

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 429  
Committee Substitute Favorable 4/8/03  
Senate Commerce Committee Substitute Adopted 6/22/04

Short Title: Monetary Comp./Outdoor Advertising.

(Public)

Sponsors:

Referred to:

March 12, 2003

A BILL TO BE ENTITLED

AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PAY MONETARY  
COMPENSATION FOR REMOVAL OF LAWFULLY ERECTED  
OFF-PREMISES OUTDOOR ADVERTISING SIGNS AND TO AUTHORIZE  
LOCAL GOVERNMENTS TO ENTER INTO RELOCATION AND  
RECONSTRUCTION AGREEMENTS WITH OWNERS OF NONCONFORMING  
OFF-PREMISES OUTDOOR ADVERTISING SIGNS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 153A of the General Statutes is amended by adding a  
new section to read:

**"§ 153A-143. Regulation of outdoor advertising.**

(a) As used in this section, the term 'off-premises outdoor advertising' includes off-premises outdoor advertising visible from the main-traveled way of any road.

(b) A county may require the removal of an off-premises outdoor advertising sign that is nonconforming under a local ordinance and may regulate the use of off-premises outdoor advertising within the jurisdiction of the county in accordance with the applicable provisions of this Chapter.

(c) No county may enact or amend an ordinance to require the removal of any nonconforming, lawfully erected off-premises outdoor advertising sign without the payment of monetary compensation to the owners of the off-premises outdoor advertising. The payment of monetary compensation is not required if:

(1) The off-premises outdoor advertising is determined to be a public nuisance or detrimental to the health or safety of the populace; or

(2) The removal is required for road widening or other governmental development projects, and the county allows the off-premises outdoor advertising to be relocated to an equally visible and comparable location.

1        (d) Monetary compensation is the fair market value of the off-premises outdoor  
2 advertising in place immediately prior to its removal and without consideration of the  
3 effect of the ordinance or any diminution in value caused by the ordinance requiring its  
4 removal, less the fair market value of the off-premises outdoor advertising immediately  
5 after its removal.

6            (1) Monetary compensation may be determined based on the following  
7 factors:

8            a. The factors listed in G.S. 105-317.1(a).

9            b. The cost of materials and labor used in constructing the  
10 advertising.

11           c. The purchase price of the rights to erect and maintain the  
12 advertising.

13           d. The income derived from the advertising.

14           e. The sales price of similar property.

15           f. The listed property tax value of the property and any documents  
16 regarding value submitted to the taxing authority.

17           (2) Unless agreed to by the county, the amount of monetary compensation  
18 required to be paid under this section shall not exceed five times the  
19 average amount of the annual gross revenue associated with the  
20 off-premises outdoor advertising, less any placement or agency fees,  
21 over the preceding five years.

22        (e) In lieu of monetary compensation, a county may enter into a relocation,  
23 reconstruction, or removal agreement with the owner of a nonconforming off-premises  
24 outdoor advertising sign. An agreement under this subsection may allow for the removal  
25 of the advertising after a set period of time in lieu of monetary compensation. A county  
26 may adopt an ordinance or resolution providing for a relocation, reconstruction, or  
27 removal agreement.

28        (f) A county shall give written notice of its intent to require removal of  
29 off-premises outdoor advertising by sending a letter by certified mail to the last known  
30 address of the owner of the outdoor advertising and the owner of the property on which  
31 the outdoor advertising is located.

32        (g) If the parties have not entered into an agreement under subsection (e) of this  
33 section or agreed to the amount of monetary compensation under subsection (d) of this  
34 section within 120 days after the initial notification by the county, the parties shall enter  
35 into nonbinding arbitration to resolve their disagreements. The American Arbitration  
36 Association rules shall apply to the arbitration. If either party disagrees with the  
37 arbitration award, the party may bring an action in superior court to determine the  
38 amount of monetary compensation to be paid to the owner of the off-premises outdoor  
39 advertising under subsection (d) of this section.

40        (h) A county has up to three years from the effective date of an ordinance enacted  
41 under this section to pay monetary compensation to the owner of the off-premises  
42 outdoor advertising provided the affected property remains in place until the  
43 compensation is paid.

1       (i) This section does not apply to any ordinance in effect on the effective date of  
2 this section. A county may amend an ordinance in effect on the effective date of this  
3 section so long as the amendment to the existing ordinance does not reduce the period  
4 of amortization in effect on the effective date of this section."

