

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 173

**Senate State and Local Government Committee Substitute Adopted 6/11/25
PROPOSED SENATE COMMITTEE SUBSTITUTE H173-PCS30480-STxf-17**

Short Title: Various Local Provisions III.

(Local)

Sponsors:

Referred to:

February 24, 2025

A BILL TO BE ENTITLED
AN ACT TO DEANNEX CERTAIN DESCRIBED TERRITORY AND MAKE OTHER
CHANGES TO VARIOUS LOCAL LAWS.

The General Assembly of North Carolina enacts:

PART I. TEMPORARILY LIMIT ETJ EXPANSION IN WAKE COUNTY

SECTION 1.(a) Notwithstanding G.S. 160D-202 and any other provision of law, no municipality shall expand the territory over which that municipality may exercise any powers of extraterritorial jurisdiction in Wake County as provided in Article 2 of Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, beyond the territory over which the municipality exercised extraterritorial jurisdiction in Wake County on January 1, 2025.

SECTION 1.(b) This section applies to the County of Wake only.

SECTION 1.(c) This section is effective when it becomes law and expires on December 31, 2028.

PART II. CITY OF ASHEVILLE DEANNEXATION

SECTION 2.(a) The following described property, identified by Buncombe County Tax Property Identification Number, is removed from the corporate limits of the City of Asheville: 966773980500000.

SECTION 2.(b) This section has no effect upon the validity of any liens of the City of Asheville for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the City of Asheville.

SECTION 2.(c) This section becomes effective June 30, 2025. Property in the territory described in this section as of January 1, 2025, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2025.

PART III. LIMIT COMMERCIAL DEVELOPMENT MORATORIA IN THE TOWN OF TAYLORTOWN

SECTION 3.(a) G.S. 160D-107 reads as rewritten:

"§ 160D-107. Moratoria.

(a) Authority. – As provided in this section, local governments may adopt temporary moratoria on any development approval required by law, except for the purpose of developing and adopting new or amended plans or development regulations governing residential uses. The



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duration of any moratorium shall be reasonable in light of the specific conditions that warrant imposition of the moratorium and may not exceed the period of time necessary to correct, modify, or resolve such conditions.

(b) Hearing Required. – Except in cases of imminent and substantial threat to public health or safety, before adopting a development regulation imposing a development moratorium with a duration of 60 days or any shorter period, the governing board shall hold a legislative hearing and shall publish a notice of the hearing in a newspaper having general circulation in the area not less than seven days before the date set for the hearing. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium so that the total duration is 61 days or longer, is subject to the notice and hearing requirements of G.S. 160D-601.

(b1) Hearings for Commercial Development Moratoria. – In addition to the requirements imposed under subsection (b) of this section, before adopting a development regulation imposing a commercial development moratorium within the corporate limits or extraterritorial jurisdiction of a municipality, the municipality shall hold two legislative hearings on different dates at the usual place where legislative hearings are held and two legislative hearings on different dates at a location within the area of the corporate limits or extraterritorial jurisdiction to be affected by the moratorium. All four hearings must be held within 30 days of the final hearing.

(c) Exempt Projects. – Absent an imminent threat to public health or safety, a development moratorium adopted pursuant to this section does not apply to any project for which a valid building permit issued pursuant to ~~G.S. 160D-1108~~ G.S. 160D-1110 is outstanding, to any project for which a special use permit application has been accepted as complete, to development set forth in a site-specific vesting plan approved pursuant to G.S. 160D-108.1, to development for which substantial expenditures have already been made in good-faith reliance on a prior valid development approval, or to preliminary or final subdivision plats that have been accepted for review by the local government prior to the call for a hearing to adopt the moratorium. Any preliminary subdivision plat accepted for review by the local government prior to the call for a hearing, if subsequently approved, shall be allowed to proceed to final plat approval without being subject to the moratorium. Notwithstanding the foregoing, if a complete application for a development approval has been submitted prior to the effective date of a moratorium, G.S. 160D-108(b) applies when permit processing resumes.

(d) Required Statements. – Any development regulation establishing a development moratorium must include, at the time of adoption, each of the following:

- (1) A statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the local government and why those alternative courses of action were not deemed adequate.
- (2) A statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.
- (3) A date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.
- (4) A statement of the actions, and the schedule for those actions, proposed to be taken by the local government during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium.

