

House Bill 89: Does It Grant or Just Tweak The Power to Abolish a Public Housing Authority?

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Since 1969, Chapter 157 of the North Carolina General Statutes (the "Housing Authority Law") has allowed municipalities and counties to create and abolish Public Housing Authorities. Over the years, the General Assembly has made adjustments to the Housing Authority Law.

Current House Bill 89

So far this year, the General Assembly is considering one bill that would again amend the Housing Authority Law.

Representative Jay Adams from Catawba County introduced into the North Carolina House of Representatives a bill known as House Bill 89. The bill is called "An Act to Allow Municipalities to Transfer the Powers, Duties, and Responsibilities of a Public Housing Authority to a Regional Council of Government." This title has an ominous ring to it for Public Housing Authorities that have operated for many years as independent legal entities from their host cities and counties. Granting new power to a city or town to abolish a Public Housing Authority should get the attention of every Public Housing Authority Executive Director and Board of Commissioners.

But, for at least the last 48 years, municipalities and counties that created a Public Housing Authority also had the power to abolish it. (Note that the process of abolishing a Regional Housing Authority is too complicated to get into in this blog). Therefore, it would be more accurate to call House Bill 89: "An Act to Add Regional Councils of Government to the Public Housing Authority Law and Make Clarifications." Thus, House Bill 89 is more tweak than major change.

What Effect Would Passage of House Bill 89 Have on Public Housing Authorities?

House Bill 89 does not grant a municipality or county any new power to abolish a Public Housing Authority or transfer its assets. Instead, here's how House Bill 89 impacts the existing law:

- **Amend North Carolina General Statute § 157-4.1(a):** This amendment would allow a municipality or county to address public housing needs through a regional Council of Government. This effectively gives a city or county another option when first considering whether to create a Public Housing Authority. It has no impact on existing Public Housing Authorities.
- **Amend North Carolina General Statute § 157-4.1(b):** This amendment could impact existing Public Housing Authorities because it does away with a 90 day time line and instead creates a more flexible time line for dealing with a city or county's decision to abolish a Public Housing Authority. It's important to that note that cities and counties already have the power to abolish a Public Housing

Authority; this just tweaks that authority.

- **Amend North Carolina General Statute § 157-4.1(c):** This amendment would give cities and counties the authority to transfer an abolished Public Housing Authority's assets and responsibilities to a regional Council of Government. The Housing Authorities Law already allows cities and counties to transfer those assets and responsibilities to a redevelopment commission.
- **Add North Carolina General Statute § 157-4.1(e) :** This new section would allow a city or county to appoint an interim Executive Director to manage the transfer following a decision to abolish a Public Housing Authority.

Will House Bill 89 Pass?

Its sponsor is a member of the majority party and the bill has not generated any real controversy inside the General Assembly. We believe it has a good chance of becoming law if it passes the House by April 27. Whether it passes the House depends on constituent input as well as other deals that may be made by legislators.

Is House Bill 89 Good or Bad for Public Housing Authorities?

That is a question that really should be answered by each Board of Commissioners or Executive Director. Much of the bill makes relatively minor adjustments to existing law, but its implications are not completely known.

If you would like to learn more about House Bill 89 or how it might impact your Public Housing Authority, you should seek guidance from your Authority's attorney and other trusted advisors. Ward and Smith regularly advises Public Housing Authorities, and we would be glad to speak with our clients and prospective clients about this or any other Public Housing Authorities legal issue.

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