



HOUSE BILL 26: Various Local Provisions I.

2025-2026 General Assembly

Committee:	Senate State and Local Government. If favorable, re-refer to Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 22, 2025
Introduced by:	Rep. Pyrtle	Prepared by:	Karyl Smith
Analysis of:	PCS to First Edition H26-CSCJxfr-12		Committee Co-Counsel

OVERVIEW: *The PCS to House Bill 26 would make various changes to multiple local provisions.*

CURRENT LAW & BILL ANALYSIS:

Part I: Satellite Annexation Cap Removal – Town of Madison

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 5 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.*

The PCS would remove the 10% cap on satellite annexations for the Town of Madison.

Parts II, III, IV, VI, VII: Deannexations – Town of Andrews, City of Elizabeth City, City of King, Town of Four Oaks, and City of Creedmoor

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

Kara McCraw
Director



Legislative Analysis
Division
919-301-1976

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advisable." Pursuant to this Section, the General Assembly enacted Article 4A of Chapter 160A of the General Statutes which governs annexations by municipalities. 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.

The PCS would, effective June 30, 2025, remove certain described property from the corporate limits of the following municipalities:

- Town of Andrews, Part II.
- City of Elizabeth City, Part III.
- City of King, Part IV.
- Town of Four Oaks, Part VI.
- City of Creedmoor, Part VII.

Part V: Charter Consolidation – Town of Davidson

The Town of Davidson (Town) was incorporated in 1891. Since then, the charter has been modified by several acts of the General Assembly. The charter has not been consolidated and updated into one document since 1891. The Town operates under a council-manager form of government. The governing board consists of the Mayor and a five-member Town council.

The PCS would do all of the following:

- Repeal the current charter and replace it with updated consolidated charter provisions concerning the property, affairs, and governance of the Town.
- Establish the corporate boundaries as those existing on the effective date of the consolidated charter.
- Provide for nonpartisan municipal elections in odd-numbered years. The Mayor would serve a two-year term, and Town council members would serve staggered four-year terms.
- Require the Town council to appoint the Town Manager, Town Attorney, and Town Clerk and, continuing the council-manager form of government, provide that the Town Manager may appoint other administration and department heads.
- Repeal several local acts for the Town that are either consolidated in this section or are no longer necessary. The section would have no effect upon the Town's exemption from certain zoning notice requirements (Chapter 411 of the Session Laws of 1993), the Town's ability to regulate the removal, replacement, and preservation of trees (S.L. 1997-420), or the Town's authority to make additional voluntary satellite annexations if certain criteria are met (S.L. 1999-85).

EFFECTIVE DATE: Except as otherwise provided, the bill would become effective when it becomes law.

**Erika Churchill and Ike McRee, Staff Attorneys with the Legislative Analysis Division, substantially contributed to this summary.*