

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

S

1

SENATE BILL 731

Short Title: County Service Districts/Research & URSD. (Public)

Sponsors: Senator Murdock (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED
AN ACT MAKING CHANGES TO THE LAWS RELATED TO RESEARCH AND
PRODUCTION SERVICE DISTRICTS AND URBAN RESEARCH SERVICE
DISTRICTS.

The General Assembly of North Carolina enacts:

PART I. RESEARCH AND PRODUCTION SERVICE DISTRICT

SECTION 1.1. G.S. 153A-311 reads as rewritten:

"§ 153A-311. Purposes for which districts may be established.

The board of commissioners of any county may define a county research and production service district in order to finance, provide, and maintain for the district any service, facility, or function that a county or a city is authorized by general law to provide, finance, or ~~maintain~~. maintain in its territorial jurisdiction. Such a service, facility, or function shall be financed, provided, or maintained in the district either in addition to or to a greater extent than services, facilities, or functions are financed, provided, or maintained for the entire county."

SECTION 1.2. G.S. 153A-313 reads as rewritten:

"§ 153A-313. Research and production service district advisory committee.

(a) The board or boards of commissioners, in the resolution establishing a research and production service district, shall also provide for an advisory committee for the district. Such a committee shall have at least 10 members, serving terms as set forth in the resolution; one member shall be the representative of the developer of the research and production park established as a research and production service district. The resolution shall provide for the appointment or designation of a chair. The board of commissioners or, in the case of a multi-county district, the boards of commissioners shall appoint the members of the advisory committee. If a multi-county district is established, the concurrent resolutions establishing the district shall provide the number of members of the advisory committee, which shall be at least 10, and how many members of the advisory committee are to be appointed by each board of commissioners. ~~commissioners. The concurrent resolutions may allow for the appointments to be divided among the counties proportionate to the respective size of the research and production service district.~~ Before making the appointments, the appropriate board shall request the association of owners and tenants, required by G.S. 153A-312(a), to submit a list of persons to be considered for appointment to the committee; the association shall submit at least two names for each appointment to be made. Except as provided in the next two sentences, the board of commissioners shall make the appointments to the committee from the list of persons submitted. In addition, the developer of the research and production park shall appoint one person to the advisory committee as the developer's representative on the committee. In addition, in a single



county district, the board of commissioners may make two additional appointments of such other persons as the board of commissioners deems appropriate, and in a multi-county district, each board of county commissioners may make one additional appointment of such other person as that board of commissioners deems appropriate. Whenever a vacancy occurs on the committee in a position filled by appointment by the board of commissioners, the appropriate board, before filling the vacancy, shall request the association to submit the names of at least two persons to be considered for the vacancy; and the board shall fill the vacancy by appointing one of the persons so submitted, except that if the vacancy is in a position appointed by the board of commissioners under the preceding sentence of this section, the board of commissioners making that appointment shall fill the vacancy with such person as that board of commissioners deems appropriate.

...."

SECTION 1.3. G.S. 153A-314 reads as rewritten:

"§ 153A-314. Extension of service districts.

...

(a1) Multi-County Districts. – If territory that lies wholly in one county is to be annexed to a multi-county district, only the board of commissioners of that county is required to adopt a resolution annexing the territory. In annexing territory under this subsection, the board of commissioners shall comply with the provisions of this section.

...."

SECTION 1.4. G.S. 153A-315 reads as rewritten:

"§ 153A-315. Required provision or maintenance of services.

(a) New District. – When a county or counties define a research and production service district, it or they shall provide, maintain, or let contracts for the services for which the district is being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district. The county may designate the developer of the research and development park established as a research and production service district as an agent that may contract, with the approval of the county in which the research and production service district is located, for the provision of services, construction, and procurement within the research and production service district. The developer-agent may own property necessary to provide the services, including, but not limited to, streets, sidewalks, parks, schools, utilities, and public transportation systems, and proceeds of taxes levied within the research and production service district used to pay for or maintain the property providing the service is presumptively expended for a public purpose.

...."

PART II. URBAN RESEARCH SERVICE DISTRICT

SECTION 2.1. G.S. 153A-316.1 reads as rewritten:

"§ 153A-316.1. Urban research service district (URSD).

...

(a1) Multi-County Districts. – If an area that meets the standards for creation of a research and production service district lies in more than one county, the boards of commissioners of those counties may adopt concurrent resolutions establishing a district, even if that portion of the district lying in any one of the counties does not by itself meet the standards. Each of the county boards of commissioners shall follow the procedure set out in this section for creation of a district.

...."

SECTION 2.2. G.S. 153A-316.2 reads as rewritten:

"§ 153A-316.2. URSD advisory committee.

(a) Members. – The board of commissioners, in the resolution establishing a URSD, shall also provide for an advisory committee for the URSD. The committee shall have at least 10 members, ~~serving whose appointments and terms as shall be~~ set forth in the resolution. The

1 resolution shall provide for the appointment or designation of a chairperson. ~~The board of~~
2 ~~commissioners shall appoint the members of the URSD [URSD] advisory committee. In the case~~
3 ~~of a multi-county URSD, the resolution may allow for the appointments to be divided among the~~
4 ~~counties proportionate to the respective size of the research and production service district.~~
5 Before making the appointments, the board shall request the association of owners and tenants,
6 required by G.S. 153A-312(a), to submit a list of persons to be considered for appointment to the
7 committee. The association shall submit at least two names for each appointment to be made.
8 Except as provided in subsection (b) of this section, the board of commissioners shall make the
9 appointments to the committee from the list of persons submitted.

