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HOUSE BILL 391
Senate Finance Committee Substitute Adopted 5/30/12
Third Edition Engrossed 6/5/12

Short Title: RTP District Amendments.

(Public)

Sponsors:

Referred to:

March 17, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE THE LAWS RELATING TO COUNTY RESEARCH AND
3 PRODUCTION SERVICE DISTRICTS TO REFLECT CHANGED CIRCUMSTANCES
4 TO ALLOW FLEXIBILITY IN PROVISION OF SERVICES IN URBAN AREAS OF
5 SUCH DISTRICTS, AND TO AMEND THE COUNTY SERVICE DISTRICT ACT OF
6 1973 RELATING TO APPROVAL OF PROPERTY TAXES IN
7 MULTIJURISDICTIONAL INDUSTRIAL PARK DISTRICTS.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** Part 2 of Article 16 of Chapter 153A of the General Statutes reads as
10 rewritten:

11 "Part 2. County Research and Production Service ~~Districts~~Districts and Urban Research
12 Service Districts.

13 **"§ 153A-311. Purposes for which districts may be established.**

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

20 **"§ 153A-312. Definition of research and production service district.**

21 (a) Standards. – The board of commissioners may by resolution establish a research and
22 production service district for any area of the county that, at the time the resolution is adopted,
23 meets the following standards:

- 24 (1) All (i) real property in the district is being used for or is subject to covenants
25 that limit its use to ~~research~~research; or scientifically-oriented ~~production~~production or
26 for—production, technology, education; or associated commercial
27 commercial, residential, or institutional purposes—purposes; or for other
28 purposes specifically authorized pursuant to the terms and conditions of the
29 covenants, or (ii) if all the real property in the district is part of a
30 multijurisdictional industrial park that satisfies the criteria of
31 G.S. 143B-437.08(h), all such real property in the district is subject to
32 covenants that limit its use to research or scientifically oriented production,
33 associated commercial or institutional purposes, or other industrial and
34 associated commercial and institutional uses.



- 1 (2) The district (i) contains at least 4,000 acres or (ii) satisfies the criteria of
2 G.S. 143B-437.08(h).
- 3 (3) The district (i) includes research and production facilities that in
4 combination employ at least 5,000 persons or (ii) satisfies the criteria of
5 G.S. 143B-437.08(h).
- 6 ~~(4) All real property located in the district was at one time or is currently owned
7 by a nonprofit corporation, which developed or is developing the property as
8 a research and production park.~~
- 9 (5) A petition requesting creation of the district signed by at least fifty percent
10 (50%) of the owners of real property in the district who own at least fifty
11 percent (50%) of total area of the real property in the district has been
12 presented to the board of commissioners. In determining the total area of real
13 property in the district and the number of owners of real property, there shall
14 be excluded (1) real property exempted from taxation and real property
15 classified and excluded from taxation and (2) the owners of such exempted
16 or classified and excluded property.
- 17 ~~(6) The district has no more than 25 permanent residents.~~
- 18 (7) There exists in the district an association of owners and tenants, to which at
19 least seventy-five percent (75%) of the owners of nonresidential real
20 property belong, which association can make the recommendations provided
21 for in G.S. 153A-313. This subdivision shall not apply to a research and
22 production service district that satisfies the criteria of G.S. 143B-437.08(h).
- 23 ~~(8) There exists, or will exist when conveyed by the nonprofit corporation
24 described in subdivision (4) of this subsection, exist deed-imposed
25 conditions, covenants, restrictions, and reservations that apply to all real
26 property in the district other than property owned by the federal
27 government district, provided that the covenants, restrictions, and
28 reservations shall not be effective against the United States as long as it
29 owns or leases property in the district but shall apply to any subsequent
30 owner or lessee of such property.~~
- 31 (9) No part of the district lies within the boundaries of any incorporated city or
32 town.

33 The Board of Commissioners may establish a research and production service district if,
34 upon the information and evidence it receives, the Board finds that:

- 35 (1) The proposed district meets the standards set forth in this subsection; and
36 (2) It is impossible or impracticable to provide on a countywide basis the
37 additional or higher levels of services, facilities, or functions proposed for
38 the district; and
39 (3) It is economically feasible to provide the proposed services, facilities, or
40 functions to the district without unreasonable or burdensome tax levies.

