

GENERAL ASSEMBLY OF NORTH CAROLINA  
1991 SESSION

CHAPTER 660  
HOUSE BILL 757

AN ACT TO AUTHORIZE THE CITY OF DUNN TO IMPOSE FACILITY FEES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 818 of the 1969 Session Laws, as amended by Chapter 104 of the 1971 Session Laws, being the revised and consolidated Charter of the City of Dunn, is amended by adding a new Article to read:

"ARTICLE XIV. FACILITIES FEES.

"Sec. 14.1. **Definitions.** The following definitions apply in this act:

- (1) 'Capital costs' means costs spent for developing community service facilities. Capital costs are limited to capital outlay items listed in the 'Uniform Local Government Accounting Systems' procedural manual prepared by the North Carolina Local Government Commission.
- (2) 'Community service facilities' means the following public facilities or improvements provided or established by the local government or in conjunction with other units of government: streets and sidewalks, water, sewer and drainage projects, parks, open spaces, and recreational facilities and any other capital costs needs of duly constituted departments of city government.
- (3) 'Developer' means an individual, corporation, partnership, organization, association, firm, political subdivision, or other legal entity constructing or creating new construction.
- (4) 'Facility fee' means the charge imposed upon new construction under this Article.
- (5) 'New construction' means any new development, construction, or installation for which a building or zoning permit, certification, or any other type of governmental approval is required. New construction includes the installation of a mobile home, factory-built, or modular housing. New construction does not include: (i) renovation and repair of existing structures, accessory uses and their structures, or additions, unless the renovations, repairs or additions, will cause an increase in off-street parking requirements or a change in occupancy as occupancy is defined by the North Carolina State Building Code; (ii) fences, billboards, poles, pipelines, transmission lines, advertising signs or similar structures that do not generate a need for community facilities.

"Sec. 14.2. The City of Dunn may impose facility fees upon all new construction within the City's corporate limits and within its extraterritorial jurisdiction for the

purpose of placing an equitable share of the cost of providing new community service facilities upon developers and inhabitants of newly developed areas. This Article provides the City with the legal mechanism for imposing facility fees to recover capital costs associated with community service facilities necessitated by rapid and continued growth in the Dunn area. A facility fee ordinance adopted under this Article shall be designed to maintain the level of service presently available within the City.

"Sec. 14.3. (a) The amount of each facility fee imposed shall be uniform and based upon the capital costs to be incurred by the City as a result of the new construction. In establishing the facilities fees, the City shall establish zones within which the costs of providing community service facilities are estimated. Zones may have different facility fees, depending upon the community service facilities available and the extent to which capital costs have been paid in each zone. Facilities upon which fees are based must directly result in additional capital costs, and fees must be expended within the same zone as or otherwise benefit the new construction upon which the fee is imposed. A public hearing shall be held before the zones authorized in this subdivision are established.

(b) The amount of each facility fee shall be based upon documented needs, and specific classifications and rates that shall be uniformly applied. Classifications upon which fees are based must account for the costs and extent of additional burden placed upon community service facilities by different types and sizes of new construction.

(c) Before imposing a facility fee, the City shall prepare or have prepared a report containing:

- (1) A description of the anticipated capital cost to the City of each additional or expanded community service facility necessitated by the new construction;
- (2) A description of the characteristics of the new construction that necessitate the additional or expanded community service facility, such as, population, trip generation, stormwater runoff and flow characteristics; and
- (3) A plan for providing the community service facilities necessitated by the new construction.

"Sec. 14.4. The City may enact regulations as it deems necessary to implement this Article. Before adopting or amending any ordinance authorized by this Article, the City shall hold a public hearing on the ordinance. Notice of any public hearing required under this Article shall be given in accordance with G.S. 160A-364.

"Sec. 14.5. Funds for each community service facility for which a facility fee is collected shall be placed in a separate trust fund. Separate trust funds shall be established for separate zones. All funds shall be expended for the facility for which they were collected. Payment of facility fees does not entitle the payor to any greater right to use or ownership in the facility for which the fee is collected than is shared by the general public.

"Sec. 14.6. The authority provided in this Article is in addition to all other authority provided by law. Assessments and fees authorized by law are not affected by this Article.

"Sec. 14.7. A developer who wishes to challenge a facility fee shall pay the amount charged by the City, clearly identify that payment is made under protest, and give notice of appeal within 30 days after the date that payment under protest is made. The notice required by this section shall be delivered to the city manager by personal service or registered or certified mail, return receipt requested. The City Council shall hold a public hearing to review the appeal within 35 days after receiving the notice of appeal. The decision of the City Council on the appeal is subject to review by the Harnett County Superior Court in the nature of **certiorari**. A petition for review by the Superior Court shall be filed with the Clerk of Superior Court within 30 days after the date that the City Council delivers its decision in writing, either by personal service, or registered or certified mail, return receipt requested, to the appealing party."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 12th day of July, 1991.

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James C. Gardner  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives