

Annexation Overview

State Law provides that areas that are urbanizing or becoming urbanized should receive the urban services provided by towns and cities. These municipal services include police protection, fire protection, garbage and trash collection, and maintenance and lighting of public streets (excluding State roads). Annexation permits the Town to extend its boundaries and provide Town services to urbanizing areas in an orderly fashion.

Methods of Annexation

There are three primary methods that the Town may use under State Law to annex land into the Town's corporate limits:

- Town-Initiated Annexation in Accordance With Statutory Standards,
- Contiguous Annexation Petition, and
- Non-Contiguous "Satellite" Annexation Petition.

The Town has annexed land using all three of these annexation

Mechanics of Annexation

Town-Initiated Annexation in Accordance With Statutory Standards

Without a petition from property owners, cities and towns with 5,000 or more people, may undertake to annex by ordinance certain areas that meet statutory standards of contiguity, population density, and intensity of development. These annexations are subject to the following standards:

1. The area must be contiguous. Contiguous means any area that either abuts directly on the municipal boundary or is separated by a street, railroad, or utility corridor, by a creek or river, or lands owned by the municipality, another political subdivision, or the State of North Carolina.
2. At least one-eighth (1/8) of the total boundary of the area must coincide with the municipal boundary.
3. No part of the area may be within another municipality.
4. Part or all of the area must be "developed for urban purposes" which is defined by any one of the following four criteria:
 - Has a total resident population equal to at least 2.3 persons per acre; or
 - Has a total resident population equal to at least 1 person per acre, and is subdivided into lots such that at least 60% of the total acreage consists of lots 3 acres or less in size and at least 65% of the total number of lots are 1 acre in size; or
 - Is so developed that at least 60% of the total number of lots are used for residential, commercial, industrial, institutional or governmental purposes, and at least 60% of the total of residential and undeveloped acreage consists of lots and tracts 3 acres or less in size; or
 - Is so developed that, at the time of the approval of the annexation report, all tracts in the area to annexed are used for commercial, industrial, governmental, or institutional purposes.
5. In addition to areas developed for urban purposes, the governing body may include in the area to be annexed any area that:
 - Lies between the municipal boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the municipal boundary or cannot be served by the municipality without extending services, water lines, and/or sewer lines through such area, or
 - Is adjacent on at least 60% of its external boundary, to any combination of the municipal boundary and the boundary of an area or areas developed for urban purposes. [For purposes of this subsection, "necessary land connection" means an area that does not exceed twenty-five percent (25%) of the total area to be annexed.]

In order to complete a Town-Initiated annexation, the Town must prepare a detailed service report that explains how the proposed annexation area qualifies under the State Statutes, and describes how Town services would be provided to the annexation area on substantially the same basis as areas already within the Town's corporate limits.

Contiguous Annexation Petition

The Council may annex by ordinance any area contiguous to its boundaries upon presentation of a petition signed by 100 percent of the owners of all real property located within such area. Such annexations are subject to the following procedures and requirements:

1. Essentially, any area contiguous to the corporate limits may be annexed by this method.
2. An area is deemed "contiguous" if at the time the petition is submitted, the area either abuts directly on the municipal boundary or is separated from this boundary by a street right-of-way, a creek or river, a railroad, a utility right-of-way, or lands owned by the municipality, another political subdivision, or the State of North Carolina.

Non-Contiguous "Satellite" Petition

The Council may annex by ordinance certain areas whose boundaries do not at any point touch its primary corporate limits. The primary corporate limits consists of the boundaries of the municipality as enlarged by contiguous annexations, and therefore, do not include existing "satellite areas" that are within the Town's corporate limits. Non-contiguous "Satellite" Annexation petitions must be signed by 100 percent of the owners of all real property located within such area. Such annexations are subject to the following standards:

1. The nearest point on the satellite area must not be more than 3 miles from the primary corporate limits of the annexing city.
2. No point on the satellite area may be closer to the primary corporate limits of another municipality than to the annexing city.
3. Services to annexation areas must be provided on substantially the same basis as within the primary corporate limits.
4. If the proposed satellite area is a subdivision, then all of the subdivision must be included in the petition. If the proposed satellite area is a phase of a subdivision, then the entire phase of the subdivision must be included in the petition.
5. The area within the proposed satellite limits plus the area within all other satellite corporate limits may not exceed 10% of the total land area within the primary corporate limits of the annexing municipality.

Public Information Meetings and Public Hearings

For each of these three annexation methods, the State Statutes require the Council to hold a public information meeting and a public hearing on the subject of annexing the proposed/petitioned area. Notice of the public informational meeting and public hearing must be advertised in a newspaper having general circulation in the Town once a week for at least two successive weeks prior to the date of each event. The Town usually advertises on the Friday that is ten days prior to the meeting/hearing, and on the Sunday that is one day before the meeting/hearing. For Town-Initiated annexations, the Town also notifies all of the property owners in the proposed annexation area, as listed in County tax records.

Compensation to Rural Fire Departments

Also in accordance with the State Statutes, the Town is required to compensate any rural fire department serving the annexation area, if the annexation would result in a loss of revenue for the rural fire department. Accordingly, the Town is required to make a good faith effort to negotiate a five-year contract with the rural fire department to provide fire protection in the area to be annexed. Generally, the Town

satisfies this requirement through a five-year agreement that compensates the rural fire department for one-half of the revenue lost due to the Town's incorporation of the annexation area, in return for the rural fire department's fire protection to the area.

Town Property Taxes and Services

Once annexed, property owners continue to pay County property taxes for County services (such as education, public health and social services) and they pay Town property taxes for Town municipal services. These municipal services include police protection, fire protection, regular garbage and trash collection, maintenance of public streets (excluding State roads), and use of the library, parks, recreation programs, and transit services. The Town pays to have additional fire hydrants, street lights, and street name signs installed where they do not already exist in accord with the Town's normal service policy.

Annexation does not change school district boundaries. In addition, annexation does not change mailing addresses, phone numbers, or election precinct/voting place. New Town citizens will be able to vote in Town elections, however. Annexation may lower a homeowner's fire insurance premiums, as areas served by the Town's Fire Department have a better fire insurance rating than areas served by Rural Fire Departments.

Areas Under Consideration

North Carolina State Law regarding annexation includes a requirement that the Planning Board or the Town Council adopt a resolution identifying an area as being under consideration for annexation at least one year prior to adopting a resolution of intent to annex that area, if the annexation effective date is not to be delayed one year after adoption of an annexation ordinance. The resolution of consideration remains effective for two years. This requirement does not affect the Town's ability to act on petitions for annexation.

For several years, the Council has declared its intent to consider for future annexation all of the land between the current Town Limits and the Urban Services Area boundary. The Urban Services Boundary of the Town has been identified in the 2000 Land Use Plan as the limits of the area to which urban services will be extended; we do not anticipate annexations beyond that line. We do anticipate that the Council will annex all of the area within the Urban Services Boundary at such time as each increment of the area meets statutory standards and there is financial capacity to provide the services required upon annexation.