

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**SESSION LAW 2003-417
HOUSE BILL 1301**

AN ACT TO AUTHORIZE LOCAL GOVERNMENTS THAT ARE JOINTLY
UNDERTAKING A DEVELOPMENT PROJECT TO ENTER INTO
AGREEMENTS TO FINANCE THE PROJECT.

The General Assembly of North Carolina enacts:

SECTION 1. Part 1 of Article 20 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-466. Revenue and expenditures for joint undertakings.

When two or more units of local government are engaged in a joint undertaking, they may enter into agreements regarding financing, expenditures, and revenues related to the joint undertaking. Funds collected by any participating unit of government may be transferred to and expended by any other unit of government in a manner consistent with the agreement. An agreement regarding expenses and revenues may be of reasonable duration not to exceed 99 years."

SECTION 2. Article 2 of Chapter 158 of the General Statutes is amended by adding a new section to read:

"§ 158-7.3. Interlocal agreements concerning economic development.

(a) Any two or more units of local government may enter into contracts or agreements to execute undertakings pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes, under which each participating local government agrees to provide resources for the development of an industrial or commercial park or industrial or commercial site pursuant to G.S. 158-7.1. In consideration for that participation, the unit or units in which the park or site is located may agree to place the proceeds from some or all property taxes levied on the park or site into a common fund or transfer those proceeds to a nonprofit corporation or other entity. The proceeds placed into the common fund or transferred to the other entity may then be distributed among the participating local governments as provided in the contract or agreement.

(b) Any undertaking entered into pursuant to this section may be for that period that is agreed to by the participating local governments, up to a maximum of 40 years.

(c) Any undertaking entered into pursuant to this section is binding upon each participating local government for the duration of the contract or agreement. Any participating local government may bring an action to specifically enforce the contract or agreement."

SECTION 3. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 17th day of
July, 2003.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 1:07 p.m. this 14th day of August, 2003