41 (a1) Additional Uses. – A developer of a research and production service district
42 established prior to June 1, 2012, may amend the covenants that limit the use of real property in
43 the district to include any of the following uses: research; or scientifically-oriented production,
44 technology, education; or associated commercial, residential, or institutional purposes; or for
45 other purposes specifically authorized pursuant to the terms and conditions of the covenants. A
46 research and production service district is presumed to be in compliance with the standards in
47 subsection (a) of this section if the district met the standards in subsection (a) of this section, as
48 that subsection was enacted at the time of the establishment of the district.

49 (b) Multi-County Districts. – If an area that meets the standards for creation of a
50 research and production service district lies in more than one county, the boards of
51 commissioners of those counties may adopt concurrent resolutions establishing a service

1 district, even if that portion of the district lying in any one of the counties does not by itself
2 meet the standards. Each of the county boards of commissioners shall follow the procedure set
3 out in this section for creation of a ~~service~~-district.

4 If a multi-county ~~service~~-district is established, as provided in this subsection, the boards of
5 commissioners of the counties involved shall jointly determine whether the same appraisal and
6 assessment standards apply uniformly throughout the ~~district~~, district, or, in the case of a
7 multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h), whether
8 there is a current need in each participating county to levy a tax, which determination shall be
9 made by each participating county's board of commissioners. This determination shall be set
10 out in concurrent resolutions of the boards. If the same appraisal and assessment standards
11 apply uniformly throughout the district, the boards of commissioners of all the counties shall
12 levy the same rate of tax for the district, so that a uniform rate of tax is levied for district
13 purposes throughout the district. If the boards determine that the same standards do not apply
14 uniformly throughout the district, the boards shall agree on the extent of divergence between
15 the counties and on the resulting adjustments of tax rates that will be necessary in order that an
16 effectively uniform rate of tax is levied for district purposes throughout the district. In the event
17 that one or more of the boards of commissioners in one or more of the counties participating in
18 a multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h) determines
19 that there is no current need to levy a tax for all or part of the property meeting said
20 requirements within its jurisdictional boundaries, then that county or those counties shall be
21 under no obligation to do so. That county or those counties participating in a multijurisdictional
22 industrial park that satisfies the criteria of G.S. 143B-437.08(h) that choose to levy a tax for all
23 or part of the property meeting said requirements within its jurisdictional boundaries may do so
24 without setting an effectively uniform rate of tax as described above, provided such rate shall
25 not exceed the rate allowed in G.S. 143B-317(b).

26 The boards of commissioners of the counties establishing a multi-county ~~service~~-district
27 pursuant to this subsection may, by concurrent resolution, provide for the administration of
28 services within the district by one or more counties on behalf of all the establishing counties."

29 (c) Report. – Before the public hearing required by subsection (d), the board of
30 commissioners shall cause to be prepared a report containing:

- 31 (1) A map of the proposed district, showing its proposed boundaries;
- 32 (2) A statement showing that the proposed district meets the standards set out in
33 subsection (a); and
- 34 (3) A plan for providing one or more services, facilities, or functions to the
35 district.

36 The report shall be available for public inspection in the office of the clerk to the board for
37 at least four weeks before the date of the public hearing.

38 (d) Hearing and Notice. – The board of commissioners shall hold a public hearing
39 before adopting any resolution defining a ~~service~~-district under this section. Notice of the
40 hearing shall state the date, hour, and place of the hearing and its subject, and shall include a
41 map of the proposed district and a statement that the report required by subsection (c) is
42 available for public inspection in the office of the clerk to the board. The notice shall be
43 published at least once not less than one week before the date of the hearing. In addition, it
44 shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail
45 which is fully prepaid to the owners as shown by the county tax records as of the preceding
46 January 1 (and at the address shown thereon) of all property located within the proposed
47 district. The person designated by the board to mail the notice shall certify to the board that the
48 mailing has been completed and his certificate is conclusive in the absence of fraud.

49 (e) Effective Date. – The resolution defining a ~~service~~-district shall take effect at the
50 beginning of a fiscal year commencing after its passage, as determined by the board of
51 commissioners.