(e) Limit on Renewal or Extension. – ~~No~~ Except as otherwise provided in this section, ~~no~~ moratorium may be subsequently renewed or extended for any additional period unless the local government has taken all reasonable and feasible steps proposed to be taken in its ordinance establishing the moratorium to address the problems or conditions leading to imposition of the moratorium and unless new facts and conditions warrant an extension. Any ordinance renewing or extending a development moratorium must include, at the time of adoption, the findings set

forth in subdivisions (1) through (4) of subsection (d) of this section, including what new facts or conditions warrant the extension.

(e1) Commercial Development Moratoria. – The governing board may impose a single, 60-day moratorium on commercial development within the corporate limits or extraterritorial jurisdiction of the municipality which may not be renewed or extended for any additional period, except as otherwise provided in this subsection. No portion of the area within the corporate limits or extraterritorial jurisdiction included in the initial moratorium may be included in any subsequent moratoria imposed by the governing board unless at least five years have elapsed since the initial moratorium. The limitation described in this subsection is in addition to all other requirements imposed under this section and is not intended to limit the ability of the governing board to address cases involving an imminent and substantial threat to public health or safety.

(f) Expedited Judicial Review. – Any person aggrieved by the imposition of a moratorium on development approvals required by law may apply to the General Court of Justice for an order enjoining the enforcement of the moratorium. Actions brought pursuant to this section shall be scheduled for expedited hearing, and subsequent proceedings in those actions shall be accorded priority by the trial and appellate courts. In such actions, the local government has the burden of showing compliance with the procedural requirements of this subsection."

SECTION 3.(b) This Part applies to the Town of Taylortown only.

SECTION 3.(c) Any moratoria on commercial development currently imposed by the Town of Taylortown within its corporate limits or extraterritorial jurisdiction is void as of the effective date of this Part and no portion of the corporate limits or extraterritorial jurisdiction included in the current moratorium may be included in any subsequent moratorium for a period of five years from the effective date of this Part.

SECTION 3.(d) This Part is effective when it becomes law and applies to moratoria imposed on or after that date.

PART IV. ASHEBORO AIRPORT LEASES

SECTION 4.(a) G.S. 160A-272 reads as rewritten:

"§ 160A-272. Lease or rental of property.

(a) Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than ~~10~~40 years (except as otherwise provided in subsection (b1) of this section) and only if the council determines that the property will not be needed by the city for the term of the lease. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included.

...

(b1) Leases for terms of more than ~~10~~40 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property.

...."

SECTION 4.(b) This section applies only to leases by the City of Asheboro of city-owned property in connection with the operation of Asheboro Municipal Airport.

SECTION 4.(c) Chapter 867 of the 1989 Session Laws is repealed.

SECTION 4.(d) This section is effective when it becomes law and applies to leases entered into or renewed or extended on or after that date.

PART V. CATAWBA/LINCOLN COUNTY BOUNDARY

SECTION 5.1. The following shall apply with respect to the legal boundary line between Catawba County and Lincoln County:

(1) The legal boundary line shall be as depicted by the Census Redistricting Data P.L. 94-171 TIGER/Line Shapefiles associated with the 2020 federal decennial census.

- (2) Any completed county boundary survey delivered by the North Carolina Geodetic Survey in accordance with Article 3 of Chapter 153A of the General Statutes that is not consistent with subdivision (1) of this section shall not be binding upon Catawba County and Lincoln County.

SECTION 5.2. The legal boundary line as described in subdivision (1) of Section 5.1 of this Part shall be the county boundary submitted to the U.S. Census Bureau as part of the Boundary and Annexation Survey in advance of the 2030 federal decennial census.

SECTION 5.3.(a) All papers, documents, and instruments required or permitted to be filed or registered related to residents or property shall be filed in the county in which the property is located pursuant to the boundary described in this Part despite the fact that papers, documents, and instruments required or permitted to be filed or registered with respect to such residents or property may have been previously recorded in the other county.

SECTION 5.3.(b) All public records related to residents and property located in areas affected by the establishment of the boundary line that were filed or recorded prior to the effective date of this Part in the adjoining county shall remain in the respective adjoining county where filed or recorded, and such records shall be valid public records as to the property and persons involved, even though they are recorded in an adjoining county where the property is not located as evidenced by the boundary described in this Part.

