



# SENATE BILL 214: Various Local Provisions VII.

2025-2026 General Assembly

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<b>Committee:</b>		<b>Date:</b>	April 27, 2026
<b>Introduced by:</b>	Sen. Sawrey	<b>Prepared by:</b>	Erika Churchill
<b>Analysis of:</b>	Conference Committee Substitute (S214-CCSTCxr-1)		Staff Attorney

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**OVERVIEW:** *The proposed conference committee substitute for Senate Bill 214 would do all of the following:*

- *Remove land from the corporate limits of Southport, Yadkinville, and Kannapolis.*
- *Amend the ETJ jurisdiction of Yadkinville and Sunset Beach.*
- *Remove the satellite annexation cap for the Town of East Spencer.*

## CURRENT LAW, BILL ANALYSIS, and EFFECTIVE DATE:

**Parts I-IV.** 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.

Generally, a municipality may regulate land use within an area beyond its corporate limits, commonly referred to as extraterritorial jurisdiction (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. To regulate the ETJ area, the municipality must be exercising the same power within its corporate limits. In addition, the municipality may not select different ETJ areas for different regulatory powers. If a municipality fails to exercise its ETJ authority, that territory is regulated by the county in which the property lies.

The proposed conference committee substitute would:

- Remove 3 tracts of land from the corporate limits of Southport, effective June 30, 2026.
- Remove 1 tract of land from the corporate limits and extraterritorial jurisdiction of Yadkinville, effective June 30, 2026.
- Remove 2 tracts of land from the corporate limits of Kannapolis, effective June 30, 2026.
- Eliminate ETJ authority for the Town of Sunset Beach, effective when the bill becomes law.

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**Part VI.** 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.*

The proposed conference committee substitute would add the Town of East Spencer to the list of municipalities exempted from the 10% area cap on voluntary satellite annexations, effective when the bill becomes law.