

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**SENATE BILL 163**

Short Title: Local Governments/System Development Fees. (Public)

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Sponsors: Senator Lowe (Primary Sponsor).

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Referred to: Rules and Operations of the Senate

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February 28, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT GRANTING LOCAL GOVERNMENT UNITS THE AUTHORITY TO EXEMPT  
3 PROPERTY BEING DEVELOPED FOR AFFORDABLE HOUSING FROM SYSTEM  
4 DEVELOPMENT FEES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 162A-203 reads as rewritten:

7 "**§ 162A-203. Authorization of system development fee.**

8 (a) A local governmental unit may adopt a system development fee for water or sewer  
9 service only in accordance with the conditions and limitations of this Article.

10 (b) A system development fee adopted by a local governmental unit under any lawful  
11 authority other than this Article and in effect on October 1, 2017, shall be conformed to the  
12 requirements of this Article not later than July 1, 2018.

13 (c) A local government unit or a joint agency created pursuant to G.S. 160A-461 may  
14 exempt affordable housing parcels from a system development fee imposed pursuant to this  
15 Article. The unit or joint agency shall adopt criteria for determining whether a parcel qualifies  
16 for the exemption."

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

