

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 524

Short Title: Annexation - Omnibus Changes. (Public)

Sponsors: Representatives Goforth, Luebke, Jones, Starnes (Primary Sponsors); Allred, Blust, Brown, Coates, Dollar, Justice, and McComas.

Referred to: Rules, Calendar, and Operations of the House, if favorable, Judiciary II, if favorable, Finance.

March 11, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ANNEXATION STATUTES.

3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 160A-31 reads as rewritten:

5 "§ 160A-31. Annexation by petition.

6 (a) The governing board of any municipality may annex by ordinance any area
7 contiguous to its boundaries upon presentation to the governing board of a petition signed by
8 the owners of all the real property located within such area. The petition shall be signed by each
9 owner of real property in the area and shall contain the address of each such owner.

10 (b) The petition shall be prepared in substantially the following form:

11 DATE:

12 To the _____ (name of governing board) of the (City or Town) of
13 _____

14 1. We the undersigned owners of real property respectfully request that the area described
15 in paragraph 2 below be annexed to the (City or Town) of _____

16 2. The area to be annexed is contiguous to the (City or Town) of _____ and the
17 boundaries of such territory are as follows:

18 (b1) Notwithstanding the provisions of subsections (a) and (b) of this section, if fifty
19 percent (50%) of the households in an area petitioning for annexation pursuant to this section
20 have incomes that are two hundred percent (200%) or less than the most recently published
21 United States Census Bureau poverty thresholds, the governing board of any municipality shall
22 annex by ordinance any area contiguous to its boundaries upon presentation to the governing
23 board of a petition signed by seventy-five percent (75%) or more of the owners of the real
24 property in that area.

25 (b2) The petition shall be prepared in substantially the following form:

26 DATE:

27 To the _____ (name of governing board) of the (City or Town) of
28 _____

29 1. We the undersigned owners of real property believe that the area described in paragraph
30 2 below meets the requirements of G.S. 160A-31(b1) and respectfully request that the area
31 described in paragraph 2 below be annexed to the (City or Town) of _____

32 2. The area to be annexed is contiguous to the (City or Town) of _____ and the
33 boundaries of such territory are as follows:

34 (c) Upon receipt of the petition, the municipal governing board shall cause the clerk of
35 the municipality to investigate the sufficiency thereof and to certify the result of his



1 investigation. Upon receipt of the certification, the municipal governing board shall fix a date
2 for a public hearing on the question of annexation, and shall cause notice of the public hearing
3 to be published once in a newspaper having general circulation in the municipality at least 10
4 days prior to the date of the public hearing; provided, if there be no such paper, the governing
5 board shall have notices posted in three or more public places within the area to be annexed and
6 three or more public places within the municipality.

7 (d) At the public hearing all persons owning property in the area to be annexed who
8 allege an error in the petition shall be given an opportunity to be heard, as well as residents of
9 the municipality who question the necessity for annexation. The governing board shall then
10 determine whether the petition meets the requirements of this section. Upon a finding that the
11 petition meets the requirements of this section, the governing board shall have authority to pass
12 an ordinance annexing the territory described in the petition. The governing board shall have
13 authority to make the annexing ordinance effective immediately or on any specified date within
14 six months from the date of passage of the ordinance.

15 (e) From and after the effective date of the annexation ordinance, the territory and its
16 citizens and property shall be subject to all debts, laws, ordinances and regulations in force in
17 such municipality and shall be entitled to the same privileges and benefits as other parts of such
18 municipality. Real and personal property in the newly annexed territory on the January 1
19 immediately preceding the beginning of the fiscal year in which the annexation becomes
20 effective is subject to municipal taxes as provided in G.S. 160A-58.10. If the effective date of
21 annexation falls between June 1 and June 30, and the effective date of the privilege license tax
22 ordinance of the annexing municipality is June 1, then businesses in the area to be annexed
23 shall be liable for taxes imposed in such ordinance from and after the effective date of
24 annexation.

25 (f) For purposes of this section, an area shall be deemed "contiguous" if, at the time the
26 petition is submitted, such area either abuts directly on the municipal boundary or is separated
27 from the municipal boundary by a street or street right-of-way, a creek or river, or the
28 right-of-way of a railroad or other public service corporation, lands owned by the municipality
29 or some other political subdivision, or lands owned by the State of North Carolina. In
30 describing the area to be annexed in the annexation ordinance, the municipal governing board
31 may include within the description any territory described in this subsection which separates
32 the municipal boundary from the area petitioning for annexation.

