



SENATE BILL 809: Satellite Annexation Cap/Rural Hall Fire Dist.

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

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 2, 2026
Introduced by:	Sen. Hise	Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	PCS to Second Edition S809-CSBAxfr-29		

OVERVIEW: The PCS to Senate Bill 809 would do the following:

- Exempt the Cities of Dunn and King and the Towns of Cleveland, Coats, Erwin, Spruce Pine, and Tabor City from the 10% area cap on voluntary satellite annexations.
- Remove the Town of Rural Hall from the Forsyth County Countywide Fire Service District.

CURRENT LAW AND BILL ANALYSIS:

Section 1

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.*

Section 1 of the PCS to Senate Bill 809 would add the Cities of Dunn and King and the Towns of Cleveland, Coats, Erwin, Spruce Pine, and Tabor City to the list of municipalities exempted from the 10% area cap on voluntary satellite annexations.

Section 2

G.S. 153A-301 authorizes county boards of commissioners to create service districts in order to finance and provide services in the district to a greater extent than those furnished for the entire county. Fire protection is one purpose for which a county may create a service district.

Kara McCraw
Director



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Legislative Analysis
Division
919-733-2578

Senate 809 PCS

Page 2

A county may add territory to an existing fire service district if (i) the area is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the district's boundary, and if the board determines that the area needs the services provided in the district, or (ii) it receives a petition signed by 100% of the real property owners of an area requesting inclusion in the district. Municipal territory may not be added to an existing service district unless the municipality's governing board adopts a resolution agreeing to the annexation. However, except for instances when territory lying within a fire service district becomes a part of a rural fire protection district or a municipality, there is no statutory authority to remove territory from fire service district coverage.

The Forsyth County Board of Commissioners established the Forsyth County Countywide Fire Service District in 2019. In 2022, the Town of Rural Hall adopted a resolution requesting to be included within the district to provide supplemental fire services to the town. However, the town has since requested to leave the district, which would allow them to instead contract with Forsyth County to receive the supplemental fire services, similar to other municipalities within the county.

Section 2 of the PCS to Senate Bill 809 would remove the Town of Rural Hall from the Forsyth County Countywide Fire Service District.

EFFECTIVE DATE: Section 2 of the bill 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.