GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 489

Short Title: Economic Development Study.

(Local)

Sponsors: Senator Sherron.

Referred to: Economic Development.

April 8, 1991

A BILL TO BE ENTITLED

2 AN ACT TO REQUIRE AN ECONOMIC BENEFITS AND COSTS STUDY BY 3 UNITS OF LOCAL GOVERNMENT BEFORE PASSAGE THE OF 4 REGULATIONS AFFECTING REAL **ESTATE** DEVELOPMENT, IMPROVEMENTS, OR RESTRICTIONS. 5

6 The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that the regulation of real estate and 7 real estate development or improvement through real estate restrictions and other 8 governmental regulations carries public costs, as well as benefits, and because the 9 public costs often are not obvious at the time of passage of regulations and because 10 these costs are not always taken into account by units of local government, it is in the 11 public interest that an economic benefits and costs study should be conducted prior to 12 the passage of an ordinance regulating the use of real estate to determine the projected 13 public costs. 14

The General Assembly further finds that before passage of any regulation affecting real estate, real estate development or improvements or restrictions, the enacting local government body should first obtain an analysis of the costs and benefits of the ordinance to be prepared by a qualified independent analyst. The study shall include the following:

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- (1) Benefits to the public sector and specifically to the treasury in the form of increased tax revenues and revenues from fees and other sources;
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- (2) Benefits to the private sector in increased jobs, income and capital;
- (3) Costs to the public sector and specifically to the treasury in the form of
 decreased tax revenues and revenues from fees and other sources; and

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1	(4) Costs to the private sector in decreased jobs, income, and capital.
2	The benefits and costs must be quantified for both the public and private
3	sectors, and they must be analyzed and explained. Findings must include whether
4	benefits exceed costs, or vice versa.
5	The benefit-cost analysis must be made available for examination by the
6	public and a copy furnished to each member of the governing board at least one month
7	before passage of the ordinance.
8	Any member of the public or governing board shall be authorized to comment
9	upon the analysis before passage of the ordinance.
10	Sec. 2. The provisions of this act apply to municipalities, county government,
11	and any other local government unit located in or having jurisdiction over the following
12	counties only: Wake County.
13	Sec. 3. This act becomes effective September 1, 1991.