33 (g) The governing board may initiate annexation of contiguous property owned by the
34 municipality by adopting a resolution stating its intent to annex the property, in lieu of filing a
35 petition. The resolution shall contain an adequate description of the property, state that the
36 property is contiguous to the municipal boundaries and fix a date for a public hearing on the
37 question of annexation. Notice of the public hearing shall be published as provided in
38 subsection (c) of this section. The governing board may hold the public hearing and adopt the
39 annexation ordinance as provided in subsection (d) of this section.

40 (h) A city council which receives a petition for annexation under this section may by
41 ordinance require that the petitioners file a signed statement declaring whether or not vested
42 rights with respect to the properties subject to the petition have been established under
43 G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been
44 established, the city may require petitioners to provide proof of such rights. A statement which
45 declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1
46 shall be binding on the landowner and any such vested right shall be terminated."

47 **SECTION 2.** G.S. 160A-36 reads as rewritten:

48 "**§ 160A-36. Character of area to be annexed.**

49 (a) A municipal governing board may extend the municipal corporate limits to include
50 any area which meets the general standards of subsection (b), and which meets the
51 requirements of subsection (c).

1 (b) The total area to be annexed must meet the following standards:

2 (1) It must be adjacent or contiguous to the municipality's boundaries at the time
3 the annexation proceeding is begun, except if the entire territory of a county
4 water and sewer district created under G.S. 162A-86(b1) is being annexed,
5 the annexation shall also include any noncontiguous pieces of the district as
6 long as the part of the district with the greatest land area is adjacent or
7 contiguous to the municipality's boundaries at the time the annexation
8 proceeding is begun.

9 (2) At least one eighth of the aggregate external boundaries of the area must
10 coincide with the municipal boundary. A connecting corridor consisting
11 solely of a public street or street right-of-way may not be used to establish
12 contiguity to an outlying, noncontiguous area.

13 (3) No part of the area shall be included within the boundary of another
14 incorporated municipality.

15 (4) At least fifty percent (50%) of the property owners must consent to the
16 annexation if the area is served by a central water and sewer system operated
17 by an entity other than the annexing municipality. The annexing
18 municipality must obtain written documentation of the agreement of the
19 property owners, dated within 12 months prior to the annexation ordinance
20 effective date.

21 (c) The area to be annexed must be developed for urban purposes at the time of
22 approval of the report provided for in G.S. 160A-35. For purposes of this section, a lot or tract
23 shall not be considered in use for a commercial, industrial, institutional, or governmental
24 purpose if the lot or tract is used only temporarily, occasionally, or on an incidental or
25 insubstantial basis in relation to the size and character of the lot or tract. For purposes of this
26 section, acreage in use for commercial, industrial, institutional, or governmental purposes shall
27 include acreage actually occupied by buildings or other man-made structures together with all
28 areas that are reasonably necessary and appurtenant to such facilities for purposes of parking,
29 storage, ingress and egress, utilities, buffering, and other ancillary services and facilities. Area
30 of streets and street rights-of-way shall not be used to determine total acreage under this
31 section. An area developed for urban purposes is defined as:

32 (1) Any area which is so developed that at least ~~sixty percent (60%)~~ sixty-five
33 percent (65%) of the total number of lots and tracts in the area at the time of
34 annexation are used for residential, commercial, industrial, institutional or
35 governmental purposes, and is subdivided into lots and tracts such that at
36 least sixty percent (60%) of the total acreage, not counting the acreage used
37 at the time of annexation for commercial, industrial, governmental or
38 institutional purposes, consists of lots and tracts ~~three-two~~ three acres or less in
39 size.

40 (2) An area so developed that, at the time of the approval of the annexation
41 report, all tracts in the area to be annexed are used for commercial,
42 industrial, governmental, or institutional purposes.

