

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH50624-LB-86 (2/2)

Short Title: No Taxes Until Annexation Services Provided.

(Public)

Sponsors: Representative Dollar.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT AFTER AN INVOLUNTARY ANNEXATION, NO PROPERTY TAXES MAY BE LEVIED UNTIL CERTAIN BASIC SERVICES ARE PROVIDED, AND THAT NO WATER AND SEWER ASSESSMENTS MAY BE LEVIED UNTIL THE MUNICIPAL GOVERNMENT IS PREPARED TO PROVIDE THOSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-49(l) read as rewritten:

"(l) ~~If Until a city fails to deliver~~ provides water distribution, sewage collection, police protection, fire protection, and solid waste ~~or street maintenance~~ collection services to a property annexed under this Part, it may neither levy nor collect ad valorem taxes on that property. as provided for in G.S. 160A 47(3)a. within 60 days after the effective date of the annexation, the owner of the property may petition the Local Government Commission for abatement of taxes to be paid to the city for taxes that have been levied as of the end of the 60 day period, if the petition is filed not more than 90 days after the expiration of the 60 day period. If the Local Government Commission finds that services were not extended by the end of the 60 day period, it shall enter an order directing the city not to levy any further ad valorem taxes on the property until the fiscal year commencing after extension of the municipal services."

SECTION 2. G.S. 160A-49(k) is repealed.

SECTION 3. G.S. 160A-37(k) reads as rewritten:

"(k) ~~If Until a city fails to deliver~~ provides water distribution, sewage collection, police protection, fire protection, and solid waste ~~or street maintenance~~ collection services to a property annexed under this Part, it may neither levy nor collect ad valorem taxes on that property. as provided for in G.S. 160A 35(3)a. within 60 days after the effective date of the annexation, the owner of the property may petition the Local Government Commission for abatement of taxes to be paid to the city for taxes

1 ~~that have been levied as of the end of the 60 day period, if the petition is filed not more~~
2 ~~than 90 days after the expiration of the 60 day period. If the Local Government~~
3 ~~Commission finds that services were not extended by the end of the 60 day period, it~~
4 ~~shall enter an order directing the city not to levy any further ad valorem taxes on the~~
5 ~~property until the fiscal year commencing after extension of the municipal services."~~

6 **SECTION 4.** G.S. 160A-237 reads as rewritten:

7 **"§ 160A-237. Authority to hold water and sewer assessments in abeyance.**

8 The assessment resolution may provide that assessments levied under this Article for
9 water or sewer improvements be held in abeyance without interest until improvements
10 on the assessed property are actually connected to the water or sewer system for which
11 the assessment was levied, or a date certain not more than 10 years from the date of
12 confirmation of the assessment roll, whichever event first occurs. The assessment
13 resolution shall provide that assessments levied under this Article for water or sewer
14 improvements be held in abeyance without interest until the water or sewer system is
15 available for connection to the property on which the assessment was levied. Upon
16 termination of the period of abeyance, the assessment shall be paid in accordance with
17 the terms set out in the assessment resolution. If assessments are to be held in abeyance,
18 the assessment resolution shall classify the property assessed according to general land
19 use, location with respect to the water or sewer system, or other relevant factors, and
20 shall provide that the period of abeyance shall be the same for all assessed property in
21 the same class.

22 All statutes of limitations are suspended during the time that any assessment is held
23 in abeyance without interest."

24 **SECTION 5.** This act becomes effective July 1, 2007.