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# ACTION ALERT: Oppose HB 765 Local Gov. Development Regulation Omnibus

Last week, the House Housing and Development Committee passed HB 765 Local Gov. Development Regulations Omnibus, a sweeping measure poised to dismantle local land-use planning and regulations. During this meeting, though, the bill sponsors heard multiple objections to the bill, including from members of their own party. Rep. Jay Adams of Hickory was quoted as saying ***"It's really about taking away municipalities' ability to govern how housing is built and where it's built and how much of it's built ... and I've got a little bit of a problem with that."***

HB 765 represents an unprecedented shift that strips municipalities of their ability to apply tailored regulatory standards, paving the way for unchecked development in some cases while imposing rigid statewide mandates in others. Communities across the state have reached out to their legislators, both through direct conversations, as well as council resolutions. But we still need your help to ensure that the House of Representatives understand the impact this bill would have on municipalities.

**Please contact your House members *NOW* and urge them to OPPOSE HB 765.** If passed, this legislation would significantly restrict local communities' ability to shape their future, attract economic development, and maintain their unique quality of life.

When you contact your legislators, make it clear that HB 765 will:

- Create a patchwork of state mandates and ban common-sense local land-use practices leading to unregulated and incompatible development, undermining housing affordability, and damaging existing property values.
- Eliminate the decision-making powers granted to locally elected leaders by their voters, subjecting those officials to legal penalties during routine land-use planning decisions, and create unprecedented conflict-of-interest rules.
- Remove the ability of residents and local officials to pursue their unique visions for their communities, which are critical to attracting new residents and new businesses and maintaining their unique quality of life.
- Undermine meaningful public engagement and community involvement in shaping policies that address specific housing needs.

Now is the time to let your legislators know that the bill will harm cities and towns across North Carolina, as well as their residents. **Tell them to please oppose HB 765 Local Gov. Development Regulations Omnibus.**

Refer to **this document** for a more detailed look at the bill's provisions, which range from massive changes to conditional zoning to mandated minimum density requirements.

The NCLM Government Affairs team has also put together a succinct **one-page summary** of the bill and key talking points to use in your outreach with legislators.

# Employee Pension Contribution Rate Approved

Pension system contribution rates for local government employers will rise for the 2025-2026 (FY25-26) fiscal year, in keeping with a policy intended to provide for predictable budgeting year after year. After delaying the vote from its January quarterly meeting, the Local Governmental Employees' Retirement System Board voted to approve the rates at its meeting yesterday (background document here).

The rates that employers must pay differ for law enforcement officers (LEOs) and all other "general" employees. Therefore, for FY25-26, the Board-approved general employee rate is 14.35 percent, while the LEO rate is 16.1 percent. Please note that both rates can vary from unit to unit due to adjustments for the death benefit contribution made for both groups of employees and due to the "court cost offset" provided for the LEO rate. The state retirement system will individually communicate your city's specific contribution rates.

This year's approved rates come at levels set under a rate stabilization policy adopted in 2021. The policy went into effect in the 2022-2023 fiscal year and was set to run for five years. The policy was developed using actuarial data, and it dictates that the rates rise each of those years. However, those predictable increases shield the rates from potentially large swings that might otherwise occur due to investment gains and losses experienced from year to year.

Looking ahead to when that policy will end, the League continues to advocate for changes that will lower the amounts cities must pay in pension costs. These changes include recommendations for revised actuarial policies, as well as more balanced pension system investments. In the January board meeting, pension investment advisors in the State Treasurer's Office spoke to that point, assuring board members that they intended to make changes in pension investments to seek higher returns. Board members indicated their support for those investment changes, noting repeatedly that the burden on local governments had grown significantly and was untenable.

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