



April 11, 2025 | nclm.org

ACTION ALERT: Oppose HB 765 "Local Gov. Development Regulation Omnibus"

A sweeping measure poised to dismantle local land-use planning and regulations could be heard in House committees as early as next week. [HB 765 "Local Gov. Development Regulations Omnibus"](#) represents an unprecedented shift that strips municipalities of their ability to apply tailored regulatory standards, paving the way for unchecked development in some cases while imposing rigid statewide mandates in others.

Please contact your House members *NOW* and urge them to OPPOSE HB 765. If passed, this legislation would significantly restrict local communities' ability to shape their future, attract economic development, and maintain their unique quality of life.

When you contact your legislators, make it clear that HB 765 will:

- Create a patchwork of state mandates and ban common-sense local land-use practices leading to unregulated and incompatible development, undermining housing affordability, and damaging existing property values.
- Eliminate the decision-making powers granted to locally elected leaders by their voters, subjecting those officials to legal penalties during routine land-use planning decisions and creating unprecedented conflict-of-interest rules.
- Remove the ability of residents and local officials to pursue their unique visions for their communities, which are critical to attracting new residents and new businesses and maintaining their unique quality of life.
- Undermine meaningful public engagement and community involvement in shaping policies that address specific housing needs.

Now is the time to let your legislators know that the bill will harm cities and towns across North Carolina, as well as their residents. **Tell them to please oppose HB 765 Local Gov. Development Regulations Omnibus.**

For a more detailed look at the bill's provisions—from massive changes to conditional zoning to mandated minimum density requirements—refer to this [document](#). The Wilmington-area news outlet, Port City Daily, also featured the concerns of local officials in their latest [issue](#).

House DEI Bill Delayed

This week, the scheduled consideration of [HB 171, “Equality in State Agencies/Prohibition on DEI,”](#) was [delayed](#) due to the excused absences of the bill’s primary sponsor. Legislative leadership had scheduled it to be considered by the House of Representatives on Tuesday and Wednesday but withdrew it from the calendar each day with no debate. If passed, HB171 would eliminate all diversity, equity, and inclusion (DEI) initiatives currently in place within state and local governments, as well as public schools, and prohibit government funds from being used to support these programs. Previous versions of the bill included both criminal penalties and civil liability for government officials found to have violated the law, but the criminal penalties were removed during committee discussion.

The next date the House could consider the bill is Tuesday. If the House approves it, it will go on to the Senate, where its future is uncertain.

Building Code Omnibus Bill Clears House Committee

The perennial Building Code Omnibus bill was approved by the [House Housing and Development Committee](#) this week as legislators consider municipal authority over local streets. [HB 661, “Building Industry Efficiency Act of 2025,”](#) primarily focuses on changes to building trade licensing and introduces a new framework for independent changeout inspectors. Specific to cities and towns, the measure would prohibit municipalities from adopting street design and construction standards that exceed those required by the NC Department of Transportation (NCDOT). Municipalities would also be required to accept sidewalks and street improvements into the public street system for maintenance and repair if they were mandated as part of a development project in the extraterritorial jurisdiction (ETJ).

HB 661 now moves to the [House Finance Committee](#) for further consideration.

Bill Filed to Privatize Commercial Building Inspections

Legislators proposed a new private commercial building inspections system this week to address mounting pressure to expedite inspections and development projects in municipalities across the state. The system outlined in [HB 831, “Comm. Inspect. Efficiency Act,”](#) would mark a substantial policy change for North Carolina. Under the bill, developers and contractors could choose a private building inspector for commercial projects. Despite the use of private inspectors, local government inspection departments would retain responsibility for conducting final fire inspections and issuing certificates of occupancy at the conclusion of construction. City officials have expressed apprehensions about the implications of privatizing inspections, including the potential for compromises to public safety and a lack of transparency and legal accountability on the part of the private inspectors.

The bill has been referred to the [House Housing and Development Committee](#) where it awaits further action.

NCLM Government Affairs staff are seeking feedback on HB 831. Members are encouraged to share their comments and concerns with Derrick Applewhite, Senior Government Affairs Associate, [daplewhite@nclm.org](mailto:dapplewhite@nclm.org).

House Legislators Introduce Development Application Review Shot Clock Bill

Legislators continued their efforts to clamp down on local government development processes this week, introducing [HB 876 “Development Application Review Time Lines,”](#) which drastically shortens residential development application and building permit review timelines. HB 876 requires local governments to complete an administrative review of development applications within two business days. They must then notify the developer in writing that the application is either complete or deficient. If deficient, the local government must provide a detailed deficiency list with specific laws, ordinances, policies, or procedures used as the basis for each deficiency and describe corrective actions. Additionally, the bill mandates that building permit reviews be completed within two business days—a significant reduction from the current 15-business-day requirement. The legislation also allows developers to use third-party plan reviewers if local governments fail to meet these deadlines. In such cases, applicable fees must be refunded or waived upon permit issuance.

The bill has been referred to the [House Housing and Development Committee](#) where it awaits further action.

Legislators Propose Reimbursement of Utility Relocation Costs

This week, legislation filed in the House would require cities and towns with populations larger than 5,000 to reimburse communications service providers when the municipality requires the relocation of facilities. [HB 849 “Utility Forced Relocation Expenses”](#) represents a significant change in the long-standing practice in which communications facility owners pay relocation costs when municipal projects require it. This traditional approach represents a thoughtful balancing of interests: communications service providers get to use the city or town right of way for free but are required to pay for relocations that are caused by city projects. Most often, this involves roadway improvements such as road widening or installing turn lanes that impact communications facilities installed in the city-owned right of way.

The bill was referred to the [House Energy and Public Utilities Committee](#) and awaits action.

Legislators Propose Study of "Paper Towns"

This week, House members filed a bill to study “paper towns,” defined in the legislation as a town that “exist in fact but does not provide adequate services, as required by law, to its residents.” [HB 801 “LRC Study Paper Towns”](#) would require the identification of North Carolina municipalities that qualify as “paper towns,” determining whether the services being provided by the “paper town” should continue and, ultimately, whether a “paper town” should continue to exist. The study would be completed by the General Assembly’s [Legislative Research Commission](#), a committee appointed by the leaders of the General Assembly. Legislative studies have become less common in recent years but, in the past, have produced significant legislation, including environmental reforms and tax overhauls.

Treasurer Briner Touts Pension Proposals

In a presentation last week to the [House Oversight Committee](#), State Treasurer Brad Briner [touted his ideas](#) to increase state pension returns, which [he told legislators](#) currently rank 49th or 50th in the country based on his predecessor’s policies. Briner said in testimony that he is already taking steps to reverse one of those policies: a decision by the prior Treasurer to hold an unusually large amount of the state’s pension assets as cash instead of investing the assets to earn more. Additionally, Briner promoted a broad structural reform that would move investment decisions to a committee rather than placing “sole fiduciary” authority in the office of the State Treasurer.

The [House Pensions and Retirement Committee](#) will consider [a bill](#) on Wednesday to advance that reform. NCLM supports these changes because they should result in a better-funded pension system that is less reliant on contributions from local government employers. Recent data has shown that employers’ pension costs have risen sharply over the past decade, partly due to low investment returns for the system.



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