

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 1362  
Finance Committee Substitute Adopted 6/9/10  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1362-PCS85372-RQ-56

Short Title: Orange/Alamance Boundary.

(Local)

Sponsors:

Referred to:

May 25, 2010

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENABLE THE TRANSITION OF PROPERTIES OF THE AREA ALONG  
3 THEIR COMMON BOUNDARY BETWEEN ALAMANCE COUNTY AND ORANGE  
4 COUNTY DUE TO THE 2008 NORTH CAROLINA GEODETIC SURVEY WORK  
5 THAT DEPICTED AND MONUMENTED THE HISTORIC ORANGE  
6 COUNTY/ALAMANCE COUNTY BOUNDARY LINE AS DESCRIBED IN THE 1849  
7 SURVEY ESTABLISHING ALAMANCE COUNTY.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The historic boundary line forming Alamance County from Orange  
10 County was described and surveyed in 1849. Over the years this line became uncertain, and so  
11 pursuant to G.S. 153A-18(c) entitled 'Uncertain or Disputed Boundary,' both county boards of  
12 commissioners passed resolutions (Alamance County, December 17, 2007, and Orange County,  
13 January 18, 2008) to request that the North Carolina Geodetic Survey (hereinafter "NCGS")  
14 perform a preliminary resurvey and present a proposed map for consideration by both counties.  
15 During the 160 years since the 1849 survey, the exact location of the surveyed line has become  
16 uncertain, resulting in unintentional modifications to the boundary line affecting taxation,  
17 school attendance, zoning maps, and elections within and among Alamance County, Orange  
18 County, and the Town of Mebane.

19 **SECTION 2.** The Alamance County Board of Commissioners agreed by vote on  
20 April 21, 2008, and Orange County on May 20, 2008, to approve authorizing NCGS to conduct  
21 the preliminary survey and the placing of monuments by the NCGS consistent with their  
22 research to form a boundary baseline.

23 **SECTION 3.** In the 160 years since the initial survey of the Alamance County/  
24 Orange County boundary line, Alamance and Orange Counties have entered into multiple  
25 taxing agreements that have resulted in properties being taxed in one county by the adjoining  
26 county. Other situations have arisen in which children of one county attend school in the  
27 adjoining county and voters in one county have voted in the adjoining county. The General  
28 Assembly recognizes the difficulties in addressing these issues and authorizes Alamance  
29 County and Orange County to maintain the current taxing, elections, education, and any other  
30 recognized government functions in place until July 1, 2011.

31 **SECTION 4.(a)** On and after July 1, 2011, all papers, documents, and instruments  
32 required or permitted to be filed or registered that involve residents and property located in



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1 areas affected by the resurvey of the boundary line that previously may have been recorded in  
2 the adjoining counties shall be recorded in the county to which the property has been annexed.

3 **SECTION 4.(b)** All public records related to residents and property located in  
4 areas affected by the resurvey of the boundary line that were filed or recorded prior to July 1,  
5 2011, in the adjoining counties shall remain in those respective adjoining counties where filed  
6 or recorded, and such records shall be valid public records as to the property and persons  
7 involved, even though they are recorded in an adjoining county which is a county where the  
8 property is no longer located as evidenced by the 2008 North Carolina Geodetic Survey and the  
9 subsequent partial resurvey pursuant to Section 7 of this act.

10 **SECTION 4.(c)** On and after July 1, 2011, all real and personal property located in  
11 areas affected by the resurvey of the boundary line that was subject to ad valorem taxation on  
12 January 1, 2011, shall be subject to ad valorem taxes in the county to which the property is  
13 annexed for the fiscal year beginning July 1, 2011, to the same extent as it would have been had  
14 it been correctly recognized by the tax departments of each county on January 1, 2011, except  
15 as hereinafter provided with respect to classified registered motor vehicles. On July 1, 2011, the  
16 tax administrators of the adjoining counties shall transfer to the respective county tax assessors  
17 the ad valorem tax listings and valuations for all real and personal property subject to ad  
18 valorem taxation in areas affected by the resurvey of the boundary line, except classified motor  
19 vehicles that were registered in the adjoining counties prior to July 1, 2011. For the fiscal year  
20 that begins July 1, 2011, all real and personal property located in areas affected by the resurvey  
21 of the boundary line that was subject to ad valorem taxation in that area on January 1, 2011,  
22 shall be assessed and taxed as follows:

