

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 2156  
Finance Committee Substitute Adopted 7/8/08

Short Title: Special Assessments Authority.

(Local)

Sponsors:

Referred to:

May 29, 2008

A BILL TO BE ENTITLED

AN ACT TO ALLOW SPECIAL ASSESSMENTS IN CABARRUS, CUMBERLAND,  
HENDERSON, AND ROWAN COUNTIES, AND THE CITIES LOCATED IN  
WHOLE OR IN PART IN THOSE COUNTIES, 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.**

This Article enables counties 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) Authorization. – A board of commissioners that imposes an assessment under  
2 this Article may issue revenue bonds under Article 5 of Chapter 159 of the General  
3 Statutes to finance the project for which the assessment is imposed and use the proceeds  
4 of the assessment imposed as revenues pertaining to the project.

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

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

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

15 **SECTION 2.** Chapter 160A of the General Statutes is amended by adding a  
16 new article to read:

17 "Article 10A.

18 "Special Assessments for Critical Infrastructure Needs.

19 **"§ 160A-239.1. Purpose.**

20 This Article enables cities to issue revenue bonds payable from special assessments  
21 imposed under this Article on benefited property. This Article supplements the authority  
22 cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter  
23 apply to this Article, to the extent they do not conflict with this Article.

24 **"§ 160A-239.2. Assessments.**

25 (a) Projects. – The council of a city may make special assessments against  
26 benefited property within the city for the purpose of financing the capital costs of  
27 projects for which bonds may be issued under any of the following:

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

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

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

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

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

33 (b) Costs. – The city council must determine a project's total estimated cost. In  
34 addition to the costs allowed under G.S. 153A-193, the costs may include any expenses  
35 allowed under G.S. 159-84. An assessment may be imposed before the costs are  
36 incurred, based on the estimated cost.

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

42 **"§ 160A-239.3. Petition required.**

43 (a) Petition. – The city council may not impose a special assessment under this  
44 Article unless it receives a petition for the project to be financed by the assessment

1 signed by at least a majority of the owners of real property to be assessed who must  
2 represent at least sixty-six percent (66%) of the assessed value of all real property to be  
3 assessed. The petition must include the following:

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

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

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

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

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

20 **"§ 160A-239.4. Financing a project for which an assessment is imposed.**

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

27 **"§ 160A-239.5. Payment of assessments by installments.**

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

31 **"§ 160A-239.6. Revenue bonds.**

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

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

41 (1) Revenue bond project. – Defined in G.S. 159-81(3). The term includes  
42 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.** This act applies only to the Counties of Cabarrus, Cumberland,  
5 Henderson, and Rowan and the cities and towns located in whole or in part in one of  
6 these counties.

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