

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2017**

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**HOUSE BILL 376**  
**Committee Substitute Favorable 4/19/17**

Short Title: Subdivision Improvement Guarantee Changes.

(Public)

Sponsors:

Referred to:

March 16, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE CHANGES TO THE GENERAL STATUTES RELATING TO  
3 SUBDIVISION IMPROVEMENT GUARANTEES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 153A-331(d) reads as rewritten:

6 "(d) The ordinance may provide that in lieu of required street construction, a developer  
7 may provide funds to be used for the development of roads to serve the occupants, residents, or  
8 invitees of the subdivision or development. All funds received by the county under this section  
9 shall be transferred to the municipality to be used solely for the development of roads,  
10 including design, land acquisition, and construction. If the subdivision is not located in whole  
11 or in part within a municipality, then the county may contract with another entity for the  
12 development of the roads. Any municipality receiving funds from a county under this section is  
13 authorized to expend such funds outside its corporate limits for the purposes specified in the  
14 agreement between the municipality and the county. Any formula adopted to determine the  
15 amount of funds the developer is to pay in lieu of required street construction shall be based on  
16 the trips generated from the subdivision or development. The ordinance may require a  
17 combination of partial payment of funds and partial dedication of constructed streets when the  
18 governing body of the county determines that a combination is in the best interest of the  
19 citizens of the area to be served."

20 **SECTION 2.** G.S. 160A-372(g) reads as rewritten:

21 "(g) For purposes of this section, all of the following shall apply with respect to  
22 performance guarantees:

23 ...  
24 (4) The performance guarantee ~~shall only~~ must be used for completion of the  
25 required improvements and not for repairs or maintenance after completion.  
26 If the performance guarantee is insufficient to complete the required  
27 improvements, or the subdivision for which the performance guarantee is  
28 obtained is not completed, then the performance guarantee may be  
29 administered in accordance with standards adopted by the governing body to  
30 whom the performance guarantee is payable. The provisions of  
31 G.S. 160A-393 apply to the review of any decision made by the governing  
32 body concerning the standards adopted."

33 **SECTION 3.** This act is effective when it becomes law.

