



HOUSE BILL 162: Parking Lot Reform/Stormwater Control.

2025-2026 General Assembly

Committee:		Date:	June 30, 2026
Introduced by:	Reps. Loftis, N. Jackson, Ward, Kidwell	Prepared by:	Jennifer McGinnis
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *House Bill 162 would do the following:*

- *Prohibit local governments, except those located in the coastal area, from requiring a minimum number of off-street parking spaces and amend the current restriction on the regulation of parking space dimensions to apply to off-street parking spaces.*
- *Authorize local governments to offer non-mandatory incentives that waive building, zoning, connection, or other regulations or fees, provide additional tax and financial benefits, or institute other incentives for development or redevelopment that implements additional stormwater control measures beyond those required by statute and rule.*
- *Make various changes to existing language governing pre-existing impervious surface on a property under development relative to stormwater management.*

PROHIBIT CERTAIN PARKING REGULATIONS

CURRENT LAW: G.S. 160D-702(c) prohibits local governments from requiring a parking space to be larger than 9 feet wide by 20 feet long, unless the parking space is designated for handicap, parallel, or diagonal parking.

BILL ANALYSIS: **Section 1** of the bill would prohibit local governments from requiring an off-street parking lot to meet a minimum number of parking spaces per development or structure, regardless of the use or occupancy. This limitation would not, however, apply to local governments located in the coastal area¹, except with respect to:

- Properties located within the boundaries of a National Register Historic District or a local historic district; and shall not apply to properties that are either (i) individually listed in the National Register of Historic Places or (ii) individually designated as a local historic landmark.
- Individual properties on the Study List for the National Register of Historic Places as maintained by the North Carolina State Historic Preservation Office or a national or State historic landmark.
- Properties located within a district on the Study List for the National Register of Historic Places as maintained by the North Carolina State Historic Preservation Office or a national or State historic landmark.

¹ G.S. 113A-103 defines "coastal area" as "the counties that (in whole or in part) are adjacent to, adjoining, intersected by or bounded by the Atlantic Ocean (extending offshore to the limits of State jurisdiction, as may be identified by rule of the Commission for purposes of this Article... Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Gates, Hertford, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, and Washington."

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House Bill 162

Page 2

MODIFY THE AUTHORITY OF CERTAIN LOCAL GOVERNMENTS TO REQUIRE STORMWATER CONTROL FOR REDEVELOPED PROPERTY

CURRENT LAW: In 2014, the General Assembly enacted legislation to provide that stormwater rules and programs may not require private property owners to install new or increased stormwater controls for (i) preexisting development or (ii) redevelopment activities that do not remove or decrease existing stormwater controls.

In 2017, the General Assembly modified that legislation to provide that when a preexisting development is redeveloped, either in whole or in part, increased stormwater controls may only be required for the amount of impervious surface being created that exceeds the amount of impervious surface that existed before the redevelopment (the "net increase").

In 2021, language was added to provide that a property owner may voluntarily elect to treat all stormwater from preexisting development or redevelopment activities described herein for the purpose of exceeding allowable density under the applicable water supply watershed rules². In 2023, this language was amended to provide that a property owner may voluntarily elect to treat the stormwater resulting from the net increase in built upon area above the preexisting development or redevelopment activities for the purpose of exceeding allowable density under the applicable water supply watershed rules.

BILL ANALYSIS: Section 2 of the bill would:

- Authorize a local government to offer non-mandatory incentives that waive building, zoning, connection, or other regulations or fees, provide additional tax and financial benefits, or institute other incentives for development or redevelopment that implements additional stormwater control measures beyond those required by statute and rule.
- Make various formatting and stylistic changes to existing language governing pre-existing impervious surface on a property under development, and adds language that provides:
 - Existing built upon area can't be included in the density calculations for additional stormwater control requirements, irrespective of whether the existing built upon area is to be demolished, relocated, replaced, or remains in place during development activity.
 - For purposes of determining the size of the area for which stormwater control measures are required for a development or redevelopment, built upon area that existed before the development or redevelopment shall be applied on a square foot for square foot basis to reduce the built upon area for which stormwater control measures are required.
 - Stormwater control requirements cannot be applied retroactively to existing built upon area, unless otherwise required by federal law.

EFFECTIVE DATE: Section 1 of the bill would become effective January 1, 2027. Section 2 of the bill would become effective when it becomes law and apply to stormwater rules and stormwater program

² Under [State law](#), the Environmental Management Commission (EMC) is required to assign each water supply watershed in the State an appropriate classification and applicable minimum management requirements. In addition, every local government that has within its jurisdiction all or a portion of a water supply watershed must adopt and implement a water supply watershed protection program that complies with the minimum standards adopted by the EMC (see applicable [rule](#)) that: (i) controls development density within the watershed and (ii) provides for performance-based alternatives to development density controls that are based on sound engineering principles.

House Bill 162

Page 3

amendments adopted on or after that date. Except as otherwise provided, the bill would become effective when it becomes law.

Ike McRee and Howard Marsilio, Staff Attorneys with the Legislative Analysis Division, substantially contributed to this summary.