

Process and Schedule for MSD Creation

Review of process for creating municipal service districts

➤ What is an MSD?

- ❖ A defined area within a city, town or village in which the unit's governing body levies an additional property tax in order to provide projects or extra services that benefit the properties in that district N.C.G.S. Ch. 160A, Article 23.
- ❖ MSD must include the area where services are being provided directly. For beach nourishment, any MSD must include the oceanfront.

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- **The town adopts new MSDs by ordinance**
- **A public hearing is required**
- **Prior to the public hearing, the town shall prepare a report to include:**
 - ❖ **A map of the district(s) and the proposed boundaries**
 - ❖ **A statement identifying the services needed in the district. The statement must detail why the services needed in that district are greater than those needed in other parts of the town.**
 - ❖ **A plan for providing services in the district.**

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- ❖ Notice of hearing is required stating the date, hour and place of the hearing and its subject. The notice shall include a map of the district and a statement that the report required for the public hearing is available for public review in the office of the town clerk.
- ❖ Published notice once at least one week prior to the hearing.
- ❖ Notice is also mailed at least four weeks before the date of the hearing to all owners of property in the proposed district.
- ❖ Owners may request exclusion from the district by submitting a written request to the Board no later than five days after the public hearing. Board may exclude the property after making a finding that it is not in need of the service.

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- ❖ Generally, the ordinance defining an MSD takes effect at the beginning of the next fiscal year after passage.
- ❖ Ordinance must be adopted by a majority vote of the board at two separate meetings.