- 23 (1) The ad valorem property taxes assessed on all classified registered motor  
24 vehicles registered or listed in adjoining counties between January 1, 2011,  
25 and June 30, 2011, shall be collected by the appropriate adjoining county tax  
26 collector, and all such taxes shall be retained by that adjoining county. The  
27 taxes on all classified registered motor vehicles registered after June 30,  
28 2011, shall be assessed and collected by the county tax department in the  
29 county to which the real property wherein the classified registered motor  
30 vehicles are situated has been annexed.
- 31 (2) The values established by the particular adjoining county tax administrator  
32 on all personal property other than classified registered motor vehicles shall  
33 be used by the county tax assessor without adjustment in computing taxes  
34 due for the fiscal year beginning July 1, 2011. All such taxes shall be  
35 assessed and collected by the appropriate county tax department.
- 36 (3) For the interim time period between the annexation of properties into their  
37 respective counties and until such time as the next regularly scheduled  
38 revaluation period, Alamance County and Orange County may select either  
39 of two methods of valuating the property annexed into their respective  
40 county by this act. The selection of either method by a county shall not give  
41 any individual or entity grounds for challenging such temporary valuation.  
42 Such methods are delineated as follows:
- 43 a. The values established by the adjoining counties' tax administrators  
44 on all real property formerly taxed in their respective county shall be  
45 adjusted by the appropriate county tax assessor by applying the  
46 difference between one hundred percent (100%) of such values and  
47 the appropriate county median ratio, as established by the Sales  
48 Assessment Ratio Study compiled by the North Carolina Department  
49 of Revenue as of January 1, 2012. The taxes determined by applying  
50 this method will be collected and retained by the appropriate county  
51 tax collector. The value of such property shall then be revalued

1 according to the regularly scheduled revaluation period for each  
2 county.

3 b. The values established by the adjoining counties' tax administrators  
4 on all real property formerly taxed in their respective county shall be  
5 adopted by the appropriate county tax assessor upon the transition of  
6 property to the adjoining county. The valuation of such property shall  
7 then be revalued according to the regularly scheduled revaluation  
8 period for each county.

9 (4) Beginning January 1, 2012, all property in areas affected by the resurvey of  
10 the boundary line that is subject to ad valorem taxation shall be listed,  
11 assessed, and taxed by the appropriate county tax administrator in the same  
12 manner as is prescribed by law for all other property located within each  
13 county.

14 (5) The final tax values of property subject to ad valorem taxation in areas  
15 affected by the resurvey of the boundary line as of January 1, 2011, shall be  
16 determined by the adjoining county tax administrator. Appeals to the North  
17 Carolina Property Tax Commission or to the courts by property owners of  
18 properties affected by the boundary line change shall be defended by both  
19 counties, and both counties shall be responsible for their costs and expenses,  
20 including attorneys' fees, incurred in connection with such appeals.

21 (6) Any unpaid taxes or tax liens for the fiscal year ending June 30, 2011, or for  
22 prior years on property subject to taxation in areas affected by the resurvey  
23 of the boundary line shall continue to be valid and enforceable by the  
24 respective adjoining county, including (i) the foreclosure remedies provided  
25 for in G.S. 105-374 and G.S. 105-375 and (ii) the remedies of attachment  
26 and garnishment provided for in G.S. 105-366 through G.S. 105-368. The  
27 Alamance County and Orange County tax administrators shall supply one  
28 another with a list of unpaid taxes as of July 1, 2011. Any such taxes  
29 collected by either county shall be promptly paid to the appropriate  
30 adjoining county, including accrued interest. The provisions of  
31 G.S. 105-352(d) shall not apply to: those areas in an adjoining county  
32 previously taxed by either county outside the areas affected by the resurvey  
33 of the boundary line that shall forthwith be properly listed and taxed in the  
34 county to which they have been annexed; and those areas within each county  
35 that were in the past improperly listed and taxed by the adjoining county due  
36 to uncertainty as to the exact location of the true historic Alamance  
37 County/Orange County boundary line. Under the discovery process, each  
38 county may waive any interest and penalties accrued for tax years  
39 2006-2011 in its sole discretion.

40 **SECTION 4.(d)** No cause of action, including criminal actions, involving persons  
41 or property located in areas affected by the resurvey of the boundary line that is pending on  
42 July 1, 2011, shall be abated, and such actions shall continue in the appropriate adjoining  
43 county.

