

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 762\*  
Senate Finance Committee Substitute Adopted 7/9/92  
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Short Title: Guilford/Haywood Local Development.

(Local)

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Sponsors:

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Referred to:

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April 15, 1991

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE AUTHORITY OF GUILFORD AND HAYWOOD  
COUNTIES AND THE MUNICIPALITIES IN THOSE COUNTIES TO  
UNDERTAKE LOCAL DEVELOPMENT ACTIVITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 158-7.1 reads as rewritten:

**"§ 158-7.1. Local development.**

(a) Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by levy of property taxes pursuant to G.S. 153A-149 and ~~160A-209~~ G.S. 160A-209, by the allocation of general fund and utility fund revenues, and by ~~and by~~ the allocation of other revenues whose use is not otherwise restricted by law, unless the use of the other revenues for local development purposes has been expressly prohibited by law.

(b) A county or city may undertake the following specific economic development activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection

1 (b) may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S.  
2 160A-209 and by the allocation of other revenues whose use is not otherwise restricted  
3 by law.

4 (1) A county or city may acquire and develop land for an industrial park,  
5 to be used for manufacturing, assembly, fabrication, processing,  
6 warehousing, research and development, office use, or similar  
7 industrial or commercial purposes. A county may acquire land  
8 anywhere in the county, including inside of cities, for an industrial  
9 park, while a city may acquire land anywhere in the county or counties  
10 in which it is located. A county or city may develop the land by  
11 installing utilities, drainage facilities, street and transportation  
12 facilities, street lighting, and similar facilities; may demolish or  
13 rehabilitate existing structures; and may prepare the site for industrial  
14 or commercial uses. A county or city may engage in site preparation  
15 for industrial properties or facilities, whether the industrial property or  
16 facility is publicly or privately owned. A county or city may convey  
17 property located in an industrial park pursuant to subsection (d) of this  
18 section.

19 (2) A county or city may acquire, assemble, and hold for resale property  
20 that is suitable for industrial or commercial use. A county may acquire  
21 such property anywhere in the county, including inside of cities, while  
22 a city may acquire such property inside the city or, if the property will  
23 be used by a business that will provide jobs to city residents, anywhere  
24 in the county or counties in which it is located. A county or city may  
25 convey property acquired or assembled pursuant to this paragraph  
26 pursuant to subsection (d) of this section.

27 (3) A county or city may acquire options for the acquisition of property  
28 that is suitable for industrial or commercial use. The county or city  
29 may assign such an option, following such procedures, for such  
30 consideration, and subject to such terms and conditions as the county  
31 or city deems desirable.

32 (4) A county or city may acquire or construct one or more 'shell buildings',  
33 which are structures of flexible design adaptable for use by a variety of  
34 industrial or commercial businesses. A county or city may convey or  
35 lease a shell building or space in a shell building pursuant to  
36 subsection (c) of this section.

37 (5) A county or city may construct, extend or own utility facilities or may  
38 provide for or assist in the extension of utility services to be furnished  
39 to an industrial facility, whether the utility is publicly or privately  
40 owned.

41 (6) A county or city may extend or may provide for or assist in the  
42 extension of water and sewer lines to industrial properties or facilities,  
43 whether the industrial property or facility is publicly or privately  
44 owned.

1 (c) Any appropriation or expenditure pursuant to subsection (b) of this section  
2 must be approved by the county or city governing body after a public hearing. The  
3 county or city shall publish notice of the public hearing at least 10 days before the  
4 hearing is held. The notice shall describe the interest to be acquired, the proposed  
5 acquisition cost of such interest, the governing body's intention to approve the  
6 acquisition, the source of funding for the acquisition and such other information needed  
7 to reasonably describe the acquisition.

8 (d) A county or city may lease or convey interests in real property held or  
9 acquired pursuant to subsection (b) of this section in accordance with the procedures of  
10 this subsection (d). A county or city may convey or lease interests in property by private  
11 negotiation and may subject the property to such covenants, conditions, and restrictions  
12 as the county or city deems to be in the public interest or necessary to carry out the  
13 purposes of this section. Any such conveyance or lease must be approved by the county  
14 or city governing body, after a public hearing. The county or city shall publish notice of  
15 the public hearing at least 10 days before the hearing is held; the notice shall describe  
16 the interest to be conveyed or leased, the value of the interest, the proposed  
17 consideration for the conveyance or lease, and the governing body's intention to approve  
18 the conveyance or lease. Before such an interest may be conveyed, the county or city  
19 governing body shall determine the fair market value of the interest, subject to whatever  
20 covenants, conditions, and restrictions the county or city proposes to subject it to; the  
21 consideration for the conveyance may not be less than the value so determined.

22 (d1) In arriving at the amount of consideration that it receives, the Board may take  
23 into account prospective tax revenues from improvements to be constructed on the  
24 property, prospective sales tax revenues to be generated in the area, as well as any other  
25 prospective tax revenues or income coming to the county or city over the next 10 years  
26 as a result of the conveyance or lease provided the following conditions are met:

27 (1) The governing board of the county or city shall determine that the  
28 conveyance of the property will stimulate the local economy, promote  
29 business, and result in the creation of a substantial number of jobs in  
30 the county or city.

31 (2) The governing board of the county or city shall contractually bind the  
32 purchaser of the property to construct improvements on the property  
33 within a specified period of time, not to exceed 10 years, which  
34 improvements are sufficient to generate the tax revenue taken into  
35 account in arriving at the consideration. Upon failure to construct the  
36 improvements specified in the contract, the purchaser shall reconvey  
37 the property back to the county or city.

38 This subsection applies to the Cities of Concord, Kannapolis, Mooresville, St. Pauls,  
39 Selma, Smithfield, Statesville, Troutman, and Winston-Salem, and the Counties of  
40 Cabarrus, Forsyth, Iredell, and Johnston.

41 (e) All appropriations and expenditures pursuant to subsections (b) and (c) of this  
42 section shall be subject to the provisions of the Local Government Budget and Fiscal  
43 Control Acts of the North Carolina General Statutes, respectively, for cities and

1 counties. The budget format for each such governing body shall make such disclosures  
2 in such detail as the Local Government Commission may by rule and regulation direct.

3 (f) All appropriations and expenditures pursuant to subsections (b) and (c) of this  
4 section shall be subject to the following limitations: No county or city shall have an  
5 aggregate investment outstanding at any one time which exceeds one-half of one  
6 percent (0.5%) of the outstanding assessed property tax valuation for the governing  
7 body as of January 1 of each year, beginning January 1, 1986.

8 (g) Repealed by Session Laws 1989, c. 374, s. 1."

9 Sec. 2. This act applies only to Guilford and Haywood Counties and the  
10 municipalities in those counties.

11 Sec. 3. This act is effective upon ratification.