2008

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION

MINUTES

HOUSE
OF
REPRESENTATIVES

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION

2007 – 2008
INTERIM

Office of Speaker Joe Hackney
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on Municipal Annexation (hereinafter "Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26(a) of the Rules of the House of Representatives of the 2007 General Assembly.

Section 2. The Committee consists of the