44 **SECTION 4.(e)** The board of elections of each adjoining county shall, effective  
45 July 1, 2011, transfer the voter registration records pertaining to persons residing in areas  
46 affected by the resurvey of the boundary line and located in either county to the adjoining  
47 county's board of elections, and thereafter the registered voters so transferred shall be validly  
48 registered to vote in that adjoining county.

49 **SECTION 4.(f)** The Jury Commission of each adjoining county shall revise its jury  
50 lists to add to or eliminate therefrom those persons subject to jury duty who reside in areas  
51 affected by the resurvey of the boundary line, said revised jury lists to be effective July 1, 2011.

1           **SECTION 4.(g)** The areas affected by the resurvey of the boundary line and  
2 located in each county shall be transferred into the appropriate superior court district, district  
3 court district, and prosecutorial district. The areas affected by the resurvey of the boundary line  
4 shall remain in the same congressional district, the same State House of Representatives  
5 district, and the same State Senate district.

6           **SECTION 4.(h)** Any cause of action relating to taxation as it is currently exercised  
7 by the counties along or near the Alamance County/Orange County boundary, or any other  
8 cause of action related in any way to the Alamance County/Orange County boundary or  
9 properties affected by changes in the boundary, is stayed, and no new cause of action relating to  
10 these matters shall be commenced until ratification of the official line by the North Carolina  
11 General Assembly. Thereafter, causes of action related to the taxation of property shall be  
12 defended as described in subdivision (5) of Section 4(c) of this act.

13           **SECTION 5.** The Alamance County Board of Education shall cooperate with the  
14 Orange County Board of Education on behalf of residents that have students affected by this act  
15 to ensure that a transition is made that provides students and their siblings with a choice to  
16 remain in their current school system until graduation from high school for so long as they  
17 reside in the residence affected by this act.

18           **SECTION 6.** Any child who was a resident of any area annexed by this act on its  
19 date of ratification and who was a student in the Orange County or Alamance County school  
20 system during the 2009-2010 or 2010-2011 school year, and the siblings of any such person,  
21 may attend school in the same school system previously attended without necessity of a release  
22 or payment of tuition. Any such student, while attending the Orange County school system,  
23 shall be considered a resident of Orange County for all public school purposes, including  
24 transportation, athletics, and funding formulas. Any such student, while attending the  
25 Alamance County school system, shall be considered a resident of Alamance County for all  
26 public school purposes, including transportation, athletics, and funding formulas. Notice must  
27 be given to all affected school systems by the parent or guardian in order to exercise the  
28 privilege granted by this section.

29           **SECTION 7.** Alamance County and Orange County shall establish an  
30 administrative method by which owners of property that is annexed or bisected by the North  
31 Carolina Geodetic Survey line shall have the opportunity to petition Alamance County and  
32 Orange County either to remain in the county to which their property was previously assigned  
33 or, in the case of a bisection, to be assigned to one county or the other, save and except that  
34 small lot subdivisions shall not be divided on a lot by lot basis. Notice of such opportunity to  
35 petition shall be delivered by United States mail to the affected property owners no later than  
36 30 days after the effective date of this act. All administrative reviews on such petitions shall be  
37 concluded and final no later than December 15, 2010.

38           **SECTION 8.** Alamance County and Orange County shall cause areas of the  
39 boundary line to be resurveyed in areas where property owners have met the established  
40 administrative criteria to be assigned to a specific county and in areas where for practical or  
41 other reasons the North Carolina Geodetic Survey line is not reasonable or is unduly  
42 burdensome.

43           **SECTION 9.** Upon the conclusion of the survey and petition process established in  
44 Section 7 of this act, and no later than May 15, 2011, Alamance County and Orange County  
45 shall submit to the North Carolina General Assembly for ratification a completed survey that  
46 includes both the North Carolina Geodetic Survey line and all mutually agreed upon  
47 modifications thereto.

48           **SECTION 10.** The elected and appointed officials and employees of Alamance  
49 County and Orange County shall incur no liability under any local or North Carolina statute,  
50 law, ordinance, rule, or regulation for any act or failure to act relating to taxation, school

1 attendance, land-use controls, elections, or any other governmental function as it relates to the  
2 currently utilized boundary line of Alamance County and Orange County.

3 **SECTION 11.** Owners and future owners of properties affected by this act shall be  
4 put on notice of the terms and conditions of this act by a written instrument filed in the office of  
5 the register of deeds of the county to which the property has been annexed.

6 **SECTION 12.** This act becomes effective July 1, 2010.