



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

HOUSE BILL 1018: Cleveland/Remove Cap:Satellite Annexations.

2025-2026 General Assembly

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:	May 6, 2026
Introduced by:	Rep. Warren	Prepared by:	Brad Krehely Committee Co-Counsel
Analysis of:	PCS to First Edition H1018-CSRNXf-25		

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 1018 would exempt the Town of Cleveland from the 10% area cap on voluntary satellite annexations. The PCS deleted the Town of East Spencer from the bill and substituted the Town of Cleveland.*

CURRENT LAW: G.S. 160A-58.1 governs satellite annexations, the voluntary municipal annexation of noncontiguous property. If all property owners in a satellite area petition a municipality for voluntary annexation of the noncontiguous property, the municipality may annex the property if the following five requirements are met:

1. The nearest point on the proposed satellite corporate limits must not be more than 3 miles from the primary corporate limits of the annexing municipality.
2. No point on the proposed satellite corporate limits may be closer to the primary corporate limits of another municipality than to the primary corporate limits of the annexing municipality.
3. The area must be so situated that the annexing municipality will be able to provide the same services within the proposed satellite corporate limits than it provides within its primary corporate limits.
4. If the area proposed for annexation, or any portion thereof, is a subdivision as defined in G.S. 160D-102(31), the entire subdivision must be included.
5. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed 10% of the area within the primary corporate limits of the annexing city.

BILL ANALYSIS: The PCS for House Bill 1018 would add the Town of Cleveland to the list of municipalities exempted from the 10% area cap on voluntary satellite annexations.

EFFECTIVE DATE: The bill would become effective when it becomes law.

Kara McCraw
Director



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Legislative Analysis
Division
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