



HOUSE BILL 306: Affordable Housing for Local Employees.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 29, 2025
Introduced by:	Rep. Pickett	Prepared by:	Ike McRee
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: House Bill 306 would authorize the Towns of Blowing Rock and Boone and the Counties of Dare, Durham, and Watauga to construct and provide affordable housing for town and county employees.

CURRENT LAW: The authority of and procedures for a city or county to sell or dispose of real property is governed by Article 12 of Chapter 160A. Subject to certain limitations, a city or county can dispose of real or personal property belonging to the city or county by:

- Private negotiation and sale – G.S. 160A-266.
- Advertisement for sealed bids – G.S.160A-268.
- Negotiated offer, advertisement, and upset bid – G.S. 160A-269.
- Public auction – G.S. 160A-270.
- Exchange – G.S. 160A-271.

A city or county may use the non-competitive private negotiation and sale process to dispose of real property where the property has architectural or historical significance, is sold to a non-profit corporation involved in historic preservation, and is conveyed subject to a preservation agreement (G.S. 160A-266). In limited circumstances, a city or county may, with or without monetary consideration, sell real property through a non-competitive private sale process to volunteer fire departments and rescue squads (G.S.160A-277) and to non-profit entities carrying out a public purpose (G.S. 160A-279).

Under G.S. 66-58, the Umstead Act, governmental units are generally prohibited from engaging in the sale of goods and services in competition with citizens of the State, unless specifically exempted.

BILL ANALYSIS: House Bill 306 would authorize the Towns of Boone and Blowing Rock and the Counties of Dare, Durham, and Watauga to (i) enter into a joint venture, land trust, or similar arrangement to construct and provide affordable housing on property they own, (ii) convey property they own to the partnership, joint venture, land trust, or similar entity to construct, provide, and maintain affordable housing for their town and county employees, (iii) contract with any person, partnership, corporation, or other business entity to finance, construct, or maintain the affordable housing, and (iv) rent or sell the affordable housing units for residential use to their employees, establish rents or sales prices, charge below market rates and financing, and place reasonable restrictions and buyback provisions on the resale of the affordable housing units.

EFFECTIVE DATE: The act would become effective when it becomes law.

BACKGROUND: Similar legislation has been enacted for the Edgecombe County Board of Education (S.L. 2009-161), the City of Brevard, Town of Rosman, Transylvania County, and the Transylvania

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House Bill 306

Page 2

County Board of Education (S.L. 2009-154), the City of Asheville and the Asheville City Board of Education (S.L. 2007-239), the Hertford County Board of Education (S.L. 2006-86), the Bertie County Board of Education (S.L. 2006-61), and the Dare County Board of Education (S.L. 2004-16).