



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. 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: Definitions

Defines a dwelling unit as a single unit governed by the North Carolina Residential Code that offers complete, independent living facilities.

Section 7: Zoning Districts

Requires residential zoning districts to be classified based on the number of dwelling units per acre rather than minimum lot sizes and clarifies actions permitted through conditional zoning. 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.

Section 8: 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 9: 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 10: 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 11: 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 12: 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.

Section 13. 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 14: Review Process, Filing, and Recording of Subdivision Plats

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.

Section 15: Civil Action for declaratory relief, injunctive relief; other remedies.

Protects individual property rights by affirming the ability of individuals and associations with standing to challenge unlawful local government decisions that have injured or threaten to injure a party.

Section 16: Private Remedies

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

Section 17: Attorney's Fees; cities or counties acting outside the scope of authority

Allows individuals who successfully prove in court that a local government has violated the law to recover attorneys' fees. This levels the playing field by helping protect property owners from being financially overwhelmed or deterred by aggressive legal tactics often employed by municipal defense attorneys.

Section 18: Plan Consistency

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

Section 19: 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 20: 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 21 & 22: Severability Clause and Effective Date