1 **"§ 153A-313. ~~Advisory~~ Research and production service district advisory committee.**

2 (a) The board or boards of commissioners, in the resolution establishing a research and
3 production service district, shall also provide for an advisory committee for the district. Such a
4 committee shall have at least 10 members, serving terms as set forth in the resolution; one
5 member shall be the representative of the developer of the research and production ~~park-park~~
6 established as a research and production service district. The resolution shall provide for the
7 appointment or designation of a ~~chairman-chair.~~ The board of commissioners or, in the case of
8 a multi-county ~~service-district,~~ the boards of commissioners shall appoint the members of the
9 advisory committee. If a multi-county ~~service-district~~ is established, the concurrent resolutions
10 establishing the district shall provide how many members of the advisory committee are to be
11 appointed by each board of commissioners. Before making the appointments, the appropriate
12 board shall request the association of owners and tenants, required by G.S. 153A-312(a), to
13 submit a list of persons to be considered for appointment to the committee; the association shall
14 submit at least two names for each appointment to be made. Except as provided in the next two
15 sentences, the board of commissioners shall make the appointments to the committee from the
16 list of persons submitted. In addition, the developer of the research and production park shall
17 appoint one person to the advisory committee as the developer's representative on the
18 committee. In addition, in a single county ~~service-district,~~ the board of commissioners may
19 make two additional appointments of such other persons as the board of commissioners deems
20 appropriate, and in a multi-county ~~service-district,~~ each board of county commissioners may
21 make one additional appointment of such other person as that board of commissioners deems
22 appropriate. Whenever a vacancy occurs on the committee in a position filled by appointment
23 by ~~a-the~~ board of commissioners, the appropriate board, before filling the vacancy, shall request
24 the association to submit the names of at least two persons to be considered for the vacancy;
25 and the board shall fill the vacancy by appointing one of the persons so submitted, except that if
26 the vacancy is in a position appointed by the board of commissioners under the preceding
27 sentence of this section, the board of commissioners making that appointment shall fill the
28 vacancy with such person as that board of commissioners deems appropriate.

29 Each year, before adopting the budget for the ~~service-district~~ and levying the tax for the
30 district, the board or boards of commissioners shall request recommendations from the advisory
31 committee as to the level of services, facilities, or functions to be provided for the district for
32 the ensuing year. The board or boards of commissioners shall, to the extent permitted by law,
33 expend the proceeds of any tax levied for the district in the manner recommended by the
34 advisory ~~board-committee.~~

35 (b) In the event that the research and production service district satisfies the criteria of
36 G.S. 143B-437.08(h), the board of directors for the nonprofit corporation which owns the
37 industrial park shall serve as the advisory committee described in subsection (a) of this section.

38 **"§ 153A-314. Extension of service districts.**

39 (a) Standards. – A board of commissioners may by resolution annex territory to a
40 research and production service district upon finding that:

41 (1) The conditions, covenants, restrictions, and reservations required by
42 G.S. 153A-312(a)(8) that apply to all real property in the ~~research-district,~~
43 ~~other than property owned by the federal government,~~ district also apply or
44 will apply to the property, other than property owned by the federal
45 government, to be annexed-property to be annexed, provided that the
46 covenants, restrictions, and reservations shall not be effective against the
47 United States as long as it owns or leases property in the district but shall
48 apply to any subsequent owner or lessee of such property.

49 (2) One hundred percent (100%) of the owners of real property in the area to be
50 annexed have petitioned for annexation.

- 1 (3) The district, following the annexation, will continue to meet the standards
2 set out in G.S. 153A-312(a).
3 (4) The area to be annexed requires the services, facilities, or functions
4 financed, provided, or maintained for the district.
5 (5) The area to be annexed is contiguous to the district.

6 (b) Report. – Before the public hearing required by subsection (c), the board shall cause
7 to be prepared a report containing:

- 8 (1) A map of the district and the adjacent territory proposed to be annexed,
9 showing the present and proposed boundaries of the district; and
10 (2) A statement showing that the area to be annexed meets the standards and
11 requirements of subsection (a) of this section.

12 The report shall be available for public inspection in the office of the clerk to the board for at
13 least four weeks before the date of the public hearing.

