



HOUSE BILL 1027: Dunn and Erwin Satellite Annexation Change.

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. Penny	Prepared by:	Ike McRee
Analysis of:	PCS to First Edition H1027-CSCOXf-24		Committee Co-Counsel

OVERVIEW: House Bill 1027 would exempt the City of Dunn from the 10% area cap on voluntary satellite annexations.

The Proposed Committee Substitute (PCS) would add the Town of Erwin to the list of municipalities exempt from the 10% area cap on voluntary satellite annexations.

CURRENT LAW: G.S. 160A-58.1 governs the voluntary municipal annexation of noncontiguous property, also known as voluntary satellite annexation. If all property owners in a satellite area petition a municipality for voluntary annexation of the noncontiguous property, the municipality may annex the property, but only 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 to House Bill 1027 would add the Town of Erwin to the list of municipalities exempted from the 10% area cap on voluntary satellite annexations.

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

BACKGROUND: The General Assembly has exempted over 100 other municipalities from this requirement in G.S. 160A-58.1(b)(5).

Kara McCraw
Director



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Legislative Analysis
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