



June 5, 2026 | [nclm.org](https://nclm.org)

## Provide Feedback on New Senate Land Use Proposals

Please help NCLM staff inform legislators of the consequences of [new land use proposals](#) introduced in the Senate this week by using [this form](#) to provide your town's feedback by **Monday, June 7**.

The land use proposals appeared in a draft version of [SB 1047 Regulatory Reform Act of 2026](#), which the [Senate Regulatory Reform Committee](#) discussed Wednesday. The bill will likely return for a vote next week.

The bill, which does not overlap with the House's regulatory reform effort detailed elsewhere in this Bulletin, contains numerous concerning provisions affecting cities and towns.

### **Permit choice modifications**

Section 13 appears to expand the types of local development decisions subject to the permit choice law, including legislative zoning decisions.

### **Shot clocks**

Section 14 puts in place significant and complicated shot clocks under which local governments must make land use decisions, including zoning decisions. Failure to adhere to the timeframes would result in applications being deemed approved.

### **No minimum lot sizes**

Section 16 disallows the use of minimum lot sizes as a means of expressing density allowances for residential zones. It also limits the types of zoning districts a local government may utilize to the five types currently listed in statute.

### **Publication of fee schedules**

Section 17 imposes new requirements for local governments to publish their development fee schedules and requires an annual report of those

schedules to the Local Government Commission. It also limits fees that can be charged to those included in a binding fee statement. Finally, it gives applicants the right to file a civil lawsuit if a local government does not follow these publication requirements.

Other sections of the bill take on the topics of historic district formation (Sec. 15), a pause on vested rights clocks during emergencies (Sec. 18), development approvals in Helene areas (Sec. 19), permeable stormwater technology (Sec. 10), and building insulation materials (Sec. 12).

PROVIDE FEEDBACK

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## House Targets Larger Cities on Housing

A House [regulatory reform measure](#) voted out of that chamber this week targeted the state's larger cities with several housing provisions while proposing a separate, troubling statewide development law.

### **Accessory Dwelling Units**

The first housing provision would impose a uniform set of regulations for accessory dwelling units (ADUs), requiring cities above 50,000 in population to allow ADUs in every single-family zoning district, subject to the conditions in the bill (Section 14). Most of the cities to which this provision would apply already allow ADUs, though their ordinances may differ from the particulars of this proposal.

### **Residential in Commercial/Industrial**

The second housing provision in the bill would mandate that residential development be allowed in all commercial, business, and light industrial zones at a minimum height of 60 feet (Section 13). That provision would apply to cities above 50,000 in population that are also in counties larger than 275,000 people.

No city in this group currently allows residential development in all commercial or industrial zones due to concerns about reducing the available land for businesses and other economic development projects. Commercial and industrial areas also do not have residential-scale infrastructure, and often, the placement of police, fire, and emergency services in those zones does not match the higher needs of residential uses. Finally, if it became law, this provision would increase the likelihood of residents being subjected to noxious environmental factors such as pollution, noise, smells, and nighttime lighting.

### **Development Rights**

Separately, the bill ([SB 445 Regulatory Reform Act of 2026](#)) contained a troubling development provision that would apply to all local governments

in the state. It would expand existing “vested rights” laws that currently allow developers two years to develop pursuant to approved zoning uses and densities (Section 10). Under the expansion, developers would have a minimum of five years to develop, which would have the effect of slowing housing production as developers take longer to build.

This same section would also allow developers to lock in, for a minimum five years, all other rules that were in effect the day of their approval. These rules would include state building code, stormwater, and sedimentation rules, along with all other local development rules. This proposal represents a big increase in developers’ rights and would slow down the ability of local governments to uniformly update their development rules and respond to growth pressures.

NCLM Director of Government Affairs Erin Wynia, was featured in [a story](#) on Thursday by WRAL discussing the impact that many of the proposals in the SB 445, as well as many of the broader regulatory reform topics impacting local governments.

With the House approval of SB 445, it now returns to the Senate for a concurrence vote. In the likely event the Senate votes not to concur on the bill, it would move to a conference committee for behind-the-scenes negotiations between the two chambers.

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## Senate Discusses Parking Minimums

The [Senate Agriculture, Energy, and Environment Committee](#) held a “discussion-only” meeting on Wednesday this week to review [HB 369 Parking Lot Reform/Stormwater Control](#), a measure that would preempt all local government requirements for off-street parking spaces. No votes were expected or taken at the meeting, but the committee invited advocates to speak on the issues involved.

NCLM Legislative and Regulatory Counsel Patrick Buffkin provided comments to the committee and expressed concerns with the removal of local government’s public safety reviews that ensure emergency vehicle access. He also noted the problems that arise between neighbors over parking and the need for additional resources required to enforce on-street parking permitting or ticketing.

Groups speaking in favor of the bill were the Piedmont Promise/Catawba River Keeper, the conservative advocacy organization Americans for Prosperity, the liberal advocacy organization Carolina Forward, as well as development interest groups the NC Apartment Association and NC REALTORS.