10 (b) Additional Members. – In addition to the members provided in subsection (a) of this
11 section, the developer of the research and production park established as a research and
12 production service district shall appoint one person to the URSD advisory committee as the
13 developer's representative on the committee. The board of commissioners may make two
14 additional appointments of such other persons as the board of commissioners deems
15 ~~appropriate.~~ appropriate; provided, however, in the case of a multi-county URSD, established as
16 provided in G.S. 153A-316.1(a1), the board of commissioners of each county may make one
17 additional appointment.

18"

19 **SECTION 2.3.** G.S. 153A-316.3 reads as rewritten:

20 **"§ 153A-316.3. Extension of URSD.**

21 ...

22 (a1) Multi-County Districts. – If territory that lies wholly in one county is to be annexed
23 to a multi-county URSD, only the board of commissioners of that county shall be required to
24 adopt a resolution annexing the territory. In annexing territory under this subsection, the board
25 of commissioners shall comply with the provisions of this section.

26"

27 **SECTION 2.4.** G.S. 153A-316.5 reads as rewritten:

28 **"§ 153A-316.5. Required provision or maintenance of services in URSD.**

29 (a) New URSD. – When a county or counties defines a URSD, it shall provide, maintain,
30 or let contracts for the services for which the URSD is being taxed within a reasonable time, not
31 to exceed one year, after the effective date of the definition of the URSD. When a county defines
32 a URSD, it may designate the developer of the research and development park established as a
33 research and production service district in which the URSD is located as an agent that may
34 ~~contract with any local government for the provision of services within the URSD.~~ contract, with
35 the approval of the county or counties in which the URSD is located, for the provision of services,
36 construction, and procurement within the URSD. The developer-agent may own property
37 necessary to provide the services, including, but not limited to, streets, sidewalks, parks, schools,
38 utilities, and public transportation systems, and proceeds of taxes levied within the research and
39 production service district used to pay for or maintain the property providing the service is
40 presumptively expended for a public purpose.

41"

42 **SECTION 2.5.** G.S. 153A-317 reads as rewritten:

43 **"§ 153A-317. Research and production service district taxes authorized; rate limitation.**

44 (a) Tax Authorized. – A county, upon recommendation of the advisory committee
45 established pursuant to G.S. 153A-313, may levy property taxes within a research and production
46 service district in addition to those levied throughout the county, in order to finance, provide, or
47 maintain for the district services provided therein in addition to or to a greater extent than those
48 financed, provided, or maintained for the entire county. In addition, a county may allocate to a
49 district any other revenues whose use is not otherwise restricted by law. The proceeds of taxes
50 only within a district may be expended only for services provided for the district. Only those
51 services that counties and cities are authorized by law to provide may be provided.

Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the county as of the preceding January 1.

(b) Limit. – Such additional property taxes may not be levied within any district established pursuant to this Article in excess of a rate of ~~ten cents (10¢)~~ twenty cents (20¢) on each one hundred dollars (\$100.00) value of property subject to ~~taxation or, in the event that the research and production service district satisfies the criteria of G.S. 143B-437.08(h), such additional property taxes may not be levied within said district in excess of a rate of twenty cents (20¢) on each one hundred dollars (\$100.00) value of property subject to taxation.~~ taxation.

...."

SECTION 2.6. G.S. 153A-317.1 reads as rewritten:

"§ 153A-317.1. Urban research service district taxes authorized; rate.

(a) Tax Authorized. – A county, upon recommendation of the advisory committee established pursuant to G.S. 153A-316.2, may levy property taxes within a URSD in addition to those levied throughout the county, and in addition to those levied throughout the county research and production service district, in order to finance, provide, or maintain for the URSD services provided therein in addition to or to a greater extent than those financed, provided, or maintained both for the entire county and for the county research and production service district. Only those services that counties and cities are authorized by law to provide may be provided. In addition, a county may allocate to a URSD any other revenue not otherwise restricted by law.

...

(c) Use. – The proceeds of taxes levied within a URSD may be expended only for the benefit of the URSD. The taxes levied for the URSD may be used for debt service on any debt issued by the county that is used wholly or partly for capital projects located within the URSD, but not in greater proportion than expense of projects located within the URSD or for the benefit of the URSD bear to the entire expense of capital projects financed by that borrowing of the county. A capital project does not have to be located wholly within the URSD to be considered a project that benefits the URSD. For the purpose of this subsection, "debt" includes (i) general obligation bonds and notes issued under Chapter 159 of the General Statutes, (ii) revenue bonds issued under Chapter 159 of the General Statutes, (iii) financing agreements under Article 8 of Chapter 159 of the General Statutes, and (iv) special obligation bonds issued by the county."

PART III. MISCELLANEOUS

SECTION 3.1. G.S. 153A-149 reads as rewritten:

"§ 153A-149. Property taxes; authorized purposes; rate limitation.

...

(c) Each county may levy property taxes for one or more of the purposes listed in this subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation. Authorized purposes subject to the rate limitation are:

...

(27) Public Transportation. – To provide public transportation by rail, motor vehicle, or another means of conveyance other than a ferry, including any facility or equipment needed to provide the public ~~transportation~~ transportation, such as a greenway to the extent it supports a means of public conveyance. This subdivision does not authorize a county to provide public roads in the county in violation of G.S. 136-51.

...."

PART IV. EFFECTIVE DATE

SECTION 4.1. This act is effective when it becomes law.