



HOUSE BILL 185: Transylvania Rural Development Authority.

2025-2026 General Assembly

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| Committee: | House Judiciary 1. If favorable, re-refer to State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House | Date: | March 11, 2025 |
| Introduced by: | Rep. Clampitt | Prepared by: | Ike McRee |
| Analysis of: | PCS to First Edition H185-CSCO-4 | | Committee Co-Counsel |

OVERVIEW: *The proposed committee substitute (PCS) for House Bill 185 would establish the Transylvania County Rural Development Authority (Authority). The PCS clarifies the appointment of Authority members, clarifies the environmental liability exemption, and makes technical changes consistent with current bill drafting conventions.*

CURRENT LAW: Under Section 1 of Article VII of the North Carolina Constitution, the General Assembly is empowered to "provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable."

BILL ANALYSIS: The PCS would establish the Authority as a separate and independent corporate and public body. The Authority would have nine members who are residents of Transylvania County and appointed for a term of five years in the following manner: (i) three appointed by the Governor and (ii) six members appointed by the General Assembly three of whom would be recommended by the President Pro Tempore of the Senate and three of whom would be recommended by the Speaker of the House. Authority members could be removed by the appointing authority for inefficiency, neglect of duty, or misconduct in office. The Authority would elect officers, adopt rules and regulations, and meet regularly. All meetings would be open to the public. The Authority could appoint staff and employees. No member or employee of the Authority could have an interest, direct or indirect, in any development project, any property included in a development project, or any materials or services to be furnished for a development project.

The Authority would have all the powers and duties granted to a rural development authority established under Chapter 988 of the Session Laws of 1965, as amended, including the following:

- To sue and be sued.
- To make contracts.
- To borrow money and contract indebtedness.
- To apply for and accept advances, loans, grants, or contributions.
- To prepare, acquire, lease, construct, and operate development projects within its area of operation.
- To arrange or contract for furnishing, construction, or repair of services, works, roads, public utilities, or other facilities in connection with a development project.

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- To own, hold, improve, or dispose of real or personal property.
- To invest any funds held in reserves in investments allowed by other fiduciaries.
- To make necessary expenditures to carry out the purposes of the Act.
- To cooperate with other rural development authorities on development projects located within the area of operation of any one or more of the authorities.
- To issue bonds, provided they meet specific requirements.

EFFECTIVE DATE: The PCS would be effective when it becomes law and apply only to Transylvania County.

Amy Darden, Staff Attorney in the Legislative Analysis Division, substantially contributed to this summary.