14 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
15 resolution extending the boundaries of a ~~service~~ district. Notice of the hearing shall state the
16 date, hour and place of the hearing and its subject, and shall include a statement that the report
17 required by subsection (b) of this section is available for inspection in the office of the clerk to
18 the board. The notice shall be published at least once not less than four weeks before the
19 hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing
20 by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax
21 records as of the preceding January 1 (and at the address shown thereon) of all property located
22 within the area to be annexed. The person designated by the board to mail the notice shall
23 certify to the board that the mailing has been completed, and the certificate shall be conclusive
24 in the absence of fraud.

25 (d) Effective Date. – The resolution extending the boundaries of the district shall take
26 effect at the beginning of a fiscal year commencing after its passage, as determined by the
27 board.

28 **"§ 153A-314.1. Removal of territory from ~~service~~ districts.**

29 (a) Standards. – A board of commissioners may by resolution remove territory from a
30 research and production service district upon finding that:

- 31 (1) ~~The owners of the territory to be removed contemplate placing residential~~
32 ~~uses on some of the territory to be removed.~~ removal has been recommended
33 by a vote of two-thirds of the eligible votes of the owners and tenants
34 association.
35 (2) One hundred percent (100%) of the owners of real property in the territory to
36 be removed have petitioned for removal.
37 (3) The territory to be removed no longer requires the services, facilities, or
38 functions financed, provided, or maintained for the district.

39 (b) Report. – Before the public hearing required by subsection (c) of this section, the
40 board shall cause to be prepared a report containing:

- 41 (1) A map of the district highlighting the territory proposed to be removed,
42 showing the present and proposed boundaries of the district; and
43 (2) A statement showing that the territory to be removed meets the standards
44 and requirements of subsection (a) of this section.

45 The report shall be available for public inspection in the office of the clerk to the board for at
46 least 10 days before the date of the public hearing.

47 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
48 resolution reducing the boundaries of a ~~service~~ district. Notice of the hearing shall state the
49 date, hour, and place of the hearing and its subject and shall include a statement that the report
50 required by subsection (b) of this section is available for inspection in the office of the clerk to
51 the board. The notice shall be published at least once not less than seven days before the

1 hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing
2 by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax
3 records as of the preceding January 1 (and at the address shown thereon) of all property located
4 within the territory to be removed. The person designated by the board to mail the notice shall
5 certify to the board that the mailing has been completed, and the certificate shall be conclusive
6 in the absence of fraud.

7 (d) **Municipal Annexation Allowed Under General Law.** – The general law concerning
8 annexation, Article 4A of Chapter 160A of the General Statutes, shall apply to any territory
9 removed from the district under this section, notwithstanding any local act to the contrary.

10 (e) **Effective Date.** – The resolution reducing the boundaries of the district shall take
11 effect at the beginning of a fiscal year commencing after its passage, as determined by the
12 board.

13 **"§ 153A-315. Required provision or maintenance of services.**

14 (a) **New District.** – When a county or counties define a research and production service
15 district, it or they shall provide, maintain, or let contracts for the services for which the district
16 is being taxed within a reasonable time, not to exceed one year, after the effective date of the
17 definition of the district.

18 (b) **Extended District.** – When a territory is annexed to a research and production
19 service district, the county or counties shall provide, maintain, or let contracts for the services
20 provided or maintained throughout the district to property in the area annexed to the district
21 within a reasonable time, not to exceed one year, after the effective date of the annexation.

22 **"§ 153A-316. Abolition of service-districts.**

23 A board or boards of county commissioners may by resolution abolish a research and
24 production service district upon finding that (i) a petition requesting abolition, signed by at
25 least fifty percent (50%) of the owners of nonresidential real property in the district who own at
26 least fifty percent (50%) of the total area of nonresidential real property in the district, has been
27 submitted to the board or boards; and (ii) there is no longer a need for such ~~service~~-district. In
28 determining the total area of nonresidential real property in the district and the number of
29 owners of nonresidential real property, there shall be excluded (1) real property exempted from
30 taxation and real property classified and excluded from taxation and (2) the owners of such
31 exempted or classified and excluded property. The board or boards shall hold a public hearing
32 before adopting a resolution abolishing a district. Notice of the hearing shall state the date,
33 hour, and place of the hearing, and its subject, and shall be published at least once not less than
34 one week before the date of the hearing. The abolition of any ~~service~~-district shall take effect at
35 the end of a fiscal year following passage of the resolution, as determined by the board or
36 boards. If a multi-county ~~service~~-district is established, it may be abolished only by concurrent
37 resolution of the board of commissioners of each county in which the district is located.