43 (3) The entire area of any county water and sewer district created under
44 G.S. 162A-86(b1), but this subsection only applies to annexation by a
45 municipality if that:

46 a. Municipality has provided in a contract with that district that the area
47 is developed for urban purposes; and

48 b. Contract provides for the municipality to operate the sewer system of
49 that county water and sewer district;

1 provided that the special categorization provided by this subsection only
2 applies if the municipality is annexing in one proceeding the entire territory
3 of the district not already within the corporate limits of a municipality.

4 (d) In fixing new municipal boundaries, a municipal governing board shall use recorded
5 property lines and streets as boundaries. Some or all of the boundaries of a county water and
6 sewer district may also be used when the entire district not already within the corporate limits
7 of a municipality is being annexed.

8 (e) The area of an abolished water and sewer district shall be considered to be a water
9 and sewer district for the purpose of this section even after its abolition under
10 G.S. 162A-87.2(b).

11 (f) If the area to be annexed included a subdivision or neighborhood, the subdivision or
12 neighborhood shall not be split by the annexation."

13 **SECTION 3.** G.S. 160A-37(b) reads as rewritten:

14 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 15 (1) Fix the date, hour and place of the public informational meeting and the
16 date, hour, and place of the public hearing.
- 17 (2) Describe clearly the boundaries of the area under consideration, and include
18 a legible map of the area.
- 19 (3) State that the report required in G.S. 160A-35 will be available at the office
20 of the municipal clerk at least 30 days prior to the date of the public
21 informational meeting.
- 22 (4) Include an explanation of an owner's rights pursuant to subsection (f1) and
23 (f2) of this section.
- 24 (5) Include a summary of the annexation process and timelines and a summary
25 of available statutory remedies for contesting the annexation and the
26 provision of services.

27 Such notice shall be given by publication once a week for at least two successive weeks
28 prior to the date of the informational meeting in a newspaper having general circulation in the
29 municipality and, in addition thereto, if the area to be annexed lies in a county containing less
30 than fifty percent (50%) of the land area of the municipality, in a newspaper having general
31 circulation in the area of proposed annexation. The period from the date of the first publication
32 to the date of the last publication, both dates inclusive, shall be not less than eight days
33 including Sundays, and the date of the last publication shall be not more than seven days
34 preceding the date of public informational meeting. If there be no such newspaper, the
35 municipality shall post the notice in at least five public places within the municipality and at
36 least five public places in the area to be annexed for 30 days prior to the date of public
37 informational meeting. In addition, notice shall be mailed at least four weeks prior to date of
38 the informational meeting, by ~~first class mail, postage prepaid certified mail, return receipt~~
39 ~~requested~~ to the owners as shown by the tax records of the county of all freehold interests in
40 real property located within the area to be annexed. The person or persons mailing such notices
41 shall certify to the governing board that fact, and such certificate shall become a part of the
42 record of the annexation proceeding and shall be deemed conclusive in the absence of fraud. ~~If~~
43 ~~the notice is returned to the city by the postal service by the tenth day before the informational~~
44 ~~meeting, a copy of the notice shall be sent by certified mail, return receipt requested, at least~~
45 ~~seven days before the informational meeting.~~ Failure to comply with the mailing requirement of
46 this subsection shall not invalidate the annexation unless it is shown that the requirements were
47 not substantially complied with.

48 If the governing board by resolution finds that the tax records are not adequate to identify
49 the owners of some or all of the parcels of real property within the area it may in lieu of the
50 mail procedure as to those parcels where the owners could not be so identified, post the notice
51 at least 30 days prior to the date of public informational meeting on all buildings on such

1 parcels, and in at least five other places within the area to be annexed. In any case where
2 notices are placed on property, the person placing the notice shall certify that fact to the
3 governing board."

4 **SECTION 4.** G.S. 160A-48 reads as rewritten:

5 **"§ 160A-48. Character of area to be annexed.**

6 (a) A municipal governing board may extend the municipal corporate limits to include
7 any area:

8 (1) Which meets the general standards of subsection (b), and

9 (2) Every part of which meets the requirements of either subsection (c) or
10 subsection (d).

11 (b) The total area to be annexed must meet the following standards:

12 (1) It must be adjacent or contiguous to the municipality's boundaries at the time
13 the annexation proceeding is begun, except if the entire territory of a county
14 water and sewer district created under G.S. 162A-86(b1) is being annexed,
15 the annexation shall also include any noncontiguous pieces of the district as
16 long as the part of the district with the greatest land area is adjacent or
17 contiguous to the municipality's boundaries at the time the annexation
18 proceeding is begun.

