an error of law, the court may remand with
50 instructions that the permit be revoked.

c. If the court concludes that a zoning board decision upholding a zoning enforcement action was not supported by substantial competent evidence or was otherwise based on an error of law, the court shall reverse the decision.

...."

SECTION 13. Part 3 of Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-393.2. No estoppel effect when challenging development conditions.

A city or county may not assert before a board of adjustment or in any civil action the defenses of estoppel, waiver, release, acceptance, or other similar grounds as a result of actions by the landowner or permit applicant to proceed with development authorized by a rezoning or a development permit as defined in G.S. 160A-400.21 while said landowner or permit applicant challenges conditions imposed on said development."

SECTION 14. G.S. 6-21.7 reads as rewritten:

"§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of their authority.

In any action in which a city or county is a party, upon a finding by the court that the city or county acted outside the scope of its legal authority, violated a statute or case law setting forth unambiguous limits on its authority, the court may shall award reasonable attorneys' fees and costs to the party who successfully challenged the city's or county's action, provided that if the court also finds that the city's or county's action was an abuse of its discretion, the court shall award attorneys' fees and costs. 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. 160A-360.1, 153A-320.1, or 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. In all other matters, the court may award reasonable attorneys' fees and costs to the prevailing private litigant. For purposes of this section, "unambiguous" means that the limits of authority are not reasonably susceptible to multiple constructions."

SECTION 15. G.S. 160A-372 reads as rewritten:

"§ 160A-372. Contents and requirements of ordinance.

...

(c) The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with municipal plans, policies, and standards. To assure compliance with these and other ordinance requirements, the ordinance may provide for performance guarantees to assure successful completion of required improvements either at the time the plat is recorded as provided in subsection (b) of this section, section or at a time subsequent to the recording of the plat to assure successful completion of required improvements. In the event a city fails to adopt an ordinance setting forth performance guarantees in compliance with subsection (g) of this section, a city shall not be authorized to require the successful completion of required improvements prior to a plat being recorded. For any specific development, the type and term of performance guarantee, or any extension of the performance guarantee, shall be at the election of the developer, provided that any performance guarantee or extension be available to assure the successful completion of improvements for which it is required. The developer shall be allowed, without limitation, to reduce the amount of the performance guarantee to reflect only the remaining incomplete items.

...

(g) For purposes of this section, all of the following shall apply with respect to performance guarantees:

(1) The term "performance guarantee" shall mean any of the following forms of guarantee:

- 1 a. Surety bond issued by any company authorized to do business in this
2 State.
- 3 b. Letter of credit issued by any financial institution licensed to do
4 business in this State.
- 5 c. Other form of guarantee that provides equivalent security to a surety
6 bond or letter of credit.
- 7 (2) The performance guarantee shall be returned or released, as appropriate, in a
8 timely manner upon the acknowledgement by the city or county that the
9 improvements for which the performance guarantee is being required are
10 complete. If the improvements are not complete and the current performance
11 guarantee is expiring, the performance guarantee shall be extended, or a new
12 performance guarantee issued, for an additional period until such required
13 improvements are complete. A developer shall demonstrate reasonable, good
14 faith progress toward completion of the required improvements that are the
15 subject of the performance guarantee or any extension. The form of any
16 extension shall remain at the election of the developer.
- 17 (3) The amount of the performance guarantee shall not exceed one hundred
18 twenty-five percent (125%) of the reasonably estimated cost of completion
19 at the time the performance guarantee is issued. Any extension of the
20 performance guarantee necessary to complete required improvements shall
21 not exceed one hundred twenty-five percent (125%) of the reasonably
22 estimated cost of completion of the remaining incomplete improvements still
23 outstanding at the time the extension is obtained. At the election of the
24 developer, one hundred twenty-five percent (125%) of the reasonably
25 estimated cost of completion may be conclusively determined by a report
26 provided under seal by an architect licensed under the provisions of Chapter
27 83A of the General Statutes or an engineer registered under the provisions of
28 Chapter 89C of the General Statutes. This report may contain unit pricing
29 information provided by a general contractor, licensed under Chapter 87 of
30 the General Statutes, or any other competent source that the architect or
31 engineer certifies, under seal, as accurate. The reasonably estimated cost of
32 completion shall include all costs of inflation and costs of administration and
33 enforcement, no matter how such related fees or charges are denominated.
- 34 (4) The performance guarantee shall only be used for completion of the required
35 improvements and not for repairs or maintenance after completion.
- 36 (5) The developer shall have the option to post one form of a performance
37 guarantee as provided for in subdivision (1) of this subsection, in lieu of
38 multiple bonds, letters of credit, or other equivalent security, for all
39 development matters related to the same project requiring performance
40 guarantees, including, without limitation, subdivision, erosion control, and
41 stormwater.
- 42 (6) No person shall have or may claim any rights under or to any performance
43 guarantee provided pursuant to this subsection or in the proceeds of any such
44 performance guarantee other than the following:
- 45 a. The local government to whom such performance guarantee is
46 provided.
- 47 b. The developer at whose request or for whose benefit such
48 performance guarantee is given.
- 49 c. The person or entity issuing or providing such performance
50 guarantee at the request of or for the benefit of the developer."

