

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 94*
Committee Substitute Favorable 4/9/97

Short Title: Annexation Changes.

(Public)

Sponsors:

Referred to:

February 11, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO CHANGE THE ANNEXATION LAWS.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 160A-35 reads as rewritten:

5 **"§ 160A-35. Prerequisites to annexation; ability to serve; report and plans.**

6 A municipality exercising authority under this Part shall make plans for the extension
7 of services to the area proposed to be annexed and shall, prior to the public hearing
8 provided for in G.S. 160A-37, prepare a report setting forth such plans to provide
9 services to such area. The report shall include:

10 (1) A map or maps of the municipality and adjacent territory to show the
11 following information:

- 12 a. The present and proposed boundaries of the municipality.
- 13 b. The proposed extensions of water ~~mains~~-transmission lines and
14 ~~sewer outfalls~~-interceptor sewers to serve the annexed area, if such
15 utilities are operated by the municipality. The water and sewer
16 map must bear the seal of a registered professional engineer or a
17 licensed surveyor.

18 (2) A statement showing that the area to be annexed meets the requirements
19 of G.S. 160A-36.

- 1 (3) A statement setting forth the plans of the municipality for extending to
2 the area to be annexed each major municipal service performed within
3 the municipality at the time of annexation. Specifically, such plans
4 shall:
- 5 a. Provide for extending police protection, fire protection, solid
6 waste collection and street maintenance ~~services—services,~~
7 including street lighting, to the area to be annexed on the date of
8 annexation on ~~substantially—~~the same basis and in the same
9 manner as such services are provided within the rest of the
10 municipality prior to annexation. A contract with a rural fire
11 department to provide fire protection shall be an acceptable
12 method of providing fire protection. If a water distribution
13 system is not available in the area to be annexed, the plans must
14 call for reasonably effective fire protection services until such
15 time as waterlines are made available in such area under existing
16 municipal policies for the extension of waterlines. A contract
17 with a private firm to provide solid waste collection services
18 shall be an acceptable method of providing solid waste collection
19 services.
- 20 b. Provide for extension of water ~~mains—transmission lines~~ and sewer
21 interceptor sewers lines into the area to be annexed so that
22 property owners in the area to be annexed will be able to secure
23 public water and sewer ~~services—services.~~ The municipality shall
24 extend water distribution mains, water service lines, collector
25 sewers, and sewer service laterals according to the financial
26 policies in effect in such municipality for extending water and
27 sewer lines—water service lines or sewer service laterals to
28 individual lots or subdivisions. If the municipality must, at its
29 own expense, extend ~~water and/or sewer mains—water transmission~~
30 lines, interceptor sewers, or both into the area to be annexed
31 before property owners in the area can, according to municipal
32 policies, make such connection to such ~~lines—lines or sewers,~~ then
33 the plans must call for contracts to be let and construction to
34 begin on such ~~lines—lines or sewers,~~ within one year following the
35 effective date of annexation.
- 36 c. Set forth the method under which the municipality plans to
37 finance extension of services into the area to be annexed.
- 38 d. Provide for street paving service on substantially the same basis
39 and in the same manner as that service is provided within the rest
40 of the municipality prior to the annexation.
- 41 e. Include a summary of city police, fire, solid waste, street
42 maintenance and paving, and water and sewer services provided
43 to current city residents as of 90 days prior to the date set for the

1 public hearing. The summary shall specify, at a minimum, the
2 number of personnel employed by the municipality for police and
3 fire protection, the services provided as part of police and fire
4 protection, the increase in personnel or equipment, if any,
5 planned as a result of the annexation and the method the
6 municipality used to calculate present level of service, including,
7 if applicable, personnel to population ratios and average response
8 times.

9 (4) A statement of the impact of the annexation on any rural fire department
10 providing service in the area to be annexed and a statement of the
11 impact of the annexation on fire protection and fire insurance rates in
12 the area to be annexed, if the area where service is provided is in an
13 insurance district designated under G.S. 153A-233, a rural fire
14 protection district under Article 3A of Chapter 69 of the General
15 Statutes, or a fire service district under Article 16 of Chapter 153A of
16 the General Statutes. The rural fire department shall make available to
17 the city not later than 30 days following a written request from the city
18 all information in its possession or control, including but not limited to
19 operational, financial and budgetary information, necessary for
20 preparation of a statement of impact. The rural fire department forfeits
21 its rights under G.S. 160A-37.1 and G.S. 160A-37.2 if it fails to make a
22 good faith response within 45 days following receipt of the written
23 request for information from the city, provided that the city's written
24 request so states by specific reference to this section.

25 (5) A statement containing the classification as to use and size of each lot or
26 tract in the area to be annexed.

27 (6) A clear and easily understandable statement notifying persons affected
28 by the annexation of their right to appeal under G.S. 160A-38 and the
29 remedy under G.S. 160A-37(h) for failure of the city to provide
30 services.

31 (7) A statement showing how the proposed annexation will affect the city's
32 finances and services, including city revenue change estimates. This
33 statement shall be delivered to the clerk of the board of county
34 commissioners at least 30 days before the date of any public hearing on
35 any annexation under this Part."

36 Section 2. G.S. 160A-36 reads as rewritten:

37 "**§ 160A-36. Character of area to be annexed.**

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

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

42 (1) It must be adjacent or contiguous to the municipality's boundaries at the
43 time the annexation proceeding is begun, except if the entire territory of

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

6 (2) At least one eighth of the aggregate external boundaries of the area must
7 coincide with the municipal boundary.

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

10 (4) No part of the area to be annexed shall be located in a county other than
11 the county with a majority of the municipality's residents, unless areas
12 previously added to the municipality in another county include at least
13 1,000 persons.

14 (5) No lot or tract in the area to be annexed shall be in use for bona fide
15 farm purposes as defined in G.S. 153A-340.

