

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

H.B. 771  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10377-MQ-52A

Short Title: Compensation for On-Premises Sign Upgrades.

(Public)

Sponsors: Representative Crutchfield.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE MONETARY COMPENSATION TO OWNERS OF ON-PREMISES  
3 ADVERTISEMENTS FOR THE REPLACEMENT OR UPGRADE OF  
4 NONCONFORMING SIGNS DUE TO A CHANGE IN LOCAL GOVERNMENT  
5 REGULATIONS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Part 1 of Article 9 of Chapter 160D of the General Statutes is amended  
8 by adding a new section to read:

9 "**§ 160D-912.1. On-premises advertisements.**

10 (a) As used in this section, the following definitions apply:

11 (1) Nonconforming sign. – An on-premises advertisement that was lawfully  
12 installed but which does not comply with current ordinances or regulations  
13 due to changed conditions.

14 (2) On-premises advertisement. – A sign identifying or advertising a business,  
15 person, activity, goods, products, or services located on the premises where  
16 the sign is installed and maintained.

17 (b) A local government may not enact or amend an ordinance of general applicability to  
18 require the owner of a nonconforming sign to bring the sign into compliance with current  
19 regulations without the payment of monetary compensation to the owner of the nonconforming  
20 sign. Upon payment of monetary compensation for the sign, the local government shall own the  
21 sign. In lieu of payment of monetary compensation to the owner of the nonconforming sign, a  
22 local government may reimburse the owner an amount equal to the difference of the fair market  
23 value of the nonconforming sign and the reasonable cost to bring the sign into compliance.

24 (c) Monetary compensation is the fair market value of the nonconforming sign in place  
25 immediately prior to its removal and without consideration of the effect of the ordinance or any  
26 diminution in value caused by the ordinance requiring its removal. Monetary compensation shall  
27 be determined using the factors listed in G.S. 105-317.1(a).

28 (d) Monetary compensation or reimbursement is not required under this section for any  
29 of the following:

30 (1) The local government and the owner of the nonconforming sign enter into a  
31 voluntary agreement allowing for the removal of the sign after a set period of  
32 time in lieu of monetary compensation. A local government may adopt an  
33 ordinance or resolution providing for a relocation, reconstruction, or removal  
34 agreement.

35 (2) The nonconforming sign is determined to be a public nuisance or detrimental  
36 to the health or safety of the populace.



1           (3)   The removal of the nonconforming sign is required for opening, widening,  
2                   extending, or improving streets or sidewalks, or for establishing, extending,  
3                   enlarging, or improving any of the public enterprises listed in G.S. 160A-311,  
4                   and the local government allows the nonconforming sign to be relocated to a  
5                   comparable location.

6           (4)   The nonconforming sign is subject to removal pursuant to statutes, ordinances,  
7                   or regulations generally applicable to the demolition or removal of damaged  
8                   structures.

9           (e)   If the local government and the owner of the nonconforming sign are unable to agree  
10                   to monetary compensation or reimbursement, then the local government may bring an action in  
11                   superior court for a determination of the monetary compensation to be paid. In determining  
12                   monetary compensation, the court shall consider the factors set forth in subsection (c) of this  
13                   section.

14           (f)   The provisions of this section shall not be used to interpret, construe, alter, or  
15                   otherwise modify the exercise of the power of eminent domain by an entity pursuant to Chapter  
16                   40A of the General Statutes."

17           **SECTION 2.** This act is effective when it becomes law.