19 (2) At least one eighth of the aggregate external boundaries of the area must
20 coincide with the municipal boundary. A connecting corridor consisting
21 solely of a public street or street right-of-way may not be used to establish
22 contiguity to an outlying, noncontiguous area.

23 (3) No part of the area shall be included within the boundary of another
24 incorporated municipality.

25 (4) At least fifty percent (50%) of the property owners must consent to the
26 annexation if the area is served by a central water and sewer system operated
27 by an entity other than the annexing municipality. The annexing
28 municipality must obtain written documentation of the agreement of the
29 property owners, dated within 12 months of the annexation ordinance
30 effective date.

31 (c) Part or all of the area to be annexed must be developed for urban purposes at the
32 time of approval of the report provided for in G.S. 160A-47. Area of streets and street
33 rights-of-way shall not be used to determine total acreage under this section. An area developed
34 for urban purposes is defined as any area which meets any one of the following standards:

35 (1) Has a total resident population equal to at least two and ~~three-tenths~~
36 five-tenths persons for each acre of land included within its boundaries; or

37 (2) Has a total resident population equal to at least ~~one person~~ two and
38 five-tenths persons for each acre of land included within its boundaries, and
39 is subdivided into lots and tracts such that at least sixty percent (60%) of the
40 total acreage consists of lots and tracts three acres or less in size and such
41 that at least sixty-five percent (65%) of the total number of lots and tracts are
42 one acre or less in size; or

43 (3) Is so developed that at least ~~sixty percent (60%)~~ sixty-five percent (65%) of
44 the total number of lots and tracts in the area at the time of annexation are
45 used for residential, commercial, industrial, institutional or governmental
46 purposes, and is subdivided into lots and tracts such that at least sixty
47 percent (60%) of the total acreage, not counting the acreage used at the time
48 of annexation for commercial, industrial, governmental or institutional
49 purposes, consists of lots and tracts ~~three-two~~ acres or less in size. For
50 purposes of this section, a lot or tract shall not be considered in use for a
51 commercial, industrial, institutional, or governmental purpose if the lot or

1 tract is used only temporarily, occasionally, or on an incidental or
2 insubstantial basis in relation to the size and character of the lot or tract. For
3 purposes of this section, acreage in use for commercial, industrial,
4 institutional, or governmental purposes shall include acreage actually
5 occupied by buildings or other man-made structures together with all areas
6 that are reasonably necessary and appurtenant to such facilities for purposes
7 of parking, storage, ingress and egress, utilities, buffering, and other
8 ancillary services and facilities; or

9 (4) Is the entire area of any county water and sewer district created under
10 G.S. 162A-86(b1), but this subdivision only applies to annexation by a
11 municipality if that:

12 a. Municipality has provided in a contract with that district that the area
13 is developed for urban purposes; and

14 b. Contract provides for the municipality to operate the sewer system of
15 that county water and sewer district;

16 provided that the special categorization provided by this subdivision only
17 applies if the municipality is annexing in one proceeding the entire territory
18 of the district not already within the corporate limits of a municipality; or

19 (5) Is so developed that, at the time of the approval of the annexation report, all
20 tracts in the area to be annexed are used for commercial, industrial,
21 governmental, or institutional purposes.

22 (d) In addition to areas developed for urban purposes, a governing board may include in
23 the area to be annexed any area which does not meet the requirements of subsection (c) if such
24 area either:

25 (1) Lies between the municipal boundary and an area developed for urban
26 purposes so that the area developed for urban purposes is either not adjacent
27 to the municipal boundary or cannot be served by the municipality without
28 extending services and/or water and/or sewer lines through such sparsely
29 developed area; or

30 (2) Is adjacent, on at least sixty percent (60%) of its external boundary, to any
31 combination of the municipal boundary and the boundary of an area or areas
32 developed for urban purposes as defined in subsection (c).

33 The purpose of this subsection is to permit municipal governing boards to extend corporate
34 limits to include all nearby areas developed for urban purposes and where necessary to include
35 areas which at the time of annexation are not yet developed for urban purposes but which
36 constitute necessary land connections between the municipality and areas developed for urban
37 purposes or between two or more areas developed for urban purposes. For purposes of this
38 subsection, "necessary land connection" means an area that does not exceed twenty-five percent
39 (25%) of the total area to be annexed.