16 (c) The area to be annexed must be developed for urban ~~purposes~~ purposes 30
17 days prior to the first public hearing on the annexation ordinance. For purposes of this
18 section, area of streets and rights-of-way shall not be used to determine total acreage or
19 acreage of lots and tracts under this section. For purposes of this section, 'right-of-way'
20 means a recorded right-of-way, or if none is recorded, a presumptive 60-foot right-of-
21 way. An area developed for urban purposes is defined as any as:

22 (1) Any area which is so developed that at least sixty percent (60%) of the
23 total number of lots and tracts in the area at the time of annexation are
24 used for residential, commercial, industrial, institutional or
25 governmental purposes, and is subdivided into lots and tracts such that
26 at least sixty percent (60%) of the total acreage, not counting the
27 acreage used at the time of annexation for commercial, industrial,
28 governmental or institutional purposes, consists of lots and tracts five
29 acres or less in ~~size~~ size; or

30 (2) An area so developed that at the time of annexation, all tracts in the area
31 to be annexed are used for commercial, industrial, governmental, or
32 institutional purposes; or

33 (3) ~~An area developed for urban purposes is also the~~ The entire area of any
34 county water and sewer district created under G.S. 162A-86(b1), but
35 this ~~sentence~~ subdivision only applies to annexation by a municipality if
36 that:

37 (1)a. Municipality has provided in a contract with that district that the
38 area is developed for urban purposes; and

39 (2)b. Contract provides for the municipality to operate the sewer
40 system of that county water and sewer district;

41 provided that the special categorization provided by this ~~sentence~~ subdivision only applies
42 if the municipality is annexing in one proceeding the entire territory of the district not
43 already within the corporate limits of a municipality.

1 (d) In fixing new municipal boundaries, a municipal governing board ~~shall,~~
2 ~~wherever practical,~~ shall use recorded property boundaries and natural topographic features
3 such as ridge lines and streams and creeks as boundaries, and may use streets as
4 boundaries. Some or all of the boundaries of a county water and sewer district may also
5 be used when the entire district not already within the corporate limits of a municipality
6 is being annexed.

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

10 Section 3. G.S. 160A-37 reads as rewritten:

11 "**§ 160A-37. Procedure for annexation.**

12 (a) Notice of Intent. – Any municipal governing board desiring to annex territory
13 under the provisions of this Part shall first pass a resolution stating the intent of the
14 municipality to consider annexation. Such resolution shall describe the boundaries of the
15 area under consideration and fix a date for a public hearing on the question of annexation,
16 the date for such public hearing to be not less than 45 days and not more than 90 days
17 following passage of the resolution.

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

19 (1) Fix the date, hour and place of the public hearing.

20 (2) Describe clearly the boundaries of the area under consideration, and
21 include a legible map of the area.

22 (3) Include a clear and easily understandable statement notifying persons
23 affected by the annexation of their right to appeal under G.S. 160A-38
24 and the remedy under G.S. 160A-37(h) for failure of the city to provide
25 services.

26 (4) State the right of a property owner to request abatement of water and
27 sewer assessments under G.S. 160A-237. A form for requesting an
28 abatement, and an easily understandable explanation of the form, shall
29 be mailed to all property owners entitled to a mailed notice of the
30 proposed annexation.

31 ~~(5)~~ State that the report required in G.S. 160A-35 will be available at the
32 office of the municipal clerk at least 30 days prior to the date of the
33 public hearing.

34 Such notice shall be given by publication once a week for at least two successive
35 weeks prior to the date of the hearing in a newspaper having general circulation in the
36 municipality and, in addition thereto, if the area to be annexed lies in a county containing
37 less than fifty percent (50%) of the land area of the municipality, in a newspaper having
38 general circulation in the area of proposed annexation. The period from the date of the
39 first publication to the date of the last publication, both dates inclusive, shall be not less
40 than eight days including Sundays, and the date of the last publication shall be not more
41 than seven days preceding the date of public hearing. If there be no such newspaper, the
42 municipality shall post the notice in at least five public places within the municipality and
43 at least five public places in the area to be annexed for 30 days prior to the date of public

1 hearing. In addition, notice shall be mailed at least four weeks prior to date of the
2 hearing by first class mail, postage prepaid to the owners as shown by the tax records of
3 the county of all freehold interests in real property located within the area to be ~~annexed.~~
4 annexed, and one mile beyond the area to be annexed. The notice sent to property
5 owners in the area one mile beyond the area to be annexed shall include an easily
6 understandable explanation that the property owner may be subject to planning and
7 zoning by the city as a result of being added to the city's extraterritorial planning and
8 zoning jurisdiction. The person or persons mailing such notices shall certify to the
9 governing board that fact, and such certificate shall become a part of the record of the
10 annexation proceeding and shall be deemed conclusive in the absence of fraud. If the
11 notice is returned to the city by the postal service by the tenth day before the hearing, a
12 copy of the notice shall be sent by certified mail, return receipt requested, at least seven
13 days before the hearing. Failure to comply with the mailing requirement of this
14 subsection shall not invalidate the annexation unless it is shown that the requirements
15 were not substantially complied with.

16 If the governing board by resolution finds that the tax records are not adequate to
17 identify the owners of some or all of the parcels of real property within the area it may in
18 lieu of the mail procedure as to those parcels where the owners could not be so identified,
19 post the notice at least 30 days prior to the date of public hearing on all buildings on such
20 parcels, and in at least five other places within the area to be annexed. In any case where
21 notices are placed on property, the person placing the notice shall certify that fact to the
22 governing board.

23 (c) Action Prior to Hearing. – At least 30 days before the date of the public
24 hearing, the governing board shall approve the report provided for in G.S. 160A-35, and
25 shall make it available to the public at the office of the municipal clerk. In addition, the
26 municipality may prepare a summary of the full report for public distribution. In
27 addition, the city shall post in the office of the city clerk at least 30 days before the public
28 hearing a legible map of the area to be annexed and a list of the persons holding freehold
29 interests in property in the area to be annexed that it has identified.

30 (d) Public Hearing. – At the public hearing a representative of the municipality
31 shall first make an explanation of the report required in ~~G.S. 160A-35.~~ G.S. 160A-35,
32 including appeal rights as summarized in G.S. 160A-35(6). Following such explanation,
33 all persons resident or owning property in the territory described in the notice of public
34 hearing, and all residents of the municipality, shall be given an opportunity to be ~~heard.~~
35 heard, an opportunity to ask questions, and receive answers from the city's representative.