51 **SECTION 16.** G.S. 153A-331 reads as rewritten:

1 **"§ 153A-331. Contents and requirements of ordinance.**

2 ...

3 (e) The ordinance may provide for the more orderly development of subdivisions by
 4 requiring the construction of community service facilities in accordance with county plans,
 5 policies, and standards. To assure compliance with these and other ordinance requirements, the
 6 ordinance may provide for performance guarantees ~~to assure successful completion of required~~
 7 ~~improvements~~ either at the time the plat is recorded as provided in subsection (b) of this
 8 ~~section~~ section or at a time subsequent to the recording of the plat to assure successful
 9 completion of required improvements. In the event a county fails to adopt an ordinance setting
 10 forth performance guarantees in compliance with subsection (g) of this section, a county shall
 11 not be authorized to require the successful completion of required improvements prior to a plat
 12 being recorded. For any specific development, the type and term of performance guarantee
 13 from the range specified by the county guarantee, or any extension of the performance
 14 guarantee, shall be at the election of the developer. developer, provided that any performance
 15 guarantee or extension be available to assure the successful completion of the improvements
 16 for which it is required. The developer shall be allowed, without limitation, to reduce the
 17 amount of the performance guarantee to reflect only the remaining incomplete items.

18"

19 **SECTION 17.** G.S. 160A-381 reads as rewritten:

20 **"§ 160A-381. Grant of power.**

21 ...

22 (c) The regulations may also provide that the board of adjustment, the planning board,
 23 or the city council may issue special use permits or conditional use permits in the classes of
 24 cases or situations and in accordance with the principles, conditions, safeguards, and
 25 procedures specified therein and may impose reasonable and appropriate conditions and
 26 safeguards upon these permits. Conditions and safeguards imposed under this subsection shall
 27 not include requirements for which the city does not have authority under statute to regulate nor
 28 requirements for which the courts have held to be unenforceable if imposed directly by the
 29 ~~city~~ city, including, without limitation, taxes, impact fees, building design elements within the
 30 scope of subsection (h) of this section not voluntarily offered by the petitioner, street
 31 improvements in excess of those allowed in G.S. 160A-372, driveway-related improvements in
 32 excess of those allowed in G.S. 136-18(29) and G.S. 160A-307, or other unauthorized
 33 limitations on the development or use of land. When deciding special use permits or
 34 conditional use permits, the city council or planning board shall follow quasi-judicial
 35 procedures. Notice of hearings on special or conditional use permit applications shall be as
 36 provided in G.S. 160A-388(a2). No vote greater than a majority vote shall be required for the
 37 city council or planning board to issue such permits. For the purposes of this section, vacant
 38 positions on the board and members who are disqualified from voting on a quasi-judicial matter
 39 shall not be considered "members of the board" for calculation of the requisite majority. Every
 40 such decision of the city council or planning board shall be subject to review of the superior
 41 court in the nature of certiorari in accordance with G.S. 160A-388.

42 Where appropriate, such conditions may include requirements that street and utility
 43 rights-of-way be dedicated to the public and that provision be made of recreational space and
 44 facilities. Notwithstanding anything to the contrary, a development permit authorized pursuant
 45 to this subsection shall not be denied on the basis that existing public facilities are inadequate to
 46 serve the property described in the permit application regardless of the type of use or
 47 development of said property.

48"

49 **SECTION 18.** G.S. 153A-340 reads as rewritten:

50 **"§ 153A-340. Grant of power.**

51 ...

1 (c1) The regulations may also provide that the board of adjustment, the planning board,
2 or the board of commissioners may issue special use permits or conditional use permits in the
3 classes of cases or situations and in accordance with the principles, conditions, safeguards, and
4 procedures specified therein and may impose reasonable and appropriate conditions and
5 safeguards upon these permits. Conditions and safeguards imposed under this subsection shall
6 not include requirements for which the county does not have authority under statute to regulate
7 nor requirements for which the courts have held to be unenforceable if imposed directly by the
8 ~~county~~county, including, without limitation, taxes, impact fees, building design elements
9 within the scope of subsection (l) of this section not voluntarily offered by the petitioner, street
10 improvements in excess of those allowed in G.S. 160A-372, driveway-related improvements in
11 excess of those allowed in G.S. 136-18(29), or other unauthorized limitations on the
12 development or use of land. Where appropriate, the conditions may include requirements that
13 street and utility rights-of-way be dedicated to the public and that recreational space be
14 provided. Notwithstanding anything to the contrary, a development permit authorized pursuant
15 to this subsection shall not be denied on the basis that existing public facilities are inadequate to
16 serve the property described in the permit application regardless of the type of use or
17 development of said property. When deciding special use permits or conditional use permits,
18 the board of county commissioners or planning board shall follow quasi-judicial procedures.
19 Notice of hearings on special or conditional use permit applications shall be as provided in
20 G.S. 160A-388(a2). No vote greater than a majority vote shall be required for the board of
21 county commissioners or planning board to issue such permits. For the purposes of this section,
22 vacant positions on the board and members who are disqualified from voting on a quasi-judicial
23 matter shall not be considered "members of the board" for calculation of the requisite majority.
24 Every such decision of the board of county commissioners or planning board shall be subject to
25 review of the superior court in the nature of certiorari consistent with G.S. 160A-388.