40 (e) In fixing new municipal boundaries, a municipal governing board shall use recorded
41 property lines and streets as boundaries. Some or all of the boundaries of a county water and
42 sewer district may also be used when the entire district not already within the corporate limits
43 of a municipality is being annexed.

44 (f) The area of an abolished water and sewer district shall be considered to be a water
45 and sewer district for the purpose of this section even after its abolition under
46 G.S. 162A-87.2(b).

47 (g) If the area to be annexed included a subdivision or neighborhood, the subdivision or
48 neighborhood shall not be split by the annexation."

49 **SECTION 5.** G.S. 160A-49(b) reads as rewritten:

50 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 1 (1) Fix the date, hour and place of the public informational meeting and the
2 date, hour, and place of the public hearing.
- 3 (2) Describe clearly the boundaries of the area under consideration, and include
4 a legible map of the area.
- 5 (3) State that the report required in G.S. 160A-47 will be available at the office
6 of the municipal clerk at least 30 days prior to the date of the public
7 informational meeting.
- 8 (4) Include a notice of a property owner's rights to request water and sewer
9 service in accordance with G.S. 160A-47.
- 10 (5) Include an explanation of a property owner's rights pursuant to subsections
11 (f1) and (f2) of this section.
- 12 (6) Include a summary of the annexation process and timelines and a summary
13 of available statutory remedies for contesting the annexation and the
14 provision of services.

15 Such notice shall be given by publication once a week for at least two successive weeks
16 prior to the date of the informational meeting in a newspaper having general circulation in the
17 municipality and, in addition thereto, if the area to be annexed lies in a county containing less
18 than fifty percent (50%) of the land area of the municipality, in a newspaper having general
19 circulation in the area of proposed annexation. The period from the date of the first publication
20 to the date of the last publication, both dates inclusive, shall be not less than eight days
21 including Sundays, and the date of the last publication shall be not more than seven days
22 preceding the date of public informational meeting. If there be no such newspaper, the
23 municipality shall post the notice in at least five public places within the municipality and at
24 least five public places in the area to be annexed for 30 days prior to the date of public
25 informational meeting. In addition, notice shall be mailed at least four weeks prior to date of
26 the informational meeting by ~~first class mail, postage prepaid certified mail, return receipt~~
27 ~~requested~~ to the owners as shown by the tax records of the county of all freehold interests in
28 real property located within the area to be annexed. The person or persons mailing such notices
29 shall certify to the governing board that fact, and such certificate shall become a part of the
30 record of the annexation proceeding and shall be deemed conclusive in the absence of fraud. ~~If~~
31 ~~the notice is returned to the city by the postal service by the tenth day before the informational~~
32 ~~meeting, a copy of the notice shall be sent by certified mail, return receipt requested, at least~~
33 ~~seven days before the informational meeting.~~ Failure to comply with the mailing requirements
34 of this subsection shall not invalidate the annexation unless it is shown that the requirements
35 were not substantially complied with. If the governing board by resolution finds that the tax
36 records are not adequate to identify the owners of some or all of the parcels of real property
37 within the area it may in lieu of the mail procedure as to those parcels where the owners could
38 not be so identified, post the notice at least 30 days prior to the date of public informational
39 meeting on all buildings on such parcels, and in at least five other places within the area to be
40 annexed. In any case where notices are placed on property, the person placing the notices shall
41 certify that fact to the governing board."

42 **SECTION 6.** G.S. 160A-58.1 reads as rewritten:

43 **"§ 160A-58.1. Petition for annexation; standards.**

44 (a) Upon receipt of a valid petition signed by all of the owners of real property in the
45 area described therein, a city may annex an area not contiguous to its primary corporate limits
46 when the area meets the standards set out in subsection (b) of this section. The petition need not
47 be signed by the owners of real property that is wholly exempt from property taxation under the
48 Constitution and laws of North Carolina, nor by railroad companies, public utilities as defined
49 in G.S. 62-3(23), or electric or telephone membership corporations.