36 (e) Passage of the Annexation Ordinance. – The municipal governing board shall
37 take into consideration facts presented at the public hearing and shall have authority to
38 amend the report required by G.S. 160A-35 to make changes in the plans for serving the
39 area proposed to be annexed so long as such changes meet the requirements of G.S.
40 160A-35. At any regular or special meeting held no sooner than the ~~tenth~~ thirtieth day
41 following the public hearing and not later than 90 days following such public hearing, the
42 governing board shall have authority to adopt an ordinance extending the corporate limits
43 of the municipality to include all, or such part, of the area described in the notice of

1 public hearing which meets the requirements of G.S. 160A-36 and which the governing
2 board has concluded should be annexed. The ordinance shall:

3 (1) Contain specific findings showing that the area to be annexed meets the
4 requirements of G.S. 160A-36. The external boundaries of the area to be
5 annexed shall be described by metes and bounds. In showing the
6 application of G.S. 160A-36(c) and (d) to the area, the governing board
7 may refer to boundaries set forth on a map of the area and incorporate
8 same by reference as a part of the ordinance.

9 (2) A statement of the intent of the municipality to provide services to the
10 area being annexed as set forth in the report required by G.S. 160A-35.

11 (3) A specific finding that on the effective date of annexation the
12 municipality will have funds appropriated in sufficient amount to
13 finance construction of any water and sewer lines found necessary in the
14 report required by G.S. 160A-35 to extend the basic water and/or sewer
15 system of the municipality into the area to be annexed, or that on the
16 effective date of annexation the municipality will have authority to issue
17 bonds in an amount sufficient to finance such construction. If authority
18 to issue such bonds must be secured from the electorate of the
19 municipality prior to the effective date of annexation, then the effective
20 date of annexation shall be no earlier than the day following the
21 statement of the successful result of the bond election.

22 (4) Fix the effective date for annexation. The effective date of annexation
23 may be fixed for any date not less than ~~40~~70 days nor more than 400
24 days from the date of passage of the ordinance.

25 (f) Effect of Annexation Ordinance. – From and after the effective date of the
26 annexation ordinance, the territory and its citizens and property shall be subject to all
27 debts, laws, ordinances and regulations in force in such municipality and shall be entitled
28 to the same privileges and benefits as other parts of such municipality. Real and personal
29 property in the newly annexed territory on the January 1 immediately preceding the
30 beginning of the fiscal year in which the annexation becomes effective is subject to
31 municipal taxes as provided in G.S. 160A-58.10. If the effective date of annexation falls
32 between June 1 and June 30, and the effective date of the privilege license tax ordinance
33 of the annexing municipality is June 1, then businesses in the area to be annexed shall be
34 liable for taxes imposed in such ordinance from and after the effective date of annexation.

35 (g) Simultaneous Annexation Proceedings. – If a municipality is considering the
36 annexation of two or more areas which are all adjacent to the municipal boundary but are
37 not adjacent to one another, it may undertake simultaneous proceedings under authority
38 of this Part for the annexation of such areas.

39 (h) Remedies for Failure to Provide Services. – If, not earlier than one year from
40 the effective date of annexation, and not later than 15 months from the effective date of
41 annexation, any person owning property in the annexed territory shall believe that the
42 municipality has not followed through on its service plans adopted under the provisions
43 of G.S. 160A-35(3) and 160A-37(e), such person may apply for a writ of mandamus

1 under the provisions of Article 40, Chapter 1 of the General Statutes. Relief may be
2 granted by the judge of superior court

3 (1) If the municipality has not provided the services set forth in its plan
4 submitted under the provisions of G.S. 160A-35(3)a on substantially the
5 same basis and in the same manner as such services were provided
6 within the rest of the municipality prior to the effective date of
7 annexation, and

8 (2) If at the time the writ is sought such services set forth in the plan
9 submitted under the provisions of G.S. 160A-35(3)a are still being
10 provided on substantially the same basis and in the same manner as on
11 the date of annexation of the municipality.

12 Relief may also be granted by the judge of superior court

13 (1) If the plans submitted under the provisions of G.S. 160A-35(3)c require
14 the construction of major trunk water mains and sewer outfall lines and

15 (2) If contracts for such construction have not yet been let.

16 If a writ is issued, costs in the action, including a reasonable attorney's fee for such
17 aggrieved person, shall be charged to the municipality.

18 (i) No resolution of intent may be adopted under subsection (a) of this section
19 unless the city council (or a planning agency created or designated under either G.S.
20 160A-361 or the charter) has, by resolution adopted at least one year prior to adoption of
21 the resolution of intent, identified the area as being under consideration for annexation;
22 provided, adoption of such resolution of consideration shall not confer prior jurisdiction
23 over the area as to any other city. The area described under the resolution of intent may
24 comprise a smaller area than that identified by the resolution of consideration. The
25 resolution of consideration may have a metes and bounds description or a map, shall
26 remain effective for two years after adoption, and shall be filed with the city clerk. A
27 new resolution of consideration adopted before expiration of the two-year period for a
28 previously adopted resolution covering the same area shall relate back to the date of the
29 previous resolution.

30 (j) Subsection (i) of this section shall not apply to the annexation of any area if the
31 resolution of intent describing the area and the ordinance annexing the area both provide
32 that the effective date of the annexation shall be at least one year from the date of passage
33 of the annexation ordinance."

34 Section 4. G.S. 160A-38 is rewritten by adding a new subsection to read:

35 "(1) Any settlement reached by all parties in an appeal under this section may be
36 presented to the superior court in the county in which the municipality is located. If the
37 superior court, in its discretion, approves the settlement, it shall be binding on all parties
38 without the need for approval by the General Assembly."

39 Section 5. G.S. 160A-41 reads as rewritten:

40 "**§ 160A-41. Definitions.**

41 The following terms where used in this Part shall have the following meanings, except
42 where the context clearly indicates a different meaning:

- 1 (1) 'Contiguous area' shall mean any area which, at the time annexation
2 procedures are initiated, either abuts directly on the municipal boundary
3 or is separated from the municipal boundary by a street or street right-
4 of-way, a creek or river, the right-of-way of a railroad or other public
5 service corporation, lands owned by the municipality or some other
6 political subdivision, or lands owned by the State of North Carolina.
- 7 (2) 'Used for residential purposes' shall mean any lot or tract five acres or
8 less in size on which is constructed a habitable dwelling unit.
- 9 (3) Water definitions:
- 10 a. 'Water distribution mains'. – Midsize water lines that run from
11 transmission lines down individual streets or near individual
12 properties to be served.
- 13 b. 'Water service lines'. – Smallest water lines that run from
14 distribution mains onto property to be served.
- 15 c. 'Water transmission lines' (also referred to as trunk lines or
16 mains). – Largest water lines that connect water treatment plant
17 to distribution lines.
- 18 (4) Sewer definitions:
- 19 a. 'Interceptor sewers' (also referred to as outfalls). – Largest sewers
20 that connect to sewage treatment plant.
- 21 b. 'Collector sewers'. – Midsize sewers that run down individual
22 streets or near individual properties to be served.
- 23 c. 'Service laterals'. – Smallest sewers that run from individual
24 properties served to collector sewers."