26"

27 **SECTION 19.(a)** G.S. 153A-352(b) reads as rewritten:

28 "(b) Except as provided in G.S. 153A-364, a county may not adopt or enforce a local
29 ordinance or resolution or any other policy that requires regular, routine inspections of
30 buildings or structures constructed in compliance with the North Carolina Residential Code for
31 One- and Two-Family Dwellings in addition to the specific inspections required by the North
32 Carolina Building Code without first obtaining approval from the North Carolina Building
33 Code Council. The North Carolina Building Code Council shall review all applications for
34 additional inspections requested by a county and shall, in a reasonable manner, approve or
35 disapprove the additional inspections. This subsection does not limit the authority of the county
36 to require inspections upon unforeseen or unique circumstances that require immediate action.
37 In performing the specific inspections required by the North Carolina Building Code, the
38 inspector shall conduct all inspections requested by the permit holder for each scheduled
39 inspection visit. For each requested inspection, the inspector shall inform the permit holder of
40 instances in which the work inspected is incomplete or otherwise fails to meet the requirements
41 of the North Carolina Residential Code for One- and Two-Family Dwellings"

42 **SECTION 19.(b)** G.S. 160A-412(b) reads as rewritten:

43 "(b) Except as provided in G.S. 160A-424, a city may not adopt or enforce a local
44 ordinance or resolution or any other policy that requires regular, routine inspections of
45 buildings or structures constructed in compliance with the North Carolina Residential Code for
46 One- and Two-Family Dwellings in addition to the specific inspections required by the North
47 Carolina Building Code without first obtaining approval from the North Carolina Building
48 Code Council. The North Carolina Building Code Council shall review all applications for
49 additional inspections requested by a city and shall, in a reasonable manner, approve or
50 disapprove the additional inspections. This subsection does not limit the authority of the city to
51 require inspections upon unforeseen or unique circumstances that require immediate action. In

1 performing the specific inspections required by the North Carolina Building Code, the
2 inspector shall conduct all inspections requested by the permit holder for each scheduled
3 inspection visit. For each requested inspection, the inspector shall inform the permit holder of
4 instances in which the work inspected is incomplete or otherwise fails to meet the requirements
5 of the North Carolina Residential Code for One- and Two-Family Dwellings."

6 **SECTION 19.(c)** If House Bill 252, Edition, of the 2017 Regular Session, becomes
7 law, this section is repealed.

8 **SECTION 20.** G.S. 160A-37 reads as rewritten:

9 "**§ 160A-307. Curb cut regulations.**

10 (a) A city may by ordinance regulate the size, location, direction of traffic flow, and
11 manner of construction of driveway connections into any street or alley. The ordinance may
12 require the construction or reimbursement of the cost of construction and public dedication of
13 medians, acceleration and deceleration lanes, and traffic storage lanes for driveway connections
14 into any street or alley ~~if~~if all of the following apply:

15 (1) The need for such improvements is reasonably attributable to the traffic
16 using the ~~driveway;~~ driveway.

17 (2) The improvements serve the traffic of the driveway.

18 (b) No street or alley under the control of the Department of Transportation may be
19 improved without the consent of the Department of Transportation. ~~However, if there is a~~
20 ~~conflict between the written driveway regulations of the Department of Transportation and the~~
21 ~~related driveway improvements required by the city, the more stringent requirement shall~~
22 ~~apply.~~A city shall not require the applicant to acquire right-of-way from property not owned by
23 the applicant. However, an applicant may voluntarily agree to acquire such right-of-way."

24 **SECTION 21.** G.S. 160A-385(c), as enacted by Section 4 of this act and
25 G.S. 153A-344(b1), as enacted by Section 6 of this act are effective with respect to phased
26 development approvals that are valid and unexpired on the effective date of this act. The
27 remainder of this act is effective when it becomes law and applies to permits previously issued
28 that remain valid and unexpired on the date this act becomes law and to permit actions filed,
29 actions filed in court, and claims and defenses asserted on or after that date.