



2023-2024 General Assembly

# SENATE BILL 607: Regulatory Reform Act of 2024, Sec. 23.1: Reconstruction and Removal of On-Premises Advertising Signs

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 23.1 of S.L. 2024-45

**Date:** August 23, 2024  
**Prepared by:** Ike McRee  
Staff Attorney

**OVERVIEW:** *Section 23.1 of S.L. 2024-45 amends local government authority to regulate on-premises advertising signs by (i) allowing the relocation or reconstruction of a lawfully erected on-premises advertising sign within the same parcel if the square footage of the sign does not increase and the sign complies with local development regulations in place when the sign was erected and (ii) prohibiting a local government from requiring removal of a legally erected non-conforming on-premises advertising signs unless the local government pays monetary compensation to the sign owner.*

*Section 23.1 became effective on July 9, 2024, and applies to on-premises advertising signs removed on or after October 1, 2021. For any on-premises advertising sign removed on or after October 1, 2021, but prior to July 9, 2024, construction work on relocation in accordance with G.S. 160D-912.1(b), as enacted by this section, must commence within two years of July 9, 2024.*

## CURRENT LAW:

Chapter 160D of the General Statutes contains the procedures local government utilizes for development approvals under their planning and development regulations. G.S. 160D-912 authorizes local government to regulate, with limitation, *off-premises* outdoor advertising signs and require their removal if they are nonconforming. No ordinance can require removal of *off-premises* outdoor advertising signs unless monetary compensation is paid to the owner of the nonconforming sign. Monetary compensation is the fair market value of the *off-premises* outdoor advertising sign in place immediately prior to its removal and without consideration of the effect of the ordinance or any diminution in value caused by the ordinance requiring its removal and is determined by certain statutory factors. Payment of monetary compensation for removal of non-conforming *off-premises* outdoor advertising signs is not required where:

- The local government and sign owner enter into a relocation agreement.
- The local government and sign owner enter into an agreement allowing the sign to remain in place for a fixed period.
- The sign is a public nuisance or is detrimental to the public health or safety.
- Removal is required for a street or sidewalk project, or public enterprise construction and the sign is relocated.
- Removal is required under statutes, ordinances, or regulations generally applicable to the demolition or removal of damaged structures.

There are no specific provisions in Chapter 160D of the General Statutes that regulate *on-premises* outdoor advertising signs.

Kara McCraw  
Director



Legislative Analysis  
Division  
919-733-2578

# Senate Bill 607

Page 2

## **BILL ANALYSIS:**

Section 23.1 of the act adds a new statutory provision, G.S. 160D-912.1, to provide that, notwithstanding any local development regulation to the contrary, a lawfully erected on-premises advertising sign can be relocated or reconstructed within the same parcel if the square footage of the sign does not increase, and the sign complies with local development regulations in place when the sign was erected. Construction on the sign must begin within two years of removal.

This section further provides that a local government cannot require removal of a lawfully erected nonconforming on-premises advertising sign unless the local government pays monetary compensation to the sign owner. Upon payment of monetary compensation, it is the local government's responsibility to remove the sign in a timely manner. Monetary compensation is the sum of the following:

- The greater of the fair market value of the nonconforming on-premises advertising sign immediately prior to its removal or the diminution in value of the real estate from the sign's removal.
- The cost of a new on-premises advertising sign that conforms to local development regulations.

This section became effective on July 9, 2024, and applies to on-premises advertising signs removed on or after October 1, 2021. For any on-premises advertising sign removed on or after October 1, 2021, but prior to July 9, 2024, construction work on relocation in accordance with G.S. 160D-912.1(b), as enacted by this section, must commence within two years of July 9, 2024.