



HOUSE BILL 1022: Maxton Deannex/Siler City Satellite Annex.

2016-2017 General Assembly

Committee:	House Finance	Date:	June 9, 2016
Introduced by:	Rep. Pierce	Prepared by:	Greg Roney Committee Counsel
Analysis of:	PCS to First Edition H1022-CSTMxr-53		

SUMMARY: *The Proposed Committee Substitute (PCS) for House Bill 1022 would deannex three parcels from the corporate limits of the Town of Maxton in Robeson County. The PCS also would exempt the Town of Siler City from the 10% area cap on voluntary satellite annexation.*

The PCS makes the following changes to the first edition of House Bill 1022:

- *Corrects the tax years affected by the deannexation (taxes imposed for taxable years beginning on or after July 1, 2016). The PCS does not change the effective date for the deannexation (June 30, 2016).*
- *Exempt the Town of Siler City from the 10% area cap on voluntary satellite annexation*

CURRENT LAW: Under Section 1 of Article VII of the NC Constitution, the General Assembly is empowered to "provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable." Pursuant to this Section, the General Assembly enacted Article 4A of Chapter 160A of the General Statutes, which governs municipal annexations. In addition, the General Assembly may annex property by local act. The General Assembly has not enacted any method for municipalities to *deannex* property; that power remains with the General Assembly.

G.S. 160A-58.1 governs voluntary municipal annexation of noncontiguous property, also known as voluntary *satellite* annexation. If all property owners in a satellite area petition a municipality for voluntary annexation of the noncontiguous property, the municipality may annex the property, if the following 5 requirements are met:

1. The nearest point on the proposed satellite corporate limits must be not more than 3 miles from the primary corporate limits of the annexing city.
2. No point on the proposed satellite corporate limits may be closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city.
3. The area must be so situated that the annexing city will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits.
4. If the area proposed for annexation, or any portion thereof, is a subdivision as defined in G.S. 160A-376, all of the subdivision must be included.
5. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed 10% of the area within the primary corporate limits of the annexing city.

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BILL ANALYSIS:

Section 1 of the PCS for House Bill 1022 would remove, or deannex, three parcels from the Town of Maxton in Robeson County. The three parcels consist of an undeveloped lot, a lot with a mobile home, and a lot with a house. The PCS preserves any outstanding property tax liens or special assessments of the Town of Maxton on the deannexed properties.

Section 2 of the PCS for House Bill 1022 would add the Town of Siler City to the list of municipalities exempted from the 10% area cap on voluntary satellite annexation.

EFFECTIVE DATE: The PCS for House Bill 1022 is effective when law. The deannexation is effective June 30, 2016 and applies to tax years beginning July 1, 2016.

Giles Perry with the Legislative Analysis Division substantially contributed to this summary.