



# SENATE BILL 105: Fairmont Vol. Annex.; Troutman Land Use Reg.

2017-2018 General Assembly

<b>Committee:</b> House State and Local Government II	<b>Date:</b> June 14, 2017
<b>Introduced by:</b> Sen. Britt	<b>Prepared by:</b> Nicholas Giddings
<b>Analysis of:</b> Third Edition	Staff Attorney

**OVERVIEW:** Senate Bill 105 would annex two non-contiguous satellite tracts totaling 324 acres into the Town of Fairmont. The bill would also extend the territorial jurisdiction of the Town of Troutman in certain circumstances.

[As introduced, this bill was identical to H4, as introduced by Rep. Pierce, which is currently in House Finance.]

**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, North Carolina law sets forth four basic ways in which a municipality may annex an area:

- Voluntary Annexation. – The owners of all real property in an area contiguous to the municipality desiring to be annexed sign a petition requesting annexation.
- Voluntary Satellite Annexation. – The owners of all real property in the area desiring to be annexed sign a petition requesting annexation, if it otherwise meets the statutory requirements.
- Municipal-Initiated Annexation subject to a referendum. – The municipality initiates annexation proceeding, pursuant to statutory requirements.
- Legislative Act. – The General Assembly has the authority to extend the boundaries of any municipality.

The statute granting municipalities extraterritorial regulatory authority, G.S. 160A-360, defines the area within which a city may apply extraterritorial land development regulations. The maximum size of a city's extraterritorial area, from its city limits, is determined by its population as follows:

- Populations of less than 10,000, up to one mile.
- Populations of 10,000-25,000, up to two miles.
- Populations of 25,000 or more, up to three miles.

**BILL ANALYSIS:** Senate Bill 105 would annex two non-contiguous satellite tracts to the Town of Fairmont totaling 324 acres: (1) The Fox Tract, 207.36 acres; and (2) The Barnes Tract, 116.64 acres.

Senate Bill 105 would also extend the jurisdiction of the Town of Troutman to be treated similarly to a city with a population of 25,000 or more, providing Troutman territorial jurisdiction over an area not to exceed three miles beyond its limits, if all of the following apply to the land over which jurisdiction will be exercised:

- The land meets the standards of a noncontiguous area that may be annexed pursuant to G.S. 160A-58.1(b).

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- Within 12 months of exercising jurisdiction over the land, the municipality annexes the land.
- The board of county commissioners has passed a resolution identifying the land over which the municipality will exercise jurisdiction.

**EFFECTIVE DATE:** Section 1 (Fairmont) would become effective June 30, 2017. Property in the territory described by Section 1 as of January 1, 2017, would be subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017. Section 2 (Troutman) would be effective when law. Except as otherwise provided, the remainder of this act would become effective when law.

**BACKGROUND:** The Town of Fairmont reports: (1) The annexation is approved by the landowners, and is voluntary; (2) The two tracts, taken together, constitute approximately 20% of the current area of the Town; (3) The tracts are located approximately 4 miles from the current municipal boundary; (4) The Town Board unanimously approved the request for the annexation; and (5) the Town held a public hearing on the proposal, and has not received any written or verbal opposition.

*Billy Godwin and Giles Perry, Staff Attorneys in the Legislative Analysis Division substantially contributed to this bill summary.*