

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2787*
Committee Substitute Favorable 7/10/08

Short Title: Special Assessments Authority.

(Public)

Sponsors:

Referred to:

May 29, 2008

A BILL TO BE ENTITLED

AN ACT TO ALLOW SPECIAL ASSESSMENTS TO BE PAID IN MORE THAN
TEN ANNUAL INSTALLMENTS AND TO BE PLEDGED TO THE
REPAYMENT OF REVENUE BONDS ISSUED FOR CRITICAL
INFRASTRUCTURE NEEDS.

The General Assembly of North Carolina enacts:

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

"Article 9A.

"Special Assessments for Critical Infrastructure Needs.

"§ 153A-210.1. Purpose and applicability.

Purpose. – This Article enables counties that face increase demands for
infrastructure improvements as a result of rapid growth and development to issue
revenue bonds payable from special assessments imposed under this Article on
benefited property. This Article supplements the authority counties have in Article 9 of
this Chapter. The provisions of Article 9 of this Chapter apply to this Article to the
extent they do not conflict with this Article.

"§ 153A-210.2. Assessments.

(a) Projects. – The board of commissioners of a county may make special
assessments as provided in this Article against benefited property within the county for
the purpose of financing the capital costs of projects for which bonds may be issued
under any of the following:

(1) G.S. 159-48(b)(17), sanitary sewer systems.

(2) G.S. 159-48(b)(19), storm sewers and flood control facilities.

(3) G.S. 159-48(b)(21), water systems.

(4) G.S. 159-48(c)(4), school facilities.

(5) G.S. 159-48(d)(5), streets and sidewalks.

(b) Costs. – The board of commissioners must determine a project's total
estimated cost. In addition to the costs allowed under G.S. 153A-193, the costs may

1 include any expenses allowed under G.S. 159-84. A preliminary assessment roll may be
2 prepared and an assessment may be imposed before the costs are incurred, based on the
3 estimated cost.

4 (c) Method. – The board of commissioners must establish an assessment method
5 that will most accurately assess each lot or parcel of land according to the benefits
6 conferred upon it by the project for which the assessment is made. In addition to the
7 bases upon which assessments may be made under G.S. 153A-186, the board may select
8 any other method designed to allocate the costs in accordance with benefits conferred.

9 **"§ 153A-210.3. Petition required.**

10 (a) Petition. – The board of commissioners may not impose a special assessment
11 under this Article unless it receives a petition for the project to be financed by the
12 assessment signed by at least a majority of the owners of real property to be assessed
13 who must represent at least sixty-six percent (66%) of the assessed value of all real
14 property to be assessed. The petition must include the following:

15 (1) A statement of the project proposed to be financed in whole or in part
16 by the imposition of an assessment under this Article.

17 (2) An estimate of the cost of the project.

18 (3) An estimate of the portion of the cost of the project to be assessed.

19 (b) Petition Withdrawn. – The board of commissioners must wait at least 10 days
20 after the public hearing on the preliminary assessment resolution before adopting a final
21 assessment resolution. A petition submitted under subsection (a) of this section may be
22 withdrawn if notice of petition withdrawal is given in writing to the board signed by at
23 least a majority of the owners who signed the petition submitted under subsection (a) of
24 this section representing at least fifty percent (50%) of the assessed value of all real
25 property to be assessed. The board may not adopt a final assessment resolution if it
26 receives a timely notice of petition withdrawal.

27 (c) Validity of Assessment. – No right of action or defense asserting the
28 invalidity of an assessment on grounds that the county did not comply with this section
29 may be asserted except in an action or proceeding begun within 90 days after
30 publication of the notice of adoption of the preliminary assessment resolution.

31 **"§ 153A-210.4. Financing a project for which an assessment is imposed.**

32 A board of commissioners may provide for the payment of the cost of a project for
33 which an assessment may be imposed under this Article solely from revenue bonds to
34 be repaid from the assessments or from a combination of financing sources that include
35 the revenue bonds. Other financing sources include general obligation bonds and
36 general revenues. The assessment resolution must include the estimated cost of the
37 project and the amount of the cost to be derived from revenue bonds and any other
38 financing source.

39 **"§ 153A-210.5. Payment of assessments by installments.**

40 An assessment imposed under this Article is payable in annual installments. The
41 board of commissioners must set the number of annual installments, which may not be
42 more than 30. The installments are due on the date that property taxes are due.

43 **"§ 153A-210.6. Revenue bonds.**

1 (a) Petition. – The city council may not impose a special assessment under this
2 Article unless it receives a petition for the project to be financed by the assessment
3 signed by at least a majority of the owners of real property to be assessed who must
4 represent at least sixty-six percent (66%) of the assessed value of all real property to be
5 assessed. The petition must include the following:

6 (1) A statement of the project proposed to be financed in whole or in part
7 by the imposition of an assessment under this Article.

8 (2) An estimate of the cost of the project.

9 (3) An estimate of the portion of the cost of the project to be assessed.

10 (b) Petition Withdrawn. – The city council must wait at least 10 days after the
11 public hearing on the preliminary assessment resolution before adopting a final
12 assessment resolution. A petition submitted under subsection (a) of this section may be
13 withdrawn if notice of petition withdrawal is given in writing to the council signed by at
14 least a majority of the owners who signed the petition submitted under subsection (a) of
15 this section representing at least fifty percent (50%) of the assessed value of all real
16 property to be assessed. The council may not adopt a final assessment resolution if it
17 receives a timely notice of petition withdrawal.

18 (c) Validity of Assessment. – No right of action or defense asserting the
19 invalidity of an assessment on grounds that the city did not comply with this section
20 may be asserted except in an action or proceeding begun within 90 days after
21 publication of the notice of adoption of the preliminary assessment resolution.

22 **"§ 160A-239.4. Financing a project for which an assessment is imposed.**

23 A city council may provide for the payment of the cost of a project for which an
24 assessment may be imposed under this Article solely from revenue bonds to be repaid
25 from the assessments or from a combination of financing sources that include the
26 revenue bonds. Other financing sources include general obligation bonds and general
27 revenues. The assessment resolution must include the estimated cost of the project and
28 the amount of the cost to be derived from revenue bonds and any other financing source.

29 **"§ 160A-239.5. Payment of assessments by installments.**

30 An assessment imposed under this Article is payable in annual installments. The city
31 council must set the number of annual installments, which may not be more than 30.
32 The installments are due on the date that property taxes are due.

33 **"§ 160A-239.6. Revenue bonds.**

34 (a) Authorization. – A city council that imposes an assessment under this Article
35 may issue revenue bonds under Article 5 of Chapter 159 of the General Statutes to
36 finance the project for which the assessment is imposed and use the proceeds of the
37 assessment imposed as revenues pertaining to the project.

38 (b) Modifications. – This Article specifically modifies the authority of a city to
39 issue revenue bonds under Article 5 of Chapter 159 of the General Statutes by extending
40 the authority in that Article to include a project for which an assessment may be
41 imposed under this Article. In applying the provisions of Article 5, the following
42 definitions apply:

43 (1) Revenue bond project. – Defined in G.S. 159-81(3). The term includes
44 projects for which an assessment is imposed under this Article.

1 (2) Revenues. – Defined in G.S. 159-81(4). The term includes assessments
2 imposed under this Article to finance a project allowed under this
3 Article."

4 **SECTION 3.** If any provision of this act or its application is held invalid, the
5 invalidity does not affect other provisions or applications of this act that can be given
6 effect without the invalid provisions or application, and to this end the provisions of this
7 act are severable.

8 **SECTION 4.** This act is effective when it becomes law and expires July 1,
9 2013.