

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 771
Committee Substitute Favorable 5/2/23

Short Title: Compensation for On-Premises Sign Upgrades.

(Public)

Sponsors:

Referred to:

April 19, 2023

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

16 (b) A local government may not enact or amend an ordinance of general applicability to
17 require the owner of a nonconforming sign to bring the sign into compliance with current
18 regulations without doing one of the following:

19 (1) Paying monetary compensation to the owner of the nonconforming sign. Upon
20 payment of monetary compensation for the sign, the local government shall
21 own the sign and remove it at a time mutually agreed upon by the owner of
22 the sign and the local government.

23 (2) Reimburse the owner an amount equal to the difference of the fair market
24 value of the nonconforming sign and the reasonable cost to bring the sign into
25 compliance. Upon being reimbursed, the owner of the nonconforming sign
26 shall bring the sign into compliance with the current regulations in a timely
27 manner.

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

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

34 (1) The local government and the owner of the nonconforming sign enter into a
35 voluntary agreement allowing for the removal of the sign after a set period of
36 time in lieu of monetary compensation. A local government may adopt an



- 1 ordinance or resolution providing for a relocation, reconstruction, or removal
2 agreement.
3 (2) The nonconforming sign is determined to be a public nuisance or detrimental
4 to the health or safety of the populace.
5 (3) The removal of the nonconforming sign is required for opening, widening,
6 extending, or improving streets or sidewalks, or for establishing, extending,
7 enlarging, or improving any of the public enterprises listed in G.S. 160A-311,
8 and the local government allows the nonconforming sign to be relocated to a
9 comparable location.
10 (4) The nonconforming sign is subject to removal pursuant to statutes, ordinances,
11 or regulations generally applicable to the demolition or removal of damaged
12 structures.
13 (e) If the local government and the owner of the nonconforming sign are unable to agree
14 on the monetary compensation or reimbursement, then the local government may bring an action
15 in superior court for a determination of the monetary compensation or reimbursement to be paid.
16 In determining monetary compensation, the court shall consider the factors set forth in subsection
17 (c) of this section.
18 (f) The provisions of this section shall not be used to interpret, construe, alter, or
19 otherwise modify the exercise of the power of eminent domain by an entity pursuant to Chapter
20 40A of the General Statutes."
21 **SECTION 2.** This act is effective when it becomes law.