

**A BILL TO BE ENTITLED  
AN ACT AUTHORIZING LOCAL GOVERNMENTS TO EXEMPT CERTAIN  
PROPERTIES FROM SYSTEM DEVELOPMENT FEES FOR THE  
DEVELOPMENT OF AFFORDABLE HOUSING**

The General Assembly of North Carolina enacts:

**SECTION 1. G.S. §162A-203. Authorization of system development fee.**

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

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

(c) A local governing board or a joint agency created pursuant G.S. 160A-461 et. seq. may exempt affordable housing parcels from the payment of system development fees, according to criteria adopted by the local governing board or joint agency.

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