50 (b) A noncontiguous area proposed for annexation must meet all of the following
51 standards:

- 1 (1) The nearest point on the proposed satellite corporate limits must be not more
2 than three miles from the primary corporate limits of the annexing city.
- 3 (2) No point on the proposed satellite corporate limits may be closer to the
4 primary corporate limits of another city than to the primary corporate limits
5 of the annexing city, except as set forth in subsection (b2) of this section.
- 6 (3) The area must be so situated that the annexing city will be able to provide
7 the same services within the proposed satellite corporate limits that it
8 provides within its primary corporate limits.
- 9 (4) If the area proposed for annexation, or any portion thereof, is a subdivision
10 as defined in G.S. 160A-376, all of the subdivision must be included.
- 11 (5) The area within the proposed satellite corporate limits, when added to the
12 area within all other satellite corporate limits, may not exceed ten percent
13 (10%) of the area within the primary corporate limits of the annexing city.

14 This subdivision does not apply to the Cities of Claremont, Concord,
15 Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory,
16 Kannapolis, Locust, Marion, Mount Airy, Mount Holly, New Bern, Newton,
17 Oxford, Randleman, Roanoke Rapids, Rockingham, Sanford, Salisbury,
18 Southport, Statesville, and Washington and the Towns of Ahoskie, Angier,
19 Ayden, Benson, Bladenboro, Burgaw, Calabash, Catawba, Clayton,
20 Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks,
21 Fuquay-Varina, Garner, Godwin, Granite Quarry, Green Level, Grimesland,
22 Holly Ridge, Holly Springs, Kenansville, Kenly, Knightdale, Landis,
23 Leland, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan,
24 Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville,
25 Oak Island, Pembroke, Pine Level, Princeton, Ranlo, Rolesville,
26 Rutherfordton, Shallotte, Smithfield, Spencer, Stem, Stovall, Surf City,
27 Swansboro, Taylorsville, Troutman, Troy, Wallace, Warsaw, Watha,
28 Waynesville, Weldon, Wendell, Windsor, Yadkinville, and Zebulon.

29 (b1) Repealed by Session Laws 2004-203, ss. 13(a) and 13(d), effective August 17,
30 2004.

31 (b2) A city may annex a noncontiguous area that does not meet the standard set out in
32 subdivision (b)(2) of this section if the city has entered into an annexation agreement pursuant
33 to Part 6 of this Article with the city to which a point on the proposed satellite corporate limits
34 is closer and the agreement states that the other city will not annex the area but does not say
35 that the annexing city will not annex the area. The annexing city shall comply with all other
36 requirements of this section.

37 (c) ~~The~~A petition pursuant to subsection (a) of this section shall contain the names,
38 addresses, and signatures of all owners of real property within the proposed satellite corporate
39 limits (except owners not required to sign by ~~subsection (a)~~);subsection (a) of this section. A
40 petition pursuant to subsection (e) of this section shall contain the names, addresses, and
41 signatures of seventy-five percent (75%) of the owners of the real property in that area. Either
42 petition shall describe the area proposed for annexation by metes and bounds, and shall have
43 attached thereto a map showing the area proposed for annexation with relation to the primary
44 corporate limits of the annexing city. When there is any substantial question as to whether the
45 area may be closer to another city than to the annexing city, the map shall also show the area
46 proposed for annexation with relation to the primary corporate limits of the other city. The city
47 council may prescribe the form of the petition.

48 (d) A city council which receives a petition for annexation under this section may by
49 ordinance require that the petitioners file a signed statement declaring whether or not vested
50 rights with respect to the properties subject to the petition have been established under
51 G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been

1 established, the city may require petitioners to provide proof of such rights. A statement which
2 declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1
3 shall be binding on the landowner and any such vested rights shall be terminated.

4 (e) Notwithstanding the provisions of subsection (a) of this section, if fifty percent
5 (50%) of the households in an area petitioning for annexation pursuant to this section have
6 incomes that are two hundred percent (200%) or less than the most recently published United
7 States Census Bureau poverty thresholds, the governing board of any municipality shall annex
8 by ordinance any area contiguous to its boundaries upon presentation to the governing board of
9 a petition signed by seventy-five percent (75%) or more of the owners of the real property in
10 that area. The petition need not be signed by the owners of real property that is wholly exempt
11 from property taxation under the Constitution and laws of North Carolina, nor by railroad
12 companies, public utilities as defined in G.S. 62-3(23), or electric or telephone membership
13 corporations, and those owners shall not be counted in determining whether seventy-five
14 percent (75%) of the owners have signed the petition."