38 **"§ 153A-316.1. Urban research service district (URSD).**

39 (a) **Standards.** – The board of commissioners of a county may establish one or more
40 urban research service districts ("URSD" as used in this Part) that meets the following
41 standards:

- 42 (1) The URSD is within a county research and production service district
43 located partly within that county.
- 44 (2) The URSD is located wholly within that county.
- 45 (3) The URSD is not contained within another URSD.
- 46 (4) A petition requesting creation of the URSD signed by at least fifty percent
47 (50%) of the owners of real property in the URSD who own at least fifty
48 (50%) of total area of the real property in the URSD has been presented to
49 the board of commissioners.

50 (b) **Report.** – Before the public hearing required by subsection (c) of this section, the
51 board of commissioners shall cause to be prepared and adopted by it a report. The report shall

1 be available for public inspection in the office of the clerk to the board for at least four weeks
2 before the date of the public hearing. The report shall contain the following:

- 3 (1) A map of the proposed URSD, showing its proposed boundaries.
4 (2) A statement showing that the proposed URSD is for the purpose of
5 providing urban services, facilities, or functions to a greater extent than (i) in
6 the entire county and (ii) in the county research and production service
7 district.
8 (3) A plan for providing one or more services, facilities, or functions to the
9 URSD.

10 (c) Hearing and Notice. – The board of commissioners shall hold a public hearing
11 before adopting any resolution defining a URSD under this section. Notice of the hearing shall
12 state the date, hour, and place of the hearing and its subject, and shall include a map of the
13 proposed URSD and a statement that the report required by subsection (b) of this section is
14 available for public inspection in the office of the clerk to the board. The notice shall be
15 published at least once not less than one week before the date of the hearing. In addition, it
16 shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail that
17 is fully prepaid to the owners, as shown by the county tax records as of the preceding January
18 1, of all property located within the proposed URSD. The person designated by the board to
19 mail the notice shall certify to the board that the mailing has been completed, and the
20 designated person's certificate is conclusive in the absence of fraud.

21 (d) Effective Date. – The resolution defining a URSD shall take effect at the beginning
22 of a fiscal year commencing after its passage, as determined by the board of commissioners.

23 **"§ 153A-316.2. URSD advisory committee.**

24 (a) Members. – The board of commissioners, in the resolution establishing a URSD,
25 shall also provide for an advisory committee for the URSD. The committee shall have at least
26 10 members, serving terms as set forth in the resolution. The resolution shall provide for the
27 appointment or designation of a chairperson. The board of commissioners shall appoint the
28 members of the URSD advisory committee. Before making the appointments, the board shall
29 request the association of owners and tenants, required by G.S. 153A-312(a), to submit a list of
30 persons to be considered for appointment to the committee. The association shall submit at
31 least two names for each appointment to be made. Except as provided in subsection (b) of this
32 section, the board of commissioners shall make the appointments to the committee from the list
33 of persons submitted.

34 (b) Additional Members. – In addition to the members provided in subsection (a) of this
35 section, the developer of the research and production park established as a research and
36 production service district shall appoint one person to the URSD advisory committee as the
37 developer's representative on the committee. The board of commissioners may make two
38 additional appointments of such other persons as the board of commissioners deems
39 appropriate.

40 (c) Vacancy. – Whenever a vacancy occurs on the committee in a position filled by
41 appointment by the board of commissioners, the board, before filling the vacancy, shall request
42 the association to submit the names of at least two persons to be considered for the vacancy,
43 and the board shall fill the vacancy by appointing one of the persons so submitted, except that if
44 the vacancy is in a position appointed by the board of commissioners under subsection (b) of
45 this section, the board of commissioners making that appointment shall fill the vacancy with
46 such person as the board of commissioners deems appropriate.

47 (d) Advisory Role. – Each year, before adopting the budget for the URSD and levying
48 the tax for the URSD, the board of commissioners shall request recommendations from the
49 URSD advisory committee as to the level of services, facilities, or functions to be provided for
50 the URSD for the ensuing year. The board of commissioners shall, to the extent permitted by

1 law, expend the proceeds of any tax levied for the URSD in the manner recommended by the
2 URSD advisory committee.

