



CHAPTER 159

ARTICLE 3 - THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT

N.C.G.S. § 159-42.

Special regulations pertaining to public housing authorities.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	No amendment history on record	21 September 2026, 05:10 UTC	52b6e1cd9a02b06b58c566b1 - e4f353bad22b9dd63869ad22 - ff0aa414b1d994ed

§ 159-42(a) Definition. - As used in this Part, the term "housing authority" means any entity as defined in G.S. 157-3(1) that is not subject to G.S. 157-4.2.

§ 159-42(b) Applicability. - Except as provided in this Part, none of the provisions of Parts 1, 2, or 3 of this Article apply to housing authorities in compliance with this Part.

§ 159-42(c) Annual Budget. - Each housing authority shall operate under an annual budget. The budget shall take the form of estimated revenues plus fund balances available for the program, as defined by the U.S. Department of Housing and Urban Development regulations or their successors, that are equal to or greater than estimated expenditures. The proposed budget shall be available for public inspection in a manner consistent with G.S. 159-12(a). Before adopting the budget, the housing authority governing board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. The governing board shall cause notice of the public hearing to be published in a newspaper of general circulation in the area once a week for two consecutive weeks prior to the public hearing.

§ 159-42(d) Project Ordinances. - The annual budget shall not include those estimated revenues and expenditures accounted for in a project ordinance. A housing authority shall adopt a project ordinance, as defined by G.S. 159-13.2, for those programs which span two or more fiscal years. The form of the project ordinance shall be in accordance with the relevant funding agency guidelines for that project. The estimated revenues plus fund balances available for a project shall be equal to or greater than the estimated

expenditures. The estimated revenues and expenditures related to approved projects for a fiscal year may be included in the annual budget on an informational basis.

§ 159-42(e)

Finance Officer. - The housing authority governing board shall appoint or designate a finance officer with the following powers and duties:

- (1) Preparation of the annual budget for presentation to the governing board.
- (2) Administration of the approved budget.
- (3) Maintenance of the accounts and other financial records in accordance with generally accepted principles of accounting.
- (4) Preparation and filing of statements of the financial condition, at least annually and at other times as requested by the governing board.
- (5) Receipt and deposit, or supervision of the receipt and deposit, of all moneys accruing to the housing authority.
- (6) Supervision of the investment of the idle funds of the housing authority.
- (7) Maintenance of all records concerning the bonded debt of the housing authority, if any.
- (8) Maintenance of any sinking funds of the housing authority.

§ 159-42(f)

Accounting Procedures. - A housing authority must comply with federal rules and regulations issued by the U.S. Department of Housing and Urban Development pertaining to procedures for the receipt, deposit, investment, transfer, and disbursement of money and other assets. The Commission may inquire into and investigate, with reasonable cause, the internal control procedures of a housing authority. The Commission may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlement, mishandling of funds, or continued operating deficits.

§ 159-42(g)

Audits. - The accounting system of a housing authority shall be so designed that the true financial condition of the housing authority can be determined at any time. As soon as possible after the close of each fiscal year, the accounts shall be independently audited by a certified public accountant. The auditor shall be selected by the housing authority governing board and shall report directly to that body. The audit contract or agreement shall be in writing and shall include all its terms and conditions. The terms and conditions of the audit shall include the scope of the audit and the requirement that upon completion of the examination the auditor shall prepare a written report

embodying the financial statements and the auditor's opinion and comments relating thereto. The finance officer shall file a copy of the audit with the Secretary of the Commission.

§ 159-42(h) Bonding of Employees. - The bonding requirements of G.S. 159-29 shall apply to the finance officer and those employees of the housing authority handling or having custody of more than one hundred dollars (\$100.00) at any one time or those employees who have access to the inventories of the housing authority.

§ 159-42(i) Investments. - A housing authority may deposit or invest, at interest, all or part of its cash balance pursuant to U.S. Department of Housing and Urban Development regulations.

§ 159-42(j) Official Depository. - Housing authorities shall comply with G.S. 159-31, except in those circumstances where the statute is in conflict with U.S. Department of Housing and Urban Development guidance, which shall control.

§ 159-42(k) Deposits and Payments. - Housing authorities shall comply with G.S. 159-32, 159-32.1, and 159-33. (2001-206, s. 1.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
7 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 157-3(1)	(a)	"means any entity as defined in"
G.S. 157-4.2	(a)	"157-3(1) that is not subject to"
G.S. 159-12(a)	(c)	"inspection in a manner consistent with"
G.S. 159-13.2	(d)	"a project ordinance, as defined by"
G.S. 159-29	(h)	"Employees. - The bonding requirements of"
G.S. 159-31	(i)	"- Housing authorities shall comply with"
G.S. 159-32	(k)	"- Housing authorities shall comply with"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 159-42 (2026).

PINPOINT

N.C. Gen. Stat. § 159-42(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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