25 Section 6. G.S. 160A-42 reads as rewritten:

26 **"§ 160A-42. Land estimates.**

27 In determining degree of land subdivision for purposes of meeting the requirements of
28 G.S. 160A-36, the municipality shall use methods calculated to provide reasonably
29 accurate results. In determining whether the standards set forth in G.S. 160A-36 have
30 been met on appeal to the superior court under G.S. 160A-38, the reviewing court shall
31 accept the estimates of the ~~municipality~~ municipality as provided in this section unless the
32 actual total area or degree of subdivision falls below the standards in G.S. 160A-36:

- 33 (1) As to total area if the estimate is based on an actual survey, or on
34 county tax maps or records, or on aerial photographs, or on some other
35 reasonably reliable map used for official purposes by a governmental
36 agency unless the petitioners on appeal demonstrate that such estimates
37 are in error in the amount of five percent (5%) or more.
- 38 (2) As to degree of land subdivision, if the estimates are based on an actual
39 survey, or on county tax maps or records, or on aerial photographs, or
40 on some other reasonably reliable source, unless the petitioners on
41 appeal show that such estimates are in error in the amount of five
42 percent (5%) or more."

43 Section 7. G.S. 160A-47 reads as rewritten:

"§ 160A-47. Prerequisites to annexation; ability to serve; report and plans.

A municipality exercising authority under this Part shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearing provided for in G.S. 160A-49, prepare a report setting forth such plans to provide services to such area. The report shall include:

(1) A map or maps of the municipality and adjacent territory to show the following information:

a. The present and proposed boundaries of the municipality.

b. The present ~~major-trunk-water mains-transmission lines and sewer interceptors and outfalls, and the proposed extensions of such mains and outfalls-interceptor sewers~~ as required in subdivision (3) of this section. The water and sewer map must bear the seal of a registered professional engineer.

c. The general land use pattern in the area to be annexed.

(2) A statement showing that the area to be annexed meets the requirements of G.S. 160A-48.

(3) A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation. Specifically, such plans shall:

a. Provide for extending police protection, fire protection, solid waste collection and street maintenance ~~services—services,~~ including street lighting, to the area to be annexed on the date of annexation on ~~substantially—the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation.~~ A contract with a rural fire department to provide fire protection shall be an acceptable method of providing fire protection. If a water distribution system is not available in the area to be annexed, the plans must call for reasonably effective fire protection services until such time as waterlines are made available in such area under existing municipal policies for the extension of waterlines. A contract with a private firm to provide solid waste collection services shall be an acceptable method of providing solid waste collection services.

b. Provide for extension of ~~major-trunk-water mains-transmission lines and sewer outfall lines-interceptor sewers~~ into the area to be annexed so that when such lines are constructed, property owners in the area to be annexed will be able to secure public water and sewer service,—service. The municipality shall extend water distribution mains, water service lines, collector sewers, and sewer service laterals according to the financial policies in effect in such municipality for extending water and sewer lines—water

1 service lines or sewer service laterals to individual lots or
2 subdivisions. If requested by the owner of an occupied dwelling
3 unit or an operating commercial or industrial property in writing
4 on a form provided by the municipality, which form
5 acknowledges that such extension or extensions will be made
6 according to the current financial policies of the municipality for
7 making such extensions, and if such form is received by the city
8 clerk not less than ~~30~~10 days before adoption of the annexation
9 ordinance, provide for extension of ~~water and sewer lines~~water
10 service lines or sewer service laterals to the property or to a point
11 on a public street or road right-of-way adjacent to the property
12 according to the financial policies in effect in such municipality
13 for extending water and sewer lines. The municipality must
14 accept requests for water and sewer service under this section for
15 at least 30 days following the public hearing concerning the area
16 proposed to be annexed. If any such requests are timely made,
17 the municipality shall at the time of adoption of the annexation
18 ordinance amend its report and plan for services to reflect and
19 accommodate such requests.

- 20 c. If extension of ~~major trunk water mains, sewer outfall lines, sewer~~
21 ~~lines and water lines~~water transmission lines, water distribution
22 mains, interceptor sewers, or collector sewers is necessary, set
23 forth a proposed timetable for construction of such ~~mains, outfalls~~
24 ~~and lines~~water transmission lines, water distribution mains,
25 interceptor sewers, or collector sewers as soon as possible
26 following the effective date of annexation. In any event, the
27 plans shall call for construction to be completed within two years
28 of the effective date of annexation.
- 29 d. Set forth the method under which the municipality plans to
30 finance extension of services into the area to be annexed.
- 31 e. Provide for street paving service on substantially the same basis
32 and in the same manner as that service is provided within the rest
33 of the municipality prior to the annexation.
- 34 f. Include a summary of city police, fire, solid waste, street
35 maintenance and paving, and water and sewer services provided
36 to current city residents as of 90 days prior to the date set for the
37 public hearing. The summary shall specify, at a minimum, the
38 number of personnel employed by the municipality for police and
39 fire protection, the services provided as part of police and fire
40 protection, the increase in personnel or equipment, if any,
41 planned as a result of the annexation and the method the
42 municipality used to calculate present level of service, including,

1 if applicable, personnel to population ratios and average response
2 times.

