

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 497

Short Title: Annexation - Moratorium. (Public)

Sponsors: Representatives Goforth, Brown, Dollar, Steen (Primary Sponsors); Allred, Avila, Blackwood, Blust, Brubaker, Cleveland, Coates, Current, England, Faison, Folwell, Guice, Hilton, Hurley, Jones, Justice, Justus, Langdon, Lewis, McComas, McCormick, Moore, Randleman, Rhyne, Sager, Starnes, and Tillis.

Referred to: Rules, Calendar, and Operations of the House.

March 9, 2009

A BILL TO BE ENTITLED

AN ACT TO ADOPT A MORATORIUM ON INVOLUNTARY ANNEXATIONS, AS
ENDORSED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON MUNICIPAL
ANNEXATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-37(f) reads as rewritten:

"(f) Effect of Annexation Ordinance. – No annexation ordinance may take effect until a vote of the people affected by the proposed annexation has been conducted by the appropriate board of elections, and the results certified indicate that more than fifty percent (50%) of the voters approve the annexation. Except as provided in subsection (f1) of this section, from and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. Real and personal property in the newly annexed territory on the January 1 immediately preceding the beginning of the fiscal year in which the annexation becomes effective is subject to municipal taxes as provided in G.S. 160A-58.10. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for taxes imposed in such ordinance from and after the effective date of annexation."

SECTION 2. G.S.160A-49(f) reads as rewritten:

"(f) Effect of Annexation Ordinance. – No annexation ordinance may take effect until a vote of the people affected by the proposed annexation has been conducted by the appropriate board of elections, and the results certified indicate that more than fifty percent (50%) of the voters approve the annexation. Except as provided in subsection (f1) of this section, from and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. Real and personal property in the newly annexed territory on the January 1 immediately preceding the beginning of the fiscal year in which the annexation becomes effective is subject to municipal taxes as provided in G.S. 160A-58.10. Provided that annexed property which is a part of a sanitary district, which has installed water and sewer lines, paid for by the residents of said district, shall not be subject to that part of the municipal taxes levied for debt service for the first five years after the effective date of annexation. If this proviso should be declared by a court of competent jurisdiction to be in violation of any provision of the federal or State



1 Constitution, the same shall not affect the remaining provisions of this Part. If the effective date
2 of annexation falls between June 1 and June 30, and the effective date of the privilege license
3 tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed
4 shall be liable for taxes imposed in such ordinances from and after the effective date of
5 annexation."

6 **SECTION 3.** This act becomes effective July 1, 2009, and applies to annexation
7 ordinances adopted on or after that date.