

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2136  
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Short Title: Special Projects District.

(Local)

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Sponsors: Representatives Michaux; and Miller.

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Referred to: Government.

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May 25, 1990

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW DURHAM COUNTY TO CREATE A SPECIAL PROJECTS  
2 DISTRICT AS A SEPARATE POLITICAL SUBDIVISION WITHIN THE  
3 COUNTY FOR THE PURPOSE OF FUNDING JOINT PROJECTS  
4 UNDERTAKEN THROUGH INTERLOCAL COOPERATION AGREEMENTS  
5 BETWEEN THE COUNTY OF DURHAM, THE CITY OF DURHAM AND THE  
6 TOWN OF CHAPEL HILL TO ENSURE PROPORTIONAL EQUALITY OF  
7 CITY AND COUNTY TAXPAYER PARTICIPATION.  
8

9 The General Assembly of North Carolina enacts:

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

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

1           Sec. 2. **Purpose and Intent; Exclusion.** This act is intended to allow a  
2 county to establish certain areas of that county as a separate body politic and corporate  
3 to be known as a Special Projects District as provided by this act. Through such a  
4 separate political subdivision, a county on behalf of the area of that county in the district  
5 may

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

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

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

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

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

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

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

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

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

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

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

43       Sec. 9. **Procedure for Tax Levy.** Unless Special Projects Districts have  
44 been authorized to levy taxes on property by general law uniformly applicable

1 throughout the State, such taxes may be levied only with the approval of the qualified  
2 voters of the Special Projects District. Such referendum shall be called by the Special  
3 Projects District Board, under the same procedures as G.S. 153A-149(d).

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

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

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