

## **SB 205: Swimming Pools/Housing Regulatory Reform**

### **Sections 1 & 2: Swimming Pool Regulations**

Clarifies that private swimming pools serving single-family dwellings—including those rented through sharing economy platforms—are not subject to regulation by local Boards of Public Health.

### **Section 3: Clarifies Local Development Authority and Reaffirms North Carolina's Dillon Rule Framework**

Clarifies that local development authority is confined to those powers expressly granted by the General Assembly, curbing the imposition of unlawful regulatory requirements that often drive-up development costs and, in turn, housing prices. For instance, every \$1,000 increase in the cost of developing land adds \$4,000 to the price of a home. In North Carolina, for every \$1,000 increase in home price, approximately 7,913 households are priced out of the market entirely.

### **Section 4: Grant of Power**

Permits local governments to impose lawful conditions through zoning regulations, but precludes a local government from including unlawful conditions as a prerequisite for project approval in its zoning regulations and clarifies minimum design standards. In practice, some local governments have pressured builders to “voluntarily agree” to costly, unauthorized, and unlawful aesthetic features and other conditions through the regulations. These tactics function as unlawful exactions, driving up housing costs, delaying development timelines, and placing new homes out of reach for many buyers.

### **Section 5: Limit Curb Cut Regulations**

Clarifies the authority of cities to regulate driveway connections (curb cuts) into streets or alleys.

### **Section 6: Zoning Districts**

Reinforces that while local governments may use conditional zoning to tailor development approvals, they cannot require applicants to “voluntarily” accept conditions that fall outside their lawful regulatory authority. Increasingly, some jurisdictions have used the conditional zoning process to exact design concessions or other costly features that are not authorized by statute—effectively making project approval contingent on compliance with demands that would otherwise be illegal. These practices distort the intent of conditional zoning, inflate housing prices, extend project timelines, and limit housing access for working families.

### **Sections 7: Vested Rights**

Extends or tolls permit choice and vested rights during declared emergencies, such as natural disasters like Hurricane Helene, when construction may be forced to halt for extended periods. Cleanup, recovery efforts, and emergency restrictions can delay projects through no fault of the developer, potentially causing critical entitlements to expire. This measure ensures those rights are preserved during such disruptions. Extends the duration of site-specific vesting plans from two years to five years, ensuring that property owners do not lose their right to develop their land when delays in the regulatory process extend beyond two years.

### **Section 8: Split Jurisdiction**

Clarifies which local government's zoning regulations apply to projects that span multiple jurisdictions in order to prevent regulatory conflicts, streamline the approval process, and promote housing affordability for end purchasers.

**Section 9: Permit Choice Modifications**

Ensures that conditional zoning decisions are subject to permit choice, allowing applicants to proceed under the rules in place at the time of their original application.

**Section 10: Administrative Staff**

Clarifies the circumstances under which a local government's administrative staff may be appointed to carry out ministerial zoning approvals and affirms that development fees must reflect the actual costs incurred by local governments for the review and approval of development applications and services.

**Section 11: Review Period for Rezoning Decisions**

Establishes a clear process and timeline for making development approval decisions to prevent undue delays, ensuring that applicants receive timely notice of the approval or denial of their projects and ensuring that both local governments and development applicants are coordinating on project plans and approvals.

**Section 12: Waiting Periods for Refiling of Development Applications**

Clarifies that local governments may not impose mandatory waiting periods on landowners, developers, or applicants who choose to refile a zoning or development application following a denial or withdrawal.

**Section 13: Review Process, Filing, and Recording of Subdivision Plats**

Clarifies that ministerial subdivision approvals or denials are made by administrative staff, and ensures that subdivision approvals are promptly communicated to applicants for timely filing.

**Section 14: Plan Consistency**

Clarifies that a court may review a local government's plan consistency statement to ensure it complies with applicable legal requirements.

**Section 15: Local Government Financial Reports**

Extends current law requirements requiring that local governments publish financial reports detailing the fees they impose, promoting greater transparency and accountability.

**Section 16: DOT Performance Guarantees**

Requires the Division of Highways to accept a performance guarantee, to ensure the completion of streets required by local development regulations.

**Sections 17 & 18: Severability Clause and Effective Date**

*Questions? Contact Chris Millis, Steven Webb, Liz Stephens, Cady Thomas, Pam Melton, Jake Cashion, or Debra Derr.*