3 (4) A statement of the impact of the annexation on any rural fire department
4 providing service in the area to be annexed and a statement of the
5 impact of the annexation on fire protection and fire insurance rates in
6 the area to be annexed, if the area where service is provided is in an
7 insurance district designated under G.S. 153A-233, a rural fire
8 protection district under Article 3A of Chapter 69 of the General
9 Statutes, or a fire service district under Article 16 of Chapter 153A of
10 the General Statutes. The rural fire department shall make available to
11 the city not later than 30 days following a written request from the city
12 all information in its possession or control, including but not limited to
13 operational, financial and budgetary information, necessary for
14 preparation of a statement of impact. The rural fire department forfeits
15 its rights under G.S. 160A-49.1 and G.S. 160A-49.2 if it fails to make a
16 good faith response within 45 days following receipt of the written
17 request for information from the city, provided that the city's written
18 request so states by specific reference to this section.

19 (5) If the lot or tract standard was used to qualify the area, the report shall
20 state the classification of each lot or tract in the area to be annexed as to
21 use and size. If a population standard was used to qualify the area, the
22 report shall state how the population estimate of the area was
23 determined.

24 (6) A clear and easily understandable statement notifying persons affected
25 by the annexation of their right to appeal under G.S. 160A-50, the right
26 to request water and sewer services under sub-subdivision (3)b. of this
27 section, and the remedies under G.S. 160A-49(h) and (k) for failure of
28 the city to provide services.

29 (7) A statement showing how the proposed annexation will affect the city's
30 finances and services, including city revenue change estimates. This
31 statement shall be delivered to the clerk of the board of county
32 commissioners at least 30 days before the date of any public hearing on
33 any annexation under this Part at the time of the public hearing for the
34 annexation ordinance."

35 Section 8. G.S. 160A-48 reads as rewritten:

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

37 (a) A municipal governing board may extend the municipal corporate limits to
38 include any area

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

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

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

- 1 (1) It must be adjacent or contiguous to the municipality's boundaries at the
2 time the annexation proceeding is begun, except if the entire territory of
3 a county water and sewer district created under G.S. 162A-86(b1) is
4 being annexed, the annexation shall also include any noncontiguous
5 pieces of the district as long as the part of the district with the greatest
6 land area is adjacent or contiguous to the municipality's boundaries at
7 the time the annexation proceeding is begun.
- 8 (2) At least one eighth of the aggregate external boundaries of the area must
9 coincide with the municipal boundary.
- 10 (3) No part of the area shall be included within the boundary of another
11 incorporated municipality.
- 12 (4) No part of the area to be annexed shall be located in a county other than
13 the county with a majority of the municipality's residents, unless areas
14 previously added to the municipality in another county include at least
15 1,000 persons.
- 16 (5) No lot or tract in the area to be annexed shall be in use for bona fide
17 farm purposes as defined in G.S. 153A-340.
- 18 (c) Part or all of the area to be annexed must be developed for urban ~~purposes.~~
19 purposes 30 days prior to the public hearing for the annexation ordinance. Area of streets
20 and rights-of-way shall be used only to determine total resident population per acre of
21 land in this section. An area developed for urban purposes is defined as any area which
22 meets any one of the following standards:
- 23 (1) Has a total resident population equal to at least two persons for each
24 acre of land included within its boundaries; or
- 25 (2) Has a total resident population equal to at least one person for each acre
26 of land included within its boundaries, and is subdivided into lots and
27 tracts such that at least sixty percent (60%) of the total acreage consists
28 of lots and tracts five acres or less in size and such that at least sixty-five
29 percent (65%) of the total number of lots and tracts are one acre or less
30 in size; or
- 31 (3) Is so developed that at least sixty percent (60%) of the total number of
32 lots and tracts in the area at the time of annexation are used for
33 residential, commercial, industrial, institutional or governmental
34 purposes, and is subdivided into lots and tracts such that at least sixty
35 percent (60%) of the total acreage, not counting the acreage used at the
36 time of annexation for commercial, industrial, governmental or
37 institutional purposes, consists of lots and tracts five acres or less in
38 size; or
- 39 (4) Is the entire area of any county water and sewer district created under
40 G.S. 162A-86(b1), but this subdivision only applies to annexation by a
41 municipality if that:
- 42 a. Municipality has provided in a contract with that district that the
43 area is developed for urban purposes; and

1 b. Contract provides for the municipality to operate the sewer
2 system of that county water and sewer district;
3 provided that the special categorization provided by this subdivision
4 only applies if the municipality is annexing in one proceeding the entire
5 territory of the district not already within the corporate limits of a
6 municipality. ~~municipality~~; or

7 (5) Is so developed that at the time of annexation, all tracts in the area to be
8 annexed are used for commercial, industrial, governmental, or
9 institutional purposes.

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

13 (1) Lies between the municipal boundary and an area developed for urban
14 purposes so that the area developed for urban purposes is either not
15 adjacent to the municipal boundary or cannot be served by the
16 municipality without extending services and/or water and/or sewer lines
17 through such sparsely developed area; or

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

21 The purpose of this subsection is to permit municipal governing boards to extend
22 corporate limits to include all nearby areas developed for urban purposes and where
23 necessary to include areas which at the time of annexation are not yet developed for
24 urban purposes but which constitute necessary land connections between the municipality
25 and areas developed for urban purposes or between two or more areas developed for
26 urban purposes. For purposes of this subsection, 'necessary land connection' means an
27 area that does not exceed 100 acres and does not exceed twenty-five percent (25%) of the
28 total area to be annexed.

29 (e) In fixing new municipal boundaries, a municipal governing board ~~shall,~~
30 ~~wherever practical,~~ shall use recorded property boundaries and natural topographic features
31 such as ridge lines and streams and creeks as boundaries, and may use streets as
32 boundaries. Some or all of the boundaries of a county water and sewer district may also
33 be used when the entire district not already within the corporate limits of a municipality
34 is being annexed.

35 (f) The area of an abolished water and sewer district shall be considered to be a
36 water and sewer district for the purpose of this section even after its abolition under G.S.
37 162A-87.2(b)."

38 Section 9. G.S. 160A-49 reads as rewritten:

39 "**§ 160A-49. Procedure for annexation.**

40 (a) Notice of Intent. – Any municipal governing board desiring to annex territory
41 under the provisions of this Part shall first pass a resolution stating the intent of the
42 municipality to consider annexation. Such resolution shall describe the boundaries of the
43 area under consideration and fix a date for a public hearing on the question of annexation,

1 the date for such public hearing to be not less than 45 days and not more than 90 days
2 following passage of the resolution.