SECTION 5.3.(c) For parcels of real property affected by the establishment of the boundary described in this Part, the counties shall record a Notice of Affected Parcel in the office of the register of deeds in each county. The register of deeds shall register and index the Notice of Affected Parcel in accordance with the provisions of Article 2 of Chapter 161 of the General Statutes. Notwithstanding G.S. 161-10 or any other provision of law, no fee or tax may be collected for the Notice of Affected Parcel recorded pursuant to this Part. The Notice of Affected Parcel shall contain at least the following information from the tax records of the counties in which the affected parcels are listed:

- (1) Reference to this act.
- (2) The names of the record owners of the affected parcel according to the tax records of the counties as of June 30, 2025.
- (3) The property address of the affected parcel.
- (4) A tax parcel identification number or other applicable identifier used by a county tax office, if available.
- (5) A brief description of the affected parcel, if available.
- (6) A source deed reference for the affected parcel, if available.

SECTION 5.4. The boards of education of Catawba County and Lincoln County shall cooperate with each other on behalf of residents who have students affected by the boundary change to ensure that a transition is made that provides students with a choice to remain in their current school system until graduation from high school.

SECTION 5.5. The boards of elections of Catawba County and Lincoln County shall immediately after July 1, 2025, transfer the voter registration records pertaining to individuals residing in areas affected by subdivision (1) of Section 5.1 of this Part to the adjoining county's board of elections, and thereafter the registered voters so transferred shall be validly registered to vote in that adjoining county.

SECTION 5.6. Catawba County, Lincoln County, the elected and appointed officials of Catawba and Lincoln Counties, and employees of Catawba and Lincoln Counties shall not incur any liability under any local or general law, ordinance, rule, or regulation for any act or failure to act relating to taxation, school attendance, land use controls, elections, or any other governmental function as it relates to the currently used boundary line between Catawba and Lincoln Counties.

SECTION 5.7. This Part becomes effective June 30, 2025, for taxable years beginning on or after July 1, 2025.

PART VI. RDU AIRPORT LEASES

SECTION 6.1. Subsections (c) through (f) of Section 7 of Chapter 168 of the Public-Local Laws of 1939, as amended by Chapter 292 of the Public-Local Laws of 1941, as amended by Chapter 79 of the 1945 Session Laws, Chapter 1096 of the 1955 Session Laws, Chapter 755 of the 1959 Session Laws, and S.L. 1998-141, read as rewritten:

"(c) To ~~lease (without lease, without~~ the joinder in the lease agreements of the owning municipalities, to wit, the Counties of Wake and Durham, and the Cities of Raleigh and ~~Durham)~~ ~~for a term not to exceed 40 years, and Durham,~~ for purposes not inconsistent with the grants and agreements under which the said airport is held by said owning municipalities, real or personal property under the supervision of or administered by the said Authority.

(d) To contract with persons, firms or corporations ~~for terms not to exceed 40 years,~~ for the operation of airline-scheduled passenger and freight flights, non-scheduled flights, and any other airplane activities, not inconsistent with said grant agreements under which the airport property is held by the owning municipal corporations, and to charge and collect reasonable and adequate fees, charges and rents for the use of such property or for services rendered in the operation thereof.

(e) To operate, own, control, regulate, lease or grant to others the right to operate any airport premises, restaurants, apartments, hotels, motels, agriculture fairs, tracks, motion picture shows, cafes, soda fountains, or other businesses, amusements or concessions ~~for a term not exceeding 40 years,~~ as may appear to said Authority advantageous or conducive to the development of said airport.

(f) To erect and construct buildings, hangars, shops and other improvements and facilities, not inconsistent with or in violation of the agreements applicable to and the grants under which the real property of the airport is held; to lease the ~~same for a term or terms not to exceed 40 years; same;~~ to borrow money for use in making or paying for such improvements and facilities, secured by and on the credit only of the lease agreements in respect thereto, to pledge and assign such leases and lease agreements as security for loans herein authorized."

SECTION 6.2. This Part is effective when it becomes law and applies to contracts and leases entered into, renewed, or extended on or after that date.

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.