



SENATE BILL 907: Economic Growth Act.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 29, 2022
Introduced by:	Sen. Jarvis	Prepared by:	Billy R. Godwin
Analysis of:	Fourth Edition		Staff Attorney

OVERVIEW: *Senate Bill 907 would require any municipality located wholly or partly in Davidson County to do the following:*

- *Notify the Davidson County Board of Commissioners prior to any contiguous annexation of an area located wholly within Davidson County that is not used for residential purposes.*
- *Obtain the approval of the Davidson County Board of Commissioners prior to any satellite annexation of an area located wholly within Davidson County that is not used for residential purposes. Following such approval, if the municipality proceeds with the satellite annexation, no rezoning of that property may occur without the approval of both the municipality and Davidson County Board of Commissioners.*

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 do the following:

- Require a municipality located wholly or partly in Davidson County wishing to annex an area that is contiguous to its boundaries and wholly located within Davidson County to notify the Davidson County Board of Commissioners of its intent to adopt an annexation ordinance at least 10 days prior to the adoption of the ordinance. This requirement to notify would not apply if the property to be annexed is to be used for single-family or multi-family residential purposes.

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- Establish a process to require any municipality located wholly or partly in Davidson County wishing to annex property through satellite annexation that is wholly located within Davidson County to obtain approval of the Davidson County Board of Commissioners prior to that satellite annexation. This process and the requirement to obtain approval would not apply if the property to be annexed is used for single-family or multi-family residential purposes. This process would require the following:
 - Require the governing body of the annexing municipality, prior to adoption of an annexation ordinance or resolution of intent, to notify the Davidson County Board of Commissioners that the governing body intends to adopt an annexation ordinance.
 - Require the Davidson County Board of Commissioners to give notice of and conduct a public hearing no more than 45 days after receipt of the notice from the municipality.
 - Require the Davidson County Board of Commissioners 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 annexation. If approved, the governing body of the annexing municipality may proceed with the annexation.
 - Require the Davidson County Board of Commissioners 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 Davidson County Board of Commissioner's resolution disapproving the annexation.
- Require that, if a governing body of the annexing municipality proceeds with satellite annexation of property following the approval of the Davidson County Board of Commissioners, no rezoning of any area that includes the annexed property, or any part thereof, may occur without the approval of both the governing body of the municipality and the Davidson County Board of Commissioners.

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 County and Randolph County.

Staff Attorney Jessica Sammons of the Legislative Analysis Division substantially contributed to this summary.