15 **SECTION 7.** G.S. 160A-58.2 reads as rewritten:

16 **"§ 160A-58.2. Public hearing.**

17 (a) Upon receipt of a petition for annexation under this Part, the city council shall cause
18 the city clerk to investigate the petition, and to certify the results of his investigation. If the
19 clerk certifies that upon investigation the petition appears to be valid, the council shall fix a
20 date for a public hearing on the annexation. Notice of the hearing shall be published once at
21 least ~~10 days~~10 days before the date of hearing.

22 (b) At the ~~hearing,~~ hearing on a petition pursuant to G.S. 160A-58.1(a), any person
23 residing in or owning property in the area proposed for annexation and any resident of the
24 annexing city may appear and be heard on the questions of the sufficiency of the petition and
25 the desirability of the annexation. If the council then finds and determines that (i) the area
26 described in the petition meets all of the standards set out in G.S. 160A-58.1(b), (ii) the petition
27 bears the signatures of all of the owners of real property within the area proposed for
28 annexation (except those not required to sign by G.S. 160A-58.1(a)), (iii) the petition is
29 otherwise valid, and (iv) the public health, safety and welfare of the inhabitants of the city and
30 of the area proposed for annexation will be best served by the annexation, the council may
31 adopt an ordinance annexing the area described in the petition. The ordinance may be made
32 effective immediately or on any specified date within six months from the date of passage.

33 (c) At the hearing on a petition pursuant to G.S. 160A-58.1(e), any person residing in or
34 owning property in the area proposed for annexation and any resident of the annexing city may
35 appear and be heard on the questions of the sufficiency of the petition. If the council then finds
36 and determines that (i) the area described in the petition meets all of the standards set out in
37 G.S. 160A-58.1(b) and (e), (ii) the petition bears the signatures of seventy-five percent (75%)
38 or more of the owners of the real property within the area proposed for annexation (except
39 those not required to sign by G.S. 160A-58.1(e), and (iii) the petition is otherwise valid, the
40 council shall adopt an ordinance annexing the area described in the petition. The ordinance may
41 be made effective immediately or on any specified date within six months from the date of
42 passage."

43 **SECTION 8.** G.S. 160A-232 reads as rewritten:

44 **"§ 160A-232. Payment of assessments in cash or by installments.**

45 (a) The owners of assessed property shall have the option, within 30 days after the
46 publication of the notice that the assessment roll has been confirmed, of paying the assessment
47 either in cash or in not more than 10 annual installments, as may have been determined by the
48 council in the resolution directing the project giving rise to the assessment to be undertaken.
49 With respect to payment by installment, the council may provide.

50 (1) That the first installment with interest shall become due and payable on the
51 date when property taxes are due and payable, and one subsequent

- 1 installment and interest shall be due and payable on the same date in each
2 successive year until the assessment is paid in full; or
- 3 (2) That the first installment with interest shall become due and payable 60 days
4 after the date that the assessment roll is confirmed, and one subsequent
5 installment and interest shall be due and payable on the same day of the
6 month in each successive year until the assessment is paid in full.
- 7 (b) If property is assessed for water or sewer systems as a result of an annexation under
8 Part 2 or Part 3 of Article 4A of this Chapter, the owners of assessed property shall pay the
9 assessment in 20 annual installments, but they shall have the option, within 30 days after the
10 publication of the notice that the assessment roll has been confirmed, of paying the assessment
11 in cash. With respect to payment by installment, the council may provide:
- 12 (1) That the first installment with interest shall become due and payable on the
13 date when property taxes are due and payable, and one subsequent
14 installment and interest shall be due and payable on the same date in each
15 successive year until the assessment is paid in full; or
- 16 (2) That the first installment with interest shall become due and payable 60 days
17 after the date that the assessment roll is confirmed, and one subsequent
18 installment and interest shall be due and payable on the same day of the
19 month in each successive year until the assessment is paid in full."
- 20 **SECTION 9.** This act becomes effective October 1, 2009, and applies to
21 annexations that become effective on or after that date.