



SENATE BILL 852: Town of Bakersville/Town of Clyde/Deannex.

2016-2017 General Assembly

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| Committee: | House Finance | Date: | June 22, 2016 |
| Introduced by: | Sen. Hise | Prepared by: | Greg Roney |
| Analysis of: | Third Edition | | Committee Counsel |

SUMMARY: *Senate Bill 852 would:*

- *Remove a 5 acre piece of property from the corporate limits of the Town of Bakersville in Mitchell County*
- *Remove two 1.5 acre pieces of property from the corporate limits of the Town of Clyde in Haywood County*

CURRENT LAW: Under Section 1 of Article VII of the North Carolina 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 annexation. The General Assembly has not enacted any method for municipalities to *deannex* property – that power remains with the General Assembly.

BILL ANALYSIS: Section 1 would remove a 5 acre piece of property referenced by Mitchell County Tax Office Parcel Identification Number from the corporate limits of the Town of Bakersville.

Section 2 would remove two 1.5 acre pieces of property referenced by Haywood County Tax Office Parcel Identification Numbers from the corporate limits of the Town of Clyde.

Liens for ad valorem taxes or special assessments imposed by the municipalities that are outstanding before the effective date of the act would remain valid and could still be collected or foreclosed upon after the effective date of the act as if the property were still within the municipality's corporate limits.

The property being deannexed would no longer be subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2016.

EFFECTIVE DATE: Senate Bill 852 would become effective June 30, 2016.

Augustus Willis and Nicholas Giddings, both with the Legislative Analysis Division, contributed substantially to the preparation of this summary.

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