



# HOUSE BILL 1058: Deannexations/Limit Certain Powers.

2025-2026 General Assembly

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**Committee:** House State and Local Government. If **Date:** May 12, 2026  
favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House

**Introduced by:** Rep. Bell **Prepared by:** Karyl Smith  
**Analysis of:** PCS to First Edition Committee Co-Counsel  
H1058-CSCJxfr-20

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**OVERVIEW:** *House Bill 1058 would remove three tracts of land from the corporate limits of the Village of Walnut Creek and prohibit the Village of Walnut Creek from exercising its planning and development regulatory authority in any area beyond its contiguous corporate limits.*

*The PCS to House Bill 1058 would add the following provisions to the bill:*

- *Remove four tracts of land from the corporate limits of the Town of Vass.*
- *Remove two tracts of land from the corporate limits of the Town of Red Oak.*
- *Remove one tract of land from the corporate limits of the Town of Kernersville.*

## DEANNEXATIONS – VASS, RED OAK, KERNERSVILLE, AND WALNUT CREEK

**CURRENT LAW:** Under Section 1 of Article VII of the NC Constitution, the General Assembly is empowered to "provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable." Pursuant to this Section, the General Assembly enacted Article 4A of Chapter 160A of the General Statutes which governs municipal annexations. In addition, the General Assembly may annex property by local act. However, the General Assembly has not enacted any method for municipalities to deannex property. Only the General Assembly may deannex property.

**BILL ANALYSIS:** Sections 1, 2, 3, and 4 of the PCS would remove certain described property from the corporate limits of the following municipalities:

- Town of Vass.
- Town of Red Oak.
- Town of Kernersville.
- Village of Walnut Creek.

## LIMIT CERTAIN POWERS OF THE VILLAGE OF WALNUT CREEK

**CURRENT LAW:** Except under certain circumstances, G.S. 160D-202 allows a municipality to regulate land use within an area beyond its corporate limits, commonly referred to as extraterritorial jurisdiction

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# House 1058 PCS

*Page 2*

(ETJ). Land use regulations include zoning, subdivision regulation, building code enforcement, minimum housing code enforcement, historic preservation, erosion and sedimentation control regulation, and historic district regulation.

**BILL ANALYSIS:** Section 5 of the PCS would eliminate the authority of the Village of Walnut Creek to exercise extraterritorial jurisdiction, returning the area currently within the ETJ of the Village of Walnut Creek to the jurisdiction of Wayne County for enforcement of land use regulations and validating property transactions made by the Village of Walnut Creek that occur prior to the effective date of this section as if no change in jurisdiction occurred.

**EFFECTIVE DATE:** Sections 1, 2, 3, and 4 would become effective June 30, 2026, and apply to tax years beginning on or after July 1, 2026. The remainder of the bill would become effective when it becomes law.