3 **"§ 153A-316.3. Extension of URSD.**

4 (a) Standards. – A board of commissioners may by resolution annex territory to a
5 URSD upon finding that:

6 (1) The conditions, covenants, restrictions, and reservations required by
7 G.S. 153A-312(a)(8) that apply to all real property in the URSD also apply
8 or will apply to the property to be annexed, provided that such covenants,
9 restrictions, and reservations shall not be effective against the United States
10 as long as it owns or leases property in the URSD but shall apply to any
11 subsequent owner or lessee of such property.

12 (2) One hundred percent (100%) of the owners of real property in the area to be
13 annexed have petitioned for annexation.

14 (3) The URSD, following the annexation, will continue to meet the standards set
15 out in G.S. 153A-316.1(a).

16 (4) The area to be annexed requires the services, facilities, or functions financed,
17 provided, or maintained for the URSD.

18 (5) The area to be annexed is contiguous to the URSD.

19 (b) Report. – Before the public hearing required by subsection (c) of this section, the
20 board shall cause to be prepared a report. The report shall be available for public inspection in
21 the office of the clerk to the board for at least four weeks before the date of the public hearing.

22 The report shall contain the following:

23 (1) A map of the URSD and the adjacent territory proposed to be annexed,
24 showing the present and proposed boundaries of the URSD.

25 (2) A statement showing that the area to be annexed meets the standards and
26 requirements of subsection (a) of this section.

27 (c) Hearing and Notice. – The board shall hold a public hearing before adopting any
28 resolution extending the boundaries of a URSD. Notice of the hearing shall state the date, hour,
29 and place of the hearing and its subject, and shall include a statement that the report required by
30 subsection (b) of this section is available for inspection in the office of the clerk to the board.
31 The notice shall be published at least once not less than four weeks before the hearing. In
32 addition, the notice shall be mailed at least four weeks before the date of the hearing by any
33 class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records as of
34 the preceding January 1, of all property located within the area to be annexed. The person
35 designated by the board to mail the notice shall certify to the board that the mailing has been
36 completed, and the certificate shall be conclusive in the absence of fraud.

37 (d) Effective Date. – The resolution extending the boundaries of the URSD shall take
38 effect at the beginning of a fiscal year commencing after its passage, as determined by the
39 board.

40 **"§ 153A-316.4. Removal of territory from URSD.**

41 (a) Standards. – A board of commissioners may by resolution remove territory from a
42 URSD upon finding that:

43 (1) The removal has been recommended by a vote of two-thirds of the eligible
44 voters of the owners and tenants association.

45 (2) One hundred percent (100%) of the owners of real property in the territory to
46 be removed have petitioned for removal.

47 (3) The territory to be removed no longer requires the services, facilities, or
48 functions financed, provided, or maintained for the URSD.

49 (4) The county has not financed any project for which taxes levied on the URSD
50 provide debt service pursuant to G.S. 153A-317.1(c).

1 **(b) Report.** – Before the public hearing required by subsection (c) of this section, the
2 board shall cause to be prepared a report. The report shall be available for public inspection in
3 the office of the clerk to the board for at least 10 days before the date of the public hearing. The
4 report shall contain the following:

5 **(1)** A map of the URSD highlighting the territory proposed to be removed,
6 showing the present and proposed boundaries of the URSD.

7 **(2)** A statement showing that the territory to be removed meets the standards
8 and requirements of subsection (a) of this section.

9 **(c) Hearing and Notice.** – The board shall hold a public hearing before adopting any
10 resolution reducing the boundaries of the URSD. Notice of the hearing shall state the date,
11 hour, and place of the hearing and its subject, and shall include a statement that the report
12 required by subsection (b) of this section is available for inspection in the office of the clerk to
13 the board. The notice shall be published at least once not less than seven days before the
14 hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing
15 by any class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records
16 as of the preceding January 1, of all property located within the territory to be removed. The
17 person designated by the board to mail the notice shall certify to the board that the mailing has
18 been completed, and the certificate shall be conclusive in the absence of fraud.

19 **(d) Effective Date.** – The resolution reducing the boundaries of the URSD shall take
20 effect at the beginning of a fiscal year commencing after its passage, as determined by the
21 board.

