GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 638

Local Government and Regional Affairs Committee Substitute Adopted 5/9/91

Short Title: Econ. Devel/Prosp Tax Rev.

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(Local)

Sponsors:

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Referred to:

April 15, 1991

A BILL TO BE ENTITLED

- AN ACT TO AUTHORIZE CERTAIN CITIES AND COUNTIES TO TAKE INTO 2 3 CONSIDERATION PROSPECTIVE REVENUES GENERATED BY THE DEVELOPMENT IN ARRIVING AT THE AMOUNT OF CONSIDERATION 4
- 5 FOR AN ECONOMIC DEVELOPMENT CONVEYANCE.
- 6 The General Assembly of North Carolina enacts: 7
 - Section 1. G.S. 158-7.1(d) reads as rewritten:

8 A county or city may lease or convey interests in real property held or "(d) acquired pursuant to subsection (b) of this section in accordance with the procedures of 9 this subsection (d). A county or city may convey or lease interests in property by 10 private negotiation and may subject the property to such covenants, conditions, and 11 restrictions as the county or city deems to be in the public interest or necessary to carry 12 out the purposes of this section. Any such conveyance or lease must be approved by the 13 14 county or city governing body, after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall 15 describe the interest to be conveyed or leased, the value of the interest, the proposed 16 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. In arriving at the amount of consideration that it receives, the Board may take into account 22 prospective tax revenues from improvements to be constructed on the property, 23

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1	prospective sale	es tax revenues to be generated in the area, as well as any other
2	prospective tax	revenues or income coming to the county or city over the next 10 years
3	as a result of the	conveyance or lease provided the following conditions are met:
4	<u>(1)</u>	The governing board of the county or city shall determine that the
5		conveyance of the property will stimulate the local economy, promote
6		business, and result in the creation of a substantial number of jobs in
7		the county or city.
8	<u>(2)</u>	The governing board of the county or city shall contractually bind the
9		purchaser of the property to construct improvements on the property
10		within a specified period of time, not to exceed 10 years, which
11		improvements are sufficient to generate the tax revenue taken into
12		account in arriving at the consideration. Upon failure to construct the
13		improvements specified in the contract, the purchaser shall reconvey
14		the property back to the county or city."
15	Sec. 2	2. This act applies to the Cities of Concord, Kannapolis, Saint Pauls,
16	Selma, and Smit	hfield, and the County of Cabarrus.
17	Sec. 3	. This act is effective upon ratification.