

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1109

Short Title: Expand Local Development.

(Public)

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Sponsors: Representatives Baddour and Wilkins (Co-sponsors).

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Referred to: Business and Labor.

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April 19, 1993

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COUNTIES AND CITIES TO ENGAGE IN  
ADDITIONAL LOCAL ECONOMIC DEVELOPMENT ACTIVITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 158-7.1 reads as rewritten:

**"§ 158-7.1. Local development.**

(a) Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(b) A county or city may undertake the following specific economic development activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection (b) may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(1) A county or city may acquire and develop land for an industrial park, to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar

1 industrial or commercial purposes. A county may acquire land  
2 anywhere in the county, including inside of cities, for an industrial  
3 park, while a city may acquire land anywhere in the county or counties  
4 in which it is located. A county or city may develop the land by  
5 installing utilities, drainage facilities, street and transportation  
6 facilities, street lighting, and similar facilities; may demolish or  
7 rehabilitate existing structures; and may prepare the site for industrial  
8 or commercial uses. A county or city may engage in site preparation  
9 for industrial properties or facilities, whether the industrial property or  
10 facility is publicly or privately owned. A county or city may convey  
11 property located in an industrial park pursuant to subsection (d) of this  
12 section.

13 (2) A county or city may acquire, assemble, and hold for resale property  
14 that is suitable for industrial or commercial use. A county may acquire  
15 such property anywhere in the county, including inside of cities, while  
16 a city may acquire such property inside the city or, if the property will  
17 be used by a business that will provide jobs to city residents, anywhere  
18 in the county or counties in which it is located. A county or city may  
19 convey property acquired or assembled pursuant to this paragraph  
20 pursuant to subsection (d) of this section.

21 (3) A county or city may acquire options for the acquisition of property  
22 that is suitable for industrial or commercial use. The county or city  
23 may assign such an option, following such procedures, for such  
24 consideration, and subject to such terms and conditions as the county  
25 or city deems desirable.

26 (4) A county or city may acquire or construct one or more 'shell buildings',  
27 which are structures of flexible design adaptable for use by a variety of  
28 industrial or commercial businesses. A county or city may convey or  
29 lease a shell building or space in a shell building pursuant to  
30 subsection (c) of this section.

31 (5) A county or city may construct, extend or own utility facilities or may  
32 provide for or assist in the extension of utility services to be furnished  
33 to an industrial facility, whether the utility is publicly or privately  
34 owned.

35 (6) A county or city may extend or may provide for or assist in the  
36 extension of water and sewer lines to industrial properties or facilities,  
37 whether the industrial property or facility is publicly or privately  
38 owned.

39 (c) Any appropriation or expenditure pursuant to subsection (b) of this section  
40 must be approved by the county or city governing body after a public hearing. The  
41 county or city shall publish notice of the public hearing at least 10 days before the  
42 hearing is held. The notice shall describe the interest to be acquired, the proposed  
43 acquisition cost of such interest, the governing body's intention to approve the

1 acquisition, the source of funding for the acquisition and such other information needed  
2 to reasonably describe the acquisition.

3 (d) A county or city may lease or convey interests in real property held or  
4 acquired pursuant to subsection (b) of this section in accordance with the procedures of  
5 this subsection (d). A county or city may convey or lease interests in property by private  
6 negotiation and may subject the property to such covenants, conditions, and restrictions  
7 as the county or city deems to be in the public interest or necessary to carry out the  
8 purposes of this section. Any such conveyance or lease must be approved by the county  
9 or city governing body, after a public hearing. The county or city shall publish notice of  
10 the public hearing at least 10 days before the hearing is held; the notice shall describe  
11 the interest to be conveyed or leased, the value of the interest, the proposed  
12 consideration for the conveyance or lease, and the governing body's intention to approve  
13 the conveyance or lease. Before such an interest may be conveyed, the county or city  
14 governing body shall determine the fair market value of the interest, subject to whatever  
15 covenants, conditions, and restrictions the county or city proposes to subject it to; the  
16 consideration for the conveyance may not be less than the value so determined.

17 ~~(d1) In arriving at the amount of consideration that it receives, the Board may take~~  
18 ~~into account prospective tax revenues from improvements to be constructed on the~~  
19 ~~property, prospective sales tax revenues to be generated in the area, as well as any other~~  
20 ~~prospective tax revenues or income coming to the county or city over the next 10 years~~  
21 ~~as a result of the conveyance or lease provided the following conditions are met:~~

22 (1) ~~The governing board of the county or city shall determine that the~~  
23 ~~conveyance of the property will stimulate the local economy, promote~~  
24 ~~business, and result in the creation of a substantial number of jobs in~~  
25 ~~the county or city.~~

26 (2) ~~The governing board of the county or city shall contractually bind the~~  
27 ~~purchaser of the property to construct improvements on the property~~  
28 ~~within a specified period of time, not to exceed 10 years, which~~  
29 ~~improvements are sufficient to generate the tax revenue taken into~~  
30 ~~account in arriving at the consideration. Upon failure to construct the~~  
31 ~~improvements specified in the contract, the purchaser shall reconvey~~  
32 ~~the property back to the county or city.~~

33 ~~This subsection applies to the Cities of Concord, Conover, Kannapolis, Mooresville,~~  
34 ~~Mount Airy, St. Pauls, Selma, Smithfield, Statesville, Troutman, and Winston-Salem,~~  
35 ~~and the Counties of Ashe, Cabarrus, Forsyth, Franklin, Iredell, and Johnston.~~

36 (d2) In arriving at the amount of consideration that it receives, the Board may take  
37 into account prospective tax revenues from improvements to be constructed on the  
38 property, prospective sales tax revenues to be generated in the area, as well as any other  
39 prospective tax revenues or income coming to the county or city over the next 10 years  
40 as a result of the conveyance or lease provided the following conditions are met:

41 (1) The governing board of the county or city shall determine that the  
42 conveyance of the property will stimulate the local economy, promote  
43 business, and result in the creation of a substantial number of jobs in  
44 the county or city.

1           (2)   The governing board of the county or city shall contractually bind the  
2                   purchaser of the property to construct improvements on the property  
3                   within a specified period of time, not to exceed 10 years, which  
4                   improvements are sufficient to generate the tax revenue taken into  
5                   account in arriving at the consideration. Upon failure to construct the  
6                   improvements specified in the contract, the purchaser shall reconvey  
7                   the property back to the county or city.

8           (e)   All appropriations and expenditures pursuant to subsections (b) and (c) of this  
9 section shall be subject to the provisions of the Local Government Budget and Fiscal  
10 Control Acts of the North Carolina General Statutes, respectively, for cities and  
11 counties. The budget format for each such governing body shall make such disclosures  
12 in such detail as the Local Government Commission may by rule and regulation direct.

13           (f)   All appropriations and expenditures pursuant to subsections (b) and (c) of this  
14 section shall be subject to the following limitations: No county or city shall have an  
15 aggregate investment outstanding at any one time which exceeds one-half of one  
16 percent (0.5%) of the outstanding assessed property tax valuation for the governing  
17 body as of January 1 of each year, beginning January 1, 1986.

18           (g)   Repealed by Session Laws 1989, c. 374, s. 1, effective June 21, 1989."

19                   Sec. 2. This act is effective upon ratification.