

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

1

HOUSE BILL 2136

Short Title: Special Projects District.

(Local)

Sponsors: Representatives Michaux; and Miller.

Referred to: Government.

May 25, 1990

A BILL TO BE ENTITLED

AN ACT TO ALLOW DURHAM COUNTY TO CREATE A SPECIAL PROJECTS DISTRICT AS A SEPARATE POLITICAL SUBDIVISION WITHIN THE COUNTY FOR THE PURPOSE OF FUNDING JOINT PROJECTS UNDERTAKEN THROUGH INTERLOCAL COOPERATION AGREEMENTS BETWEEN THE COUNTY OF DURHAM, THE CITY OF DURHAM AND THE TOWN OF CHAPEL HILL TO ENSURE PROPORTIONAL EQUALITY OF CITY AND COUNTY TAXPAYER PARTICIPATION.

The General Assembly of North Carolina enacts:

Section 1. **Definitions.** As used in this act:

- (1) " City" means a city as defined in G.S. 160A-1 which is located wholly or partly within the county creating a Special Projects District under this act;
- (2) " District" means a Special Projects District established under this act;
- (3) " Joint Project" means any capital project, governmental program or activity the undertaking, planning, building, maintenance, or otherwise funding of which is shared between a county and a city or cities which each is authorized by law to undertake, plan, build, maintain, or otherwise fund on its own; and
- (4) " Special Projects District Board" means the board of county commissioners creating the District when that board is acting ex officio as the governing board of the District.

Sec. 2. **Purpose and Intent; Exclusion.** This act is intended to allow a county to establish certain areas of that county as a separate body politic and corporate

1 to be known as a Special Projects District as provided by this act. Through such a
2 separate political subdivision, a county on behalf of the area of that county in the district
3 may

4 (1) Enter into Interlocal Cooperation Agreements pursuant to Part 1 of
5 Article 20 of Chapter 160A of the General Statutes with a city or
6 cities, or;

7 (2) As otherwise permitted by law jointly undertake with a city or cities
8 as a separate unit of local government for the purpose of undertaking, planning, building
9 and funding from property taxes, joint projects which their governing boards have
10 determined to be beneficial to their collective constituencies. It authorizes the District,
11 as a part of its regular budget-making process, to levy a separate tax on property within
12 the District at a rate specifically identified as that necessary to fund the District's portion
13 of the joint project, which when added to a property tax appropriation from the city or
14 cities will fund the project and result in proportional equality of tax payments to the
15 project by each taxpayer of the particular city and District participating in the joint
16 project.

17 **Sec. 3. Authority to Create a Special Projects District; Area Included;**
18 **Powers.** The board of commissioners of a county may establish a certain area of the
19 county as a separate body politic and corporate to be known as the _____ County
20 Special Projects District (insert name of county creating the District). The District may
21 be created by the board of commissioners by ordinance after a public hearing, notice of
22 which shall be given at least 10 days prior to the date of the hearing, and shall consist of
23 all that portion of the county lying outside a particular city when that city has or intends
24 to join with the District in the development and maintenance of one or more projects,
25 and where one or more cities has or intends to join, it shall consist of all the area of the
26 county outside those cities.

27 **Sec. 4. District Governing Board.** The Board of Commissioners of a
28 county shall serve, ex officio, as the governing board of the District, and shall develop
29 operating procedures for the functioning of the Special Projects District Board,
30 including a schedule of meetings to adequately carry out the duties and functions of that
31 Board and the business of the District.

32 **Sec. 5. Effect on District of Annexation by a City.** Upon annexation of
33 any portion of the District by a city of which has joined with the District in a joint
34 project, the portion annexed shall, on the effective date of the annexation, cease to be
35 part of the District. When the whole or any portion of the District has been annexed by
36 a city after either has joined with the District or a joint project or projects, and the
37 effective date of the annexation is a date other than a date in the month of June, the
38 amount of the tax levied on property in the District for the fiscal year in which
39 municipal taxes are prorated under G.S. 160A-58.10 shall be multiplied by the
40 following fraction: the denominator shall be 12 and the numerator shall be the number
41 of full calendar months remaining in the fiscal year following the day on which the
42 annexation becomes effective. For each owner, the product of the multiplication is the
43 prorated Special Projects District payment. The finance officer of the annexing
44 municipality shall obtain from the tax assessor or tax collector of Durham County a list

1 of the owners of property on which Special Projects District taxes were levied in the
2 territory being annexed, and the annexing municipality shall no later than 90 days after
3 the effective date of the annexation, pay the amount of the prorated Special Projects
4 District tax payment to the owners of that property. Such payments shall come from
5 any funds not otherwise restricted by law. Annexation of a portion of the District shall
6 not, however, invalidate any joint project between the District and the annexing
7 municipality.

8 **Sec. 6. Joint Participation in Projects Required.** Before the Special
9 Projects District can levy a tax pursuant to law, it shall have first either be jointly
10 participating with a city in a project, or have agreed either through an Interlocal
11 Cooperation Agreement or some established course of conduct with such municipality
12 to jointly undertake a project.

13 **Sec. 7. Applicability to Existing Projects.** Upon creation of the Special
14 Projects District as provided for herein, taxes may be levied to finance between a county
15 (through a District) and a city joint projects already in existence at the time of the
16 creation of the District, provided that the county assign to the District all of its rights
17 and obligations toward the project.

18 **Sec. 8. Powers of Special Projects District.** A Special Projects District
19 created under this act shall have the following powers:

- 20 (1) To join with a city or cities in the design, creation, construction,
21 operation, maintenance, repair, renovation, alteration or funding of
22 projects, programs, or governmental activities authorized by law, to
23 acquire real and personal property associated with the same, and to
24 enter into Interlocal Cooperation Agreements pursuant to Part 1,
25 Article 20 of Chapter 160A of the General Statutes with any city for
26 the purpose of joining together in carrying out such projects and
27 programs if the same may be deemed necessary to effectuate the intent
28 of this act;
- 29 (2) To levy taxes on property within the Special Projects District as
30 provided for in G.S. 153A-149.1 and Article 7 of Chapter 153A of the
31 General Statutes; and
- 32 (3) To acquire, own and dispose of both real and personal property as
33 provided for in Article 8 of Chapter 153A of the General Statutes.

34 **Sec. 8.1. Effect of Annexation or Incorporation.** If, after the creation of a
35 District, a city is incorporated within that county, or a city annexes into the county
36 which had not annexed territory within the county prior to the creation of the District,
37 the area within the annexing or incorporating city shall remain in the District unless the
38 District and the annexing or incorporating city shall enter into an agreement for the
39 annexing or incorporating city to participate in the joint project, in which case the area
40 shall cease to be in the District upon the effective date of the agreement, with taxation
41 handled as provided by Section 5 of this act.

42 **Sec. 9. Procedure for Tax Levy.** Unless Special Projects Districts have
43 been authorized to levy taxes on property by general law uniformly applicable
44 throughout the State, such taxes may be levied only with the approval of the qualified

1 voters of the Special Projects District. Such referendum shall be called by the Special
2 Projects District Board, under the same procedures as G.S. 153A-149(d).

3 Sec. 10. **Short Title.** This act may be cited as the Special Projects District
4 Act.

5 Sec. 11. This act applies only to Durham County and any municipalities
6 located within that county.

7 Sec. 12. This act is effective upon ratification.