



CHAPTER 162A
ARTICLE 8 - SYSTEM DEVELOPMENT FEES

N.C.G.S. § 162A-211.

Use and administration of revenue.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 05:35 UTC	SOURCE FINGERPRINT e63094de7da56842c1040df8 - 48c1587d69efcebf3cc79ca1 - 776cf8e058be34d4
--	---	---	--

- § 162A-211(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:
- (1) Costs of constructing capital improvements including, and limited to, any of the following:
 - a. Construction contract prices.
 - b. Surveying and engineering fees.
 - c. Land acquisition cost.
 - d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.
 - (2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.
 - (3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.
 - (4) Contractual obligations to another local government unit for capacity in such facilities owned by another local government unit.

- § 162A-211(a1)** Revenue from system development fees calculated using the combined cost method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects.
- § 162A-211(b)** Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.
- § 162A-211(c)** A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with this section.
- § 162A-211(d)** Except as otherwise provided in subsection (e) of this section, system development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.
- § 162A-211(e)** If and to the extent that revenues derived from system development fees are pledged to secure revenue bonds or notes issued by a local government unit under the provisions of Article 5 of Chapter 159 of the General Statutes, such revenues may be deposited in such funds, accounts or subaccounts, and applied in such manner, as set forth in the bond order, resolution, trust agreement or similar instrument authorizing and securing such bonds or notes until all such revenue bonds or notes are no longer outstanding. (2017-138, s. 1; 2018-34, s. 2(a); 2020-61, s. 3(a); 2023-55, s. 2(c).)

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 162A-211 (2026).

PINPOINT

N.C. Gen. Stat. § 162A-211(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.

COLOPHON

Provenance

This document reproduces the text of one section of the General Statutes of North Carolina from a source file whose SHA-256 digest is printed on every page. The digest fixes the bytes this export was made from; if the State's file changes, the digest will not match.

The text of the section is unaltered. Subsection designators have been moved from the run of text into the margin. The amendment history and the table of authorities are derived from the section by mechanical extraction — they add no characterization of the law.

This is not the official text. The official text is published by the General Assembly of North Carolina.

SET IN SPECTRAL AND ARCHIVO
NORTH CAROLINA LAW — STATUTE EXPORT, FORMAT V1

