



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 286: Fayetteville ETJ & Annexation of Shaw Heights.

2019-2020 General Assembly

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| Committee: | House State and Local Government. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House | Date: | April 29, 2019 |
| Introduced by: | Reps. Floyd, Richardson, Lucas | Prepared by: | Nicholas Giddings Staff Attorney |
| Analysis of: | First Edition | | |

OVERVIEW: House Bill 286 would authorize the City of Fayetteville to exercise extraterritorial jurisdiction over the Shaw Heights area, effective June 30, 2019, and add the Shaw Heights area to the corporate limits of the City of Fayetteville, effective June 30, 2022.

CURRENT LAW: Annexation is a method by which municipalities alter their boundaries. The municipality must follow the statutorily prescribed steps in order to add an area into its boundaries. The municipality must provide, or contract to provide, basic services to the area. These services include police protection, fire protection, solid waste collection and the extension of water and sewer lines to the area.

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 statutory requirements are met.
- **Municipal-Initiated Annexation subject to a referendum.** – The municipality initiates an annexation proceeding, pursuant to statutory requirements.
- **Legislative Act.** – The General Assembly has the authority to extend the boundaries of any municipality.

Extraterritorial Jurisdiction is the power of a municipality to exercise specified regulatory functions, mainly land use planning and regulation, in an area beyond its corporate limits. Land use regulation may take the form of zoning, subdivision regulation, minimum housing codes, and regulations governing open spaces and community appearance.

BILL ANALYSIS/EFFECTIVE DATES: House Bill 286 would authorize the City of Fayetteville to exercise extraterritorial jurisdiction over the Shaw Heights area, effective June 30, 2019. If the City exercises extraterritorial jurisdiction over the Shaw Heights area, the City must provide a means of proportional representation on the City's planning board for the residents of Shaw Heights in the manner provided under G.S. 160A-362.¹ The bill would also annex the Shaw Heights area into the corporate limits of the City, effective June 30, 2022. Property in the annexed area as of January 1, 2022, is subject to municipal taxes for taxes imposed for taxable years on or after July 1, 2022.

¹ Generally, proportionate representation is based on population.

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