



SENATE BILL 63: City of Kannapolis/Annexation.

2019-2020 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	March 12, 2019
Introduced by:	Sen. Ford	Prepared by:	Nicholas Giddings
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *Senate Bill 63 would add certain properties to the corporate limits of the City of Kannapolis, effective June 30, 2020, and authorize the City to exercise extraterritorial jurisdiction over the properties proposed to be annexed, effective when the bill becomes law.*

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: Senate Bill 63 would annex numerous properties around the Old Beatty Ford Road interchange on Interstate 85 in southern Rowan County, into the corporate limits of the City of Kannapolis, effective June 30, 2020. The bill would also authorize the City of Kannapolis to exercise extraterritorial jurisdiction over the properties proposed to be annexed, effective when the bill would become law.

EFFECTIVE DATE: Section 1 would become effective June 30, 2020. The property annexed as of January 1, 2020, would be subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2020. Section 2 would be effective when the act becomes law.

BACKGROUND: The Kannapolis City Council, on December 17, 2018, adopted a resolution requesting that its local delegation to the General Assembly introduce a bill to annex these properties into the city.

**Billy Godwin, counsel to Senate State and Local Government, substantially contributed to this summary.*

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