5               **SECTION 2.** Chapter 160A of the General Statutes is amended by adding a  
6 new section to read:

7 **"§ 160A-199. Regulation of outdoor advertising.**

8       (a) As used in this section, the term 'off-premises outdoor advertising' includes  
9 off-premises outdoor advertising visible from the main-traveled way of any road.

10       (b) A city may require the removal of an off-premises outdoor advertising sign  
11 that is nonconforming under a local ordinance and may regulate the use of off-premises  
12 outdoor advertising within the jurisdiction of the city in accordance with the applicable  
13 provisions of this Chapter.

14       (c) No city may enact or amend an ordinance to require the removal of any  
15 nonconforming, lawfully erected off-premises outdoor advertising sign without the  
16 payment of monetary compensation to the owners of the off-premises outdoor  
17 advertising. The payment of monetary compensation is not required if:

18               (1) The off-premises outdoor advertising is determined to be a public  
19 nuisance or detrimental to the health or safety of the populace; or

20               (2) The removal is required for road widening or other governmental  
21 development projects, and the city allows the off-premises outdoor  
22 advertising to be relocated to an equally visible and comparable  
23 location.

24       (d) Monetary compensation is the fair market value of the off-premises outdoor  
25 advertising in place immediately prior to its removal and without consideration of the  
26 effect of the ordinance or any diminution in value caused by the ordinance requiring its  
27 removal, less the fair market value of the off-premises outdoor advertising immediately  
28 after its removal.

29               (1) Monetary compensation may be determined based on the following  
30 factors:

31                   a. The factors listed in G.S. 105-317.1(a).

32                   b. The cost of materials and labor used in constructing the  
33 advertising.

34                   c. The purchase price of the rights to erect and maintain the  
35 advertising.

36                   d. The income derived from the advertising.

37                   e. The sales price of similar property.

38                   f. The listed property tax value of the property and any documents  
39 regarding value submitted to the taxing authority.

40               (2) Unless agreed to by the city, the amount of monetary compensation  
41 required to be paid under this section shall not exceed five times the  
42 average amount of the annual gross revenue associated with the  
43 off-premises outdoor advertising, less any placement or agency fees,  
44 over the preceding five years.

1       (e) In lieu of monetary compensation, a city may enter into a relocation,  
2 reconstruction, or removal agreement with the owner of a nonconforming off-premises  
3 outdoor advertising sign. An agreement under this subsection may allow for the removal  
4 of the advertising after a set period of time in lieu of monetary compensation. A city  
5 may adopt an ordinance or resolution providing for a relocation, reconstruction, or  
6 removal agreement.

7       (f) A city shall give written notice of its intent to require removal of off-premises  
8 outdoor advertising by sending a letter by certified mail to the last known address of the  
9 owner of the outdoor advertising and the owner of the property on which the outdoor  
10 advertising is located.

11       (g) If the parties have not entered into an agreement under subsection (e) of this  
12 section or agreed to the amount of monetary compensation under subsection (d) of this  
13 section within 120 days after the initial notification by the city, the parties shall enter  
14 into nonbinding arbitration to resolve their disagreements. The American Arbitration  
15 Association rules shall apply to the arbitration. If either party disagrees with the  
16 arbitration award, the party may bring an action in superior court to determine the  
17 amount of monetary compensation to be paid to the owner of the off-premises outdoor  
18 advertising under subsection (d) of this section.

19       (h) A city has up to three years from the effective date of an ordinance enacted  
20 under this section to pay monetary compensation to the owner of the off-premises  
21 outdoor advertising provided the affected property remains in place until the  
22 compensation is paid.

23       (i) This section does not apply to any ordinance in effect on the effective date of  
24 this section. A city may amend an ordinance in effect on the effective date of this  
25 section to extend application of the ordinance to off-premises outdoor advertising  
26 located in territory acquired by annexation or located in the extraterritorial jurisdiction  
27 of the city. A city shall not amend an ordinance in effect on the effective date of this  
28 section to reduce the period of amortization in effect on the effective date of this  
29 section."

30       **SECTION 3.** Section 1 of S.L. 2003-432 is repealed.

31       **SECTION 4.** This act is effective when it becomes law.