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

4 (1) Fix the date, hour and place of the public hearing.

5 (2) Describe clearly the boundaries of the area under consideration, and
6 include a legible map of the area.

7 (3) State that the report required in G.S. 160A-47 will be available at the
8 office of the municipal clerk at least 30 days prior to the date of the
9 public hearing.

10 (4) State the right of a property owner to request abatement of water and
11 sewer assessments under G.S. 160A-237. A form for requesting an
12 abatement, and an easily understandable explanation of the form, shall
13 be mailed to all property owners entitled to a mailed notice of the
14 proposed annexation.

15 (5) Include a clear and easily understandable statement notifying persons
16 affected by the annexation of their right to appeal under G.S. 160A-50,
17 the right to request water and sewer services under G.S. 160A-47(3)b.,
18 and the remedies under G.S. 160A-49(h) and (k) for failure of the city to
19 provide services. A form for requesting water and sewer services under
20 G.S. 160A-47(3)b., an easily understandable explanation of the form,
21 and the city's water and sewer financial policies shall be mailed to all
22 property owners entitled to a mailed notice of the proposed annexation.

23 Such notice shall be given by publication once a week for at least two successive
24 weeks prior to the date of the hearing in a newspaper having general circulation in the
25 municipality and, in addition thereto, if the area to be annexed lies in a county containing
26 less than fifty percent (50%) of the land area of the municipality, in a newspaper having
27 general circulation in the area of proposed annexation. The period from the date of the
28 first publication to the date of the last publication, both dates inclusive, shall be not less
29 than eight days including Sundays, and the date of the last publication shall be not more
30 than seven days preceding the date of public hearing. If there be no such newspaper, the
31 municipality shall post the notice in at least five public places within the municipality and
32 at least five public places in the area to be annexed for 30 days prior to the date of public
33 hearing. In addition, notice shall be mailed at least four weeks prior to date of the
34 hearing by first class mail, postage prepaid to the owners as shown by the tax records of
35 the county of all freehold interests in real property located within the area to be ~~annexed.~~
36 annexed, and one mile beyond the area to be annexed. The notice sent to property
37 owners in the area one mile beyond the area to be annexed shall include an easily
38 understandable explanation that the property owner may be subject to planning and
39 zoning by the city as a result of being added to the city's extraterritorial planning and
40 zoning jurisdiction. The person or persons mailing such notices shall certify to the
41 governing board that fact, and such certificate shall become a part of the record of the
42 annexation proceeding and shall be deemed conclusive in the absence of fraud. If the
43 notice is returned to the city by the postal service by the tenth day before the hearing, a

1 copy of the notice shall be sent by certified mail, return receipt requested, at least seven
2 days before the hearing. Failure to comply with the mailing requirements of this
3 subsection shall not invalidate the annexation unless it is shown that the requirements
4 were not substantially complied with. If the governing board by resolution finds that the
5 tax records are not adequate to identify the owners of some or all of the parcels of real
6 property within the area it may in lieu of the mail procedure as to those parcels where the
7 owners could not be so identified, post the notice at least 30 days prior to the date of
8 public hearing on all buildings on such parcels, and in at least five other places within the
9 area to be annexed. In any case where notices are placed on property, the person placing
10 the notices shall certify that fact to the governing board.

11 (c) Action Prior to Hearing. – At least 30 days before the date of the public
12 hearing, the governing board shall approve the report provided for in G.S. 160A-47, and
13 shall make it available to the public at the office of the municipal clerk. In addition, the
14 municipality may prepare a summary of the full report for public distribution. In
15 addition, the city shall post in the office of the city clerk, at least 30 days before the
16 public hearing, a legible map of the area to be annexed and a list of persons holding
17 freehold interests in property in the area to be annexed that it has identified.

18 (d) Public Hearing. – At the public hearing a representative of the municipality
19 shall first make an explanation of the report required in ~~G.S. 160A-47~~ G.S. 160A-47,
20 including appeal rights as summarized in G.S. 160A-47(6). Following such explanation,
21 all persons resident or owning property in the territory described in the notice of public
22 hearing, and all residents of the municipality, shall be given an opportunity to be ~~heard.~~
23 heard, an opportunity to ask questions, and receive answers from the city's representative.

24 (e) Passage of the Annexation Ordinance. – The municipal governing board shall
25 take into consideration facts presented at the public hearing and shall have authority to
26 amend the report required by G.S. 160A-47 to make changes in the plans for serving the
27 area proposed to be annexed so long as such changes meet the requirements of G.S.
28 160A-47, provided that if the annexation report is amended to show additional
29 subsections of G.S. 160A-48(c) or (d) under which the annexation qualifies that were not
30 listed in the original report, the city must hold an additional public hearing on the
31 annexation not less than 30 nor more than 90 days after the date the report is amended,
32 and notice of such new hearing shall be given at the first public hearing. At any regular
33 or special meeting held no sooner than the ~~tenth~~ thirtieth day following the public hearing
34 and not later than 90 days following such public hearing, the governing board shall have
35 authority to adopt an ordinance extending the corporate limits of the municipality to
36 include all, or such part, of the area described in the notice of public hearing which meets
37 the requirements of G.S. 160A- 48 and which the governing board has concluded should
38 be annexed. The ordinance shall:

- 39 (1) Contain specific findings showing that the area to be annexed meets the
40 requirements of G.S. 160A-48. The external boundaries of the area to be
41 annexed shall be described by metes and bounds. In showing the
42 application of G.S. 160A- 48(c) and (d) to the area, the governing board

1 may refer to boundaries set forth on a map of the area and incorporate
2 same by reference as a part of the ordinance.

3 (2) A statement of the intent of the municipality to provide services to the
4 area being annexed as set forth in the report required by G.S. 160A-47.

5 (3) A specific finding that on the effective date of annexation the
6 municipality will have funds appropriated in sufficient amount to
7 finance construction of any major trunk water mains and sewer outfalls
8 and such water and sewer lines as required in G.S. 160A-47(3)(b) found
9 necessary in the report required by G.S. 160A-47 to extend the basic
10 water and/or sewer system of the municipality into the area to be
11 annexed, or that on the effective date of annexation the municipality
12 will have authority to issue bonds in an amount sufficient to finance
13 such construction. If authority to issue such bonds must be secured
14 from the electorate of the municipality prior to the effective date of
15 annexation, then the effective date of annexation shall be no earlier than
16 the day following the statement of the successful result of the bond
17 election.

