

Overview of [House Bill 765](#)

Application-Section 1

North Carolina is a Dillon Rule state, which means that local governments only have the power granted to them by the state legislature. Local governments have the explicit power to adopt planning and zoning regulations for their specific communities as long as those regulations abide by state laws. House bill 765 does not change this.

Definitions-Section 2

Establishes new definitions that clarify a local government's authority to enact zoning regulations responsive to the specific needs of its community, while also providing clear guidance to prevent constitutionally impermissible takings and to affirm the property rights of individual property owners.

Permit Choice and Vested Rights-Section 4

Clarifies that property owner's vested rights are preserved during a declaration of emergency, ensuring that those affected by Hurricane Helene do not lose the ability to rebuild on their property.

Vested Rights-site-specific vesting plans-Section 5

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.

Split Jurisdiction Clarity-Section 6

Prevents regulatory conflicts and streamlines the approval process by providing clarity when a parcel of land lies within the planning and development regulation jurisdiction of more than one local government

Administrative Staff-Section 7

Local governments can hire staff like administrators, inspectors, enforcement officers, planners, and technicians to create, manage, and enforce development rules. Additionally, they must assign at least one staff members to make official decisions under those rules as required by NC General Statutes.

Administrative Development Approvals and Determinations-Section 8

Establishes a clear process for development approval decisions to prevent undue delays, ensuring that applicants receive timely notice of the approval or denial of their projects.

Governing Board Statement-Section 9

Clarifies the existing requirement that local government zoning ordinances align with adopted comprehensive or land-use plans by incentivizing self-regulation by local governments.

Purposes-Section 10

Establishes that local governments have the flexibility to adopt zoning regulations tailored to the actual needs of their individual communities.

Grant of Power-Section 11

Clarifies that local governments may not impose unlawful conditions as a prerequisite for approving development applications; clarifies the scope of permissible development conditions enacted by the General Assembly; addresses certain factors contributing to the creation of “orphan roads”; and, codifies North Carolina Supreme Court precedent regarding improvements within subdivisions to ensure consistent application of the Court’s ruling.

Zoning Districts-Section 12

As part of ongoing negotiations to reach a compromise, this section was amended to revise the density requirements so that they only apply solely to the 18 most populous municipalities with a population greater than 55,000 and the 6 most populous counties with a population greater than 275,000. Preventing urban sprawl, protecting agricultural lands, and allowing local governments the flexibility to establish higher density thresholds tailored to the specific needs of their communities.

This section prohibits the use of conditional zoning requirements deemed unlawful by the General Assembly or the courts; promotes transparency and consistency in zoning decisions by requiring that such decisions be grounded in factual evidence.

Review Period for Rezoning Decisions- Section 13

Establishes a clear process for making development approval decisions to prevent undue delays, ensuring that applicants receive timely notice of the approval or denial of their projects.

Review Process, Filing, and Recording of Subdivision Plats-Section 14

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

Designation of Historic District- Section 16

Ensures that individual property rights are respected by requiring that a significant majority of property owners consent before their properties are placed into a historic district.

Tiny Houses in Residential Districts-Section 17

Permits tiny houses and accessory dwelling units residentially zoned districts within the state’s seven most populous counties.

Building Code Administration-Section 20

Extends the existing statutory requirement for local governments to submit annual financial reports.

Building Permits-Section 21

Expedites housing availability by allowing individual certificates of occupancy to be issued for completed units within a multi-family development that is permitted under a single building permit.

Appeals of Decisions on Subdivision Plats-Section 23

Clarifies current law regarding appeals of subdivision decisions to the board of adjustment.

Civil Action for Declaratory Relief, Injunctive Relief, and Other Remedies-Section 24

Protects individual property rights by affirming the ability to challenge unlawful decisions made by local governments.

Private Remedies-Section 25

Encourages local government self-regulation by allowing individuals with standing to enforce laws enacted by the General Assembly.

Attorneys' fees; cities or counties acting outside the scope of authority-Section 26

Allow for reasonable attorneys' fees and costs to the party who successfully challenged the acts of the city or county.

Wastewater Systems for Property within Service Area- Section 27

Permits property owners to install individual wastewater systems on undeveloped or developed land within the service area of a public or community wastewater system if service is unavailable.

Compliance of Subdivision Streets with Minimum Standards-Section 28

Requires the Division of Highways to accept performance guarantees to ensure the completion of subdivision streets required by municipal or county subdivision control ordinances, facilitating timely infrastructure development.

Curb cut regulations-Section 29

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

Water and Sewer Allocation- Section 30

As part of ongoing negotiations to reach a compromise this section was amended to give local governments priority to reserve allocations for economic development initiatives, public infrastructure projects, and interlocal agreements.

Establishes a clear, consistent, and transparent process for obtaining water and sewer allocations, while preserving local government authority to reserve allocations for economic development and public projects.

As part of ongoing negotiations to reach a compromise, the following sections were removed:

- Removal of the section establishing new conflict of interest provisions
- Removal of the provision imposing personal liability on certain local government officials
- Removal of the provision requiring local governments to prepare a fiscal note for all ordinances affecting housing costs has been removed from the bill.