



# SENATE BILL 907: Economic Growth Act.

2021-2022 General Assembly

<b>Committee:</b>	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	June 15, 2022
<b>Introduced by:</b>	Sen. Jarvis	<b>Prepared by:</b>	Billy R. Godwin Staff Attorney
<b>Analysis of:</b>	Second Edition		

**OVERVIEW:** *Senate Bill 907 would require any municipality located wholly or partly in Davidson County to obtain the approval of the Davidson County Board of Commissioners (DCBC) prior to any annexation of an area located wholly within Davidson County and would not apply to annexation of any property being used for single-family residential or multi-family residential purposes at the time the annexation is initiated.*

**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. Approval of a county board of commissioners is not required. The municipality is required to provide to the area, or contract to provide, the same basic services it provides within its existing corporate limits. 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 it otherwise meets the statutory requirements.
- 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.

**BILL ANALYSIS:** Senate Bill 907 would establish a process to require any municipality located wholly or partly in Davidson County to obtain the approval of the DCBC prior to any voluntary or involuntary annexation of an area located wholly within Davidson County. The process would:

- Require the governing body of the annexing municipality, prior to adoption of an annexation ordinance or resolution of intent, to notify the DCBC that the governing body intends to adopt an annexation ordinance or resolution of intent.
- Require the DCBC to give notice of and conduct a public hearing no more than 45 days after receipt of the notice from the municipality.
- Require the DCBC to adopt a resolution approving the annexation if it finds the interests of the inhabitants of the county and the area proposed for annexation will be best served by the

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annexation. If approved, the governing body of the annexing municipality may proceed with the annexation.

- Require the DCBC to adopt a resolution disapproving the annexation if it finds the interests of the inhabitants of the county and the area proposed for annexation will not be best served by the annexation. If disapproved, the governing body of the annexing municipality may not proceed with the annexation and are prohibited from any annexation processes with respect to that area proposed for annexation, or any part thereof, for at least 36 months from the date of the DCBC's resolution disapproving annexation.
- Not apply to annexation of any property being used for single-family residential or multi-family residential purposes at the time the annexation is initiated.

**EFFECTIVE DATE:** This act becomes effective July 1, 2022, and applies to annexations initiated on or after that date.

**BACKGROUND:** Denton, Lexington, Midway, and Wallburg are municipalities that are located wholly in Davidson County. High Point and Thomasville are municipalities located partly in Davidson County. High Point is located partly in Davidson, Forsyth, Guilford, and Randolph counties. Thomasville is located partly in Davidson and Randolph county.