18 (4) Fix the effective date for annexation. The effective date of annexation
19 may be fixed for any date not less than ~~40~~70 days nor more than 400
20 days from the date of passage of the ordinance.

21 (f) Effect of Annexation Ordinance. – From and after the effective date of the
22 annexation ordinance, the territory and its citizens and property shall be subject to all
23 debts, laws, ordinances and regulations in force in such municipality and shall be entitled
24 to the same privileges and benefits as other parts of such municipality. Real and personal
25 property in the newly annexed territory on the January 1 immediately preceding the
26 beginning of the fiscal year in which the annexation becomes effective is subject to
27 municipal taxes as provided in G.S. 160A-58.10. Provided that annexed property which
28 is a part of a sanitary district, which has installed water and sewer lines, paid for by the
29 residents of said district, shall not be subject to that part of the municipal taxes levied for
30 debt service for the first five years after the effective date of annexation. If this proviso
31 should be declared by a court of competent jurisdiction to be in violation of any provision
32 of the federal or State Constitution, the same shall not affect the remaining provisions of
33 this Part. If the effective date of annexation falls between June 1 and June 30, and the
34 effective date of the privilege license tax ordinance of the annexing municipality is June
35 1, then businesses in the area to be annexed shall be liable for taxes imposed in such
36 ordinances from and after the effective date of annexation.

37 (g) Simultaneous Annexation Proceedings. – If a municipality is considering the
38 annexation of two or more areas which are all adjacent to the municipal boundary but are
39 not adjacent to one another, it may undertake simultaneous proceedings under authority
40 of this Part for the annexation of such areas.

41 (h) Remedies for Failure to Provide Services. – If, not earlier than one year from
42 the effective date of annexation, and not later than 15 months from the effective date of
43 annexation, any person owning property in the annexed territory shall believe that the

1 municipality has not followed through on its service plans adopted under the provisions
2 of G.S. 160A-47(3) and 160A-49(e), for any required service other than water and sewer
3 services such person may apply for a writ of mandamus under the provisions of Article
4 40, Chapter 1 of the General Statutes. Relief may be granted by the judge of superior
5 court

6 (1) If the municipality has not provided the services set forth in its plan
7 submitted under the provisions of G.S. 160A-47(3)a on substantially the
8 same basis and in the same manner as such services were provided
9 within the rest of the municipality prior to the effective date of
10 annexation, and

11 (2) If at the time the writ is sought such services set forth in the plan
12 submitted under the provisions of G.S. 160A-47(3)a are still being
13 provided on substantially the same basis and in the same manner as on
14 the date of annexation of the municipality.

15 If, not earlier than 24 months from the effective date of the annexation, and not later
16 than 27 months from the effective date of the annexation, any person owning property in
17 the annexed area can show that the plans submitted under the provisions of G.S. 160A-
18 47(3)c require the construction of major trunk water mains and sewer outfall lines and if
19 construction has not been completed within two years of the effective date of the
20 annexation, relief may also be granted by the superior court by an order to the
21 municipality to complete such lines and outfalls within a certain time. Similar relief may
22 be granted by the superior court to any owner of property who made a timely request for
23 a water or sewer line, or both, pursuant to G.S. 160A-47(3)b and such lines have not been
24 completed within two years from the effective date of annexation in accordance with
25 applicable city policies and through no fault of the owner, if such owner petitions for
26 such relief not earlier than 24 months following the effective date of annexation and not
27 later than 27 months following the effective date of annexation.

28 If a writ is issued, costs in the action, including a reasonable attorney's fee for such
29 aggrieved person, shall be charged to the municipality.

30 (i) No resolution of intent may be adopted under subsection (a) of this section
31 unless the city council (or planning agency created or designated under either G.S. 160A-
32 361 or the charter) has, by resolution adopted at least one year prior to adoption of the
33 resolution of intent, identified the area as being under consideration for annexation;
34 provided, adoption of such resolution of consideration shall not confer prior jurisdiction
35 over the area as to any other city. The area described under the resolution of intent may
36 comprise a smaller area than that identified by the resolution of consideration. The
37 resolution of consideration may have a metes and bounds description or a map and shall
38 remain effective for two years after adoption, and shall be filed with the city clerk. A
39 new resolution of consideration adopted before expiration of the two-year period for a
40 previously adopted resolution covering the same area shall relate back to the date of the
41 previous resolution.

42 (j) Subsection (i) of this section shall not apply to the annexation of any area if the
43 resolution of intent describing the area and the ordinance annexing the area both provide

1 that the effective date of the annexation shall be at least one year from the date of passage
2 of the annexation ordinance.

3 (k) If a valid request for extension of a water or sewer line has been made under
4 G.S. 160A-47(3)b, and the extension is not complete at the end of two years after the
5 effective date of the annexation ordinance, the owner of the property may petition the
6 Local Government Commission for abatement of taxes to be paid to the city which have
7 not been levied as of the expiration date of the two-year period, if such petition is filed
8 not more than ~~60~~90 days after the expiration of the two-year period. If the Local
9 Government Commission finds that the extension to the property was not complete by the
10 end of the two-year period, it shall enter an order directing the city not to levy any further
11 ad valorem taxes on the property until the fiscal year commencing after completion of the
12 extension. In addition, if the Local Government Commission found that the extension to
13 the property was not completed by the end of the two-year period, and if it finds that for
14 any fiscal year during the period beginning with the first day of the fiscal year in which
15 the annexation ordinance became effective and ending the last day of the fiscal year in
16 which the two-year period expired, the city made an appropriation for construction,
17 operation or maintenance of a water or sewer system (other than payments the city made
18 as a customer of the system) from the fund or funds for which ad valorem taxes are
19 levied, then the Local Government Commission shall order the city to release or refund
20 an amount of the petitioner's property taxes for that year in question in proportion to the
21 percentage of appropriations in the fund made for water and sewer services. By way of
22 illustration, if a net amount of one hundred thousand dollars (\$100,000) was appropriated
23 for water or sewer construction, operation or maintenance from a fund which had total
24 expenditures of ten million dollars (\$10,000,000) and the petitioner's tax levy was one
25 thousand dollars (\$1,000), the amount of release or refund shall be ten dollars (\$10.00).