NCLM staff also expressed appreciation for the additional time to work on the legislation and highlighted the problematic changes to a second section in the bill related to stormwater and redevelopment. Those changes made in a previous Senate committee rendered the stormwater provisions less impactful and the NCLM no longer supports this provision.

We will continue to engage with stakeholders on this legislation as the bill remains pending in the Senate Agriculture, Energy, and Environment Committee.

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## House Approves Data Center Regulations

This week, the House approved a wide-ranging bill to regulate data centers. [SB 730 Ratepayer Protection Act](#) would establish a land use regulation framework for data centers, require “closed loop water systems” for cooling, and establish requirements for Duke Energy to make disclosures related to data centers with the North Carolina Utilities Commission. The bill also bars local governments from using eminent domain powers to allow for the siting of a data center.

The land use provisions create a new section in Chapter 160D that gives local governments a set of requirements to evaluate in considering data center projects. These provisions could apply in a rezoning, a special exception, conditional or special use permit, or a building permit. The new requirements for the closed loop water system, which specifically prohibit an “evaporative cooling system,” are aimed at reducing water consumption at data centers.

Also included in the bill was a controversial provision requiring the Utilities Commission to approve a new nuclear-powered generation facility for Duke Energy before the Commission requires the retirement of another coal plant. That issue, and the broader political implications of rising electric rates, continue to give energy to issues related to data centers as detailed in [this article](#) from The Assembly.

The bill now returns to the Senate where they will consider whether to agree with the House changes or send the bill to a conference committee to resolve the differences.

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## Future of Downzoning Legislation Uncertain

The prospect of a resolution for local governments on the downzoning issue grew more uncertain this week as House members removed the compromise language negotiated by NCLM last session and replaced it with unrelated legislation. As we have discussed since 2024, the legislature's actions prohibiting local governments from engaging in "downzoning" have presented unique and pervasive challenges to communities across the state.

In early 2025, Senate leaders introduced and unanimously passed SB 587, originally titled [Clarify Nonconforming Uses](#). The bill focused on resolving issues with land use and nonconforming use provisions, many of which had been the impetus for the earlier prohibitions.

The bill has been pending in the House for over a year until this week when the bill was taken in a completely different direction. House leaders replaced the original bill language with unrelated provisions regarding wake surfing, creating a new bill called [Wake Surfing Safely](#). The newly crafted bill passed the House State and Local Government Committee on Tuesday and is scheduled to be heard in the House Rules Committee on June 9.

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## House Committee to Consider Property Tax Moratorium

A bill that would implement a 12-month pause on the use of property revaluations in nine counties is on the move. Next Tuesday, the [House State and Local Government Committee](#) intends to consider [SB 889 Property Tax Reappraisal Moratorium](#). In late April, Senate President Pro Tem Phil Berger introduced the bill as the Senate's response to the on-going discussion regarding property tax across the General Assembly. SB 889 imposes a moratorium on the implementation of county property tax reappraisals scheduled to occur in 2026. Those counties are: Anson, Bladen, Buncombe, Davidson, Guilford, Harnett, Onslow, Pender, and Scotland.

During Senate committee discussion, the bill was tailored to exclude counties with a populations less than 15,000, which eliminated three counties from the overall list. Meanwhile, for the remaining counties, the bill would delay the use of updated values for one year, reverting to prior schedules of values.

The bill passed the Senate along generally bipartisan lines, with seven to eight Democrats joining Republicans during its second and third readings.

The bill's future in the House remained uncertain as House leadership pushed their separate proposal to place a constitutional amendment on the

November ballot addressing property tax.

But late this week, the [House State and Local Government Committee](#) released its calendar for next Tuesday's meeting and it included SB 889. If passed, this moratorium would directly impact counties currently undergoing or preparing for implementation of updated valuation schedules. It would also create additional confusion once the moratorium ends due to provisions to allow the previously determined valuations to be used.

If you are a municipality within an impacted county and have concerns, we encourage you to communicate those concerns to members of the [committee](#) ahead of the hearing.

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## Legislative Policy Committee

### Submit Interest Forms by June 30

NC League of Municipalities President Jody McLeod seeks to appoint interested city officials as new members of the [NCLM Legislative Policy Committee](#), and you may [sign up](#) now.

The [Legislative Policy Committee](#) is an internal group of city officials that forms policy positions on key issues for North Carolina cities. Committee members also serve as advocates on municipal legislation and are an integral part of the League. If you are interested in serving on this committee, please complete the linked form **no later than June 30th**.

Please direct questions to Government Affairs Project Coordinator [Sophia Trentacosta](#).

### INTEREST FORM

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## FEMA Final Report to Shift Disaster Policy

On May 7, 2026, the President's Council to Assess the Federal Emergency Management Agency convened its final meeting in Washington, D.C., to deliver a set of recommendations intended to redefine the federal government's role in disaster management.

Here are the [informational slides](#) from the council's meeting and the [final report](#).

Members of the public may continue to [submit comments](#) through June 8. More information from the National League of Cities about the effect of the recommendation on municipalities can be seen [here](#).

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