



SENATE BILL 37: Hertford County Rural Development Authority.

2025-2026 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	Date:	February 4, 2025
Introduced by:	Sen. Hanig	Prepared by:	Amy Darden
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *Senate Bill 37 would authorize Hertford County to establish a Rural Development Authority.*

CURRENT LAW and BILL ANALYSIS:

Chapter 988 of Session Law 1965 created the Rural Development Authority Act (“The Act”). The Act authorizes each covered county to create a separate Rural Development Authority (“RDA”) through passage of a resolution by the county’s governing body. A certified copy of the resolution, once passed, must be filed with the Secretary of State, who will then issue a certificate of incorporation. In lieu of creating a Rural Development Authority, the county’s governing body may, by resolution, designate one of the following to serve as an RDA for the county:

- The County Planning Board.
- The County Economic Development Commission.
- A Regional Planning Commission.
- A Regional Economic Development Commission.
- A Regional Planning and Economic Development Commission.

An RDA must have five to nine members, who are residents of the county, appointed by the county’s governing body. Members serve five-year terms and receive no compensation for their services. Members of the RDA may be removed for inefficiency, neglect of duty, or misconduct in office. The RDA elects officers, adopts rules and regulations and meets regularly. All meetings are to be open to the public. The RDA may appoint staff and employees as required. No member or employee of the RDA may have an interest, direct or indirect, in any development project, any property included, or any materials or services to be furnished.

The Rural Development Authority is a public corporation and has the following powers:

- 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.

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- To arrange or contract for furnishing, construction, or repair of services, works, roads, public utilities, or other facilities in connection with a development project.
- To own, hold and improve 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.

RDAs may cooperate with other RDAs on development projects located within the area of operation of any one or more of the authorities. A Rural Development Authority may also issue bonds, provided they meet specific requirements. The Act provides further requirements on RDA's regarding property owned by the Authority, acceptance of federal aid, money deposits, cooperation by public bodies, and records and reports requirements.

When created, the Act applied to only 6 counties: Cherokee, Clay, Graham, Swain, Macon, and Jackson. In 1969, Yancey County was added to the Act (Chapter 931 of Session Law 1969). In 2023 (Section 14 of S.L. 2023-143), Transylvania County was added to the Act.

Senate Bill 37 adds Hertford County to the Act.

EFFECTIVE DATE: The bill is effective when it becomes law.