HOUSE BILL 369:
Parking Lot Reform and Modernization Act.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 25, 2025
Introduced by:	Reps. Loftis, Brody, Penny, Dahle	Prepared by:	Ike McRee
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: House Bill 369 would do the following:

- *Prohibit local governments 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 that hold NPDES MS4 permits [1] to implement additional stormwater control measures for certain preexisting development and redevelopment.*

CURRENT LAW & BILL ANALYSIS:

Prohibit certain parking regulations.

Under current law, local governments are prohibited 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. (G.S. 160D-702(c)).

Part I of the bill would amend the current parking space dimension provision to specify that it only applies to off-street parking spaces and would also 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 section would also appropriate a nonrecurring $5,000 from the General Fund to the Department of Commerce for the 2025-2026 fiscal year to educate property owners on the financial opportunities that relate to adjusting the number of parking spaces within their parking lots to better align with actual and anticipated usage to avoid unneeded expenditures.

Modify the authority of certain local governments to require stormwater control for redeveloped property.

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

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[1] The National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Program is mandated under the federal Clean Water Act and an NPDES MS4 permit is required for an MS4 owner or operator that is within a U.S. Census Bureau-designated Urbanized Area. This program expands with each new Census. Other entities are also designated to obtain permit coverage in accordance with state rules [15A NCAC 02H .0151]. These permits are implemented at the local level, and every permitted MS4 is required to implement a comprehensive Stormwater Management Plan.

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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 rules[2]. 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.

Part II of the bill would authorize a local government that holds a NPDES MS4 permit to implement one or both of the following measures as part of its stormwater program (in addition to current authority to control stormwater with respect to preexisting development and redevelopment): (i) a requirement that owners undertaking redevelopment of a property install new stormwater controls for preexisting development to capture up to 50% of the final stormwater runoff calculation for the preexisting development; and, (ii) incentives that waive building, zoning, connection, or other fees, provide additional tax and financial benefits, or institute other incentives for redevelopments that capture additional stormwater over the local stormwater programs' mandatory percentages. Enhanced stormwater control requirements authorized would not apply, however, to redevelopment activities for "small scale residential development," defined under the bill as "single-family homes as well as townhomes and multifamily residential developments with four or fewer units, which disturb less than one acre and that are not part of a common plan of development or sale."

EFFECTIVE DATE: Part I of the act would become effective July 1, 2025. Part II of the act would become effective when it becomes law and apply to stormwater rules and stormwater program amendments adopted on or after that date. Except as otherwise provided, the act would be effective when it becomes law.

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

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[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.