22 **"§ 153A-316.5. Required provision or maintenance of services in URSD.**

23 **(a) New URSD.** – When a county defines a URSD, it shall provide, maintain, or let
24 contracts for the services for which the URSD is being taxed within a reasonable time, not to
25 exceed one year, after the effective date of the definition of the URSD. When a county defines
26 a URSD, it may designate the developer of the research and development park established as a
27 research and production service district in which the URSD is located as an agent that may
28 contract with any local government for the provision of services within the URSD.

29 **(b) Extended URSD.** – When a territory is annexed to a URSD, the county shall
30 provide, maintain, or let contracts for the services provided or maintained throughout the
31 URSD to property in the area annexed to the URSD within a reasonable time, not to exceed one
32 year, after the effective date of the annexation.

33 **"§ 153A-316.6. Abolition of URSD.**

34 A county board of commissioners may by resolution abolish a URSD upon finding that (i) a
35 petition requesting abolition, signed by at least fifty percent (50%) of the owners of
36 nonresidential real property in the URSD who own at least fifty percent (50%) of the total area
37 of nonresidential real property in the URSD, has been submitted to the board or boards; (ii)
38 there is no longer a need for such URSD; and (iii) the county has not financed any project for
39 which there is outstanding debt serviced by tax revenues levied within the URSD. In
40 determining the total area of nonresidential real property in the URSD and the number of
41 owners of nonresidential real property, there shall be excluded (i) real property exempted from
42 taxation and real property classified and excluded from taxation and (ii) the owners of such
43 exempted or classified and excluded property. The board or boards shall hold a public hearing
44 before adopting a resolution abolishing a URSD. Notice of the hearing shall state the date,
45 hour, and place of the hearing and its subject, and shall be published at least once not less than
46 one week before the date of the hearing. The abolition of any URSD shall take effect at the end
47 of a fiscal year following passage of the resolution, as determined by the board.

48 **"§ 153A-317. Research and production service district taxes**~~Taxes authorized; rate~~
49 **limitation.**

50 **(a) Tax Authorized.** – A county, upon recommendation of the advisory committee
51 established pursuant to G.S. 153A-313, may levy property taxes within a research and

1 production service district in addition to those levied throughout the county, in order to finance,
2 provide, or maintain for the district services provided therein in addition to or to a greater
3 extent than those financed, provided, or maintained for the entire county. In addition, a county
4 may allocate to a ~~service~~-district any other revenues whose use is not otherwise restricted by
5 law. The proceeds of taxes only within a ~~service~~-district may be expended only for services
6 provided for the district.

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

9 (b) Limit. – Such additional property taxes may not be levied within any district
10 established pursuant to this Article in excess of a rate of ten cents (10¢) on each one hundred
11 dollars (\$100.00) value of property subject to taxation or, in the event that the research and
12 production service district satisfies the criteria of G.S. 143B-437.08(h), such additional
13 property taxes may not be levied within said district in excess of a rate of ~~fifteen cents (15¢)~~
14 twenty cents (20¢) on each one hundred dollars (\$100.00) value of property subject to taxation.

15 (c) Public Transportation. – For the purpose of constructing, maintaining, or operating
16 public transportation as defined by G.S. 153A-149(c)(27), in addition to the additional property
17 taxes levied under subsections (a) and (b) of this section, a county, upon recommendation of
18 the advisory committee established pursuant to G.S. 153A-313, may levy additional property
19 taxes within any ~~service~~-district established pursuant to this Article not in excess of a rate of ten
20 cents (10¢) on each one hundred dollars (\$100.00) value of property subject to taxation. Such
21 property taxes for public transportation may only be used within the ~~service~~-district, or to
22 provide for public transportation from the ~~service~~-district to other public transportation systems
23 or to other places outside the ~~service~~-district including airports."

24 **§ 153A-317.1. Urban research service district taxes authorized; rate.**

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

33 (b) Rate. – Property subject to taxation in a newly established URSD or in an area
34 annexed to an existing URSD is that subject to taxation by the county as of the preceding
35 January. The maximum tax rate set forth in G.S. 153A-317 shall not apply to the URSD. The
36 additional property taxes within any URSD may not be levied in excess of the rate levied in the
37 prior year by a city that:

38 (1) Is the largest city in population that is contiguous to the county research and
39 production service district where the URSD is located.

40 (2) Is located primarily within the same county the URSD is located.

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

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