26 (k1) If major municipal services (police protection, fire protection, solid waste
27 collection, and street maintenance services) were to be provided to an annexed area
28 according to the annexation services report, and if any of the services are not provided by
29 the end of the one year after the effective date of the annexation ordinance, an owner of
30 the property in the area may petition the Local Government Commission for abatement of
31 taxes to be paid to the city which have not been levied as of the expiration date of the
32 one-year period, if such petition is filed not more than 90 days after the expiration of the
33 one-year period. If the Local Government Commission finds that any major municipal
34 service was not extended as provided in the annexation services report by the end of the
35 one-year period, it shall enter an order directing the city not to levy any further ad
36 valorem taxes on the property until the fiscal year commencing after provision of all
37 major municipal services as provided in the annexation services report. In addition, if the
38 Local Government Commission found that the provision of major municipal services was
39 not completed by the end of the one-year period, and if it finds that for any fiscal year
40 during the period beginning with the first day of the fiscal year in which the annexation
41 ordinance became effective and ending the last day of the fiscal year in which the one-
42 year period expired, the city made an appropriation for major municipal services from the
43 fund or funds for which ad valorem taxes are levied, then the Local Government

1 Commission shall order the city to release or refund an amount of the petitioner's
2 property taxes for that year in question in proportion to the percentage of appropriations
3 in the fund made for the major municipal service that was not provided."

4 Section 10. G.S. 160A-50 is amended by adding a new subsection to read:

5 "(m) Any settlement reached by all parties in an appeal under this section may be
6 presented to the superior court in the county in which the municipality is located. If the
7 superior court, in its discretion, approves the settlement, it shall be binding on all parties
8 without the need for approval by the General Assembly."

9 Section 11. G.S. 160A-53 reads as rewritten:

10 **"§ 160A-53. Definitions.**

11 The following terms where used in this Part shall have the following meanings, except
12 where the context clearly indicates a different meaning:

13 (1) 'Contiguous area' shall mean any area which, at the time annexation
14 procedures are initiated, either abuts directly on the municipal boundary
15 or is separated from the municipal boundary by a street or street right-
16 of-way, a creek or river, the right-of-way of a railroad or other public
17 service corporation, lands owned by the city or some other political
18 subdivision, or lands owned by the State of North Carolina.

19 (2) 'Used for residential purposes' shall mean any lot or tract five acres or
20 less in size on which is constructed a habitable dwelling unit.

21 (3) Water definitions:

22 a. 'Water distribution mains'. – Midsize water lines that run from
23 transmission lines down individual streets or near individual
24 properties to be served.

25 b. 'Water service lines'. – Smallest water lines that run from
26 distribution mains onto property to be served.

27 c. 'Water transmission lines (also referred to as trunk lines or
28 mains). – Largest water lines that connect water treatment plant
29 to distribution lines.

30 (4) Sewer definitions:

31 a. 'Interceptor sewers' (also referred to as outfalls). – Largest sewers
32 that connect to sewage treatment plant.

33 b. 'Collector sewers'. – Midsize sewers that run down individual
34 streets or near individual properties to be served.

35 c. 'Service laterals'. – Smallest sewers that run from individual
36 properties served to collector sewers."

37 Section 12. G.S. 160A-54 reads as rewritten:

38 **"§ 160A-54. Population and land estimates.**

39 In determining population and degree of land subdivision for purposes of meeting the
40 requirements of G.S. 160A-48, the municipality shall use methods calculated to provide
41 reasonably accurate results. In determining whether the standards set forth in G.S. 160A-
42 48 have been met on appeal to the superior court under G.S. 160A-50, the reviewing
43 court shall accept the estimates of the ~~municipality~~ municipality unless the actual

1 population, total area, or degree of land subdivision falls below the standards in G.S.
2 160A-48:

- 3 (1) As to population, if the estimate is based on the number of dwelling
4 units in the area multiplied by the average family size in such area, or in
5 the township or townships of which such area is a part, as determined by
6 the last preceding federal decennial census; or if it is based on a new
7 enumeration carried out under reasonable rules and regulations by the
8 annexing municipality; provided, that the court shall not accept such
9 estimates if the petitioners demonstrate that such estimates are in error
10 in the amount of ten percent (10%) or more.
- 11 (2) As to total area if the estimate is based on an actual survey, or on county
12 tax maps or records, or on aerial photographs, or on some other
13 reasonably reliable map used for official purposes by a governmental
14 agency, unless the petitioners on appeal demonstrate that such estimates
15 are in error in the amount of five percent (5%) or more.
- 16 (3) As to degree of land subdivision, if the estimates are based on an actual
17 survey, or on county tax maps or records, or on aerial photographs, or
18 on some other reasonably reliable source, unless the petitioners on
19 appeal show that such estimates are in error in the amount of five
20 percent (5%) or more."

21 Section 13. G.S. 160A-237 reads as rewritten:

22 "**§ 160A-237. Authority to hold water and sewer assessments in abeyance.**

23 (a) The assessment resolution may provide that assessments levied under this
24 Article for water or sewer improvements be held in abeyance without interest until
25 improvements on the assessed property are actually connected to the water or sewer
26 system for which the assessment was levied, or a date certain not more than 10 years
27 from the date of confirmation of the assessment roll, whichever event first occurs. Upon
28 termination of the period of abeyance, the assessment shall be paid in accordance with
29 the terms set out in the assessment resolution. If assessments are to be held in abeyance,
30 the assessment resolution shall classify the property assessed according to general land
31 use, location with respect to the water or sewer system, or other relevant factors, and shall
32 provide that the period of abeyance shall be the same for all assessed property in the same
33 class.

34 (b) Owners of property subject to a water or sewer related assessment following
35 annexation under Part 2 or Part 3 of this Chapter may request abatement of any water and
36 sewer service assessments planned by the city until the property is transferred or the
37 property owner connects to the water or sewer system. A request for abatement under
38 this subsection must be received by the city at least 30 days prior to adoption of the
39 annexation ordinance.

40 (c) All statutes of limitations are suspended during the time that any assessment is
41 held in abeyance without interest."

42 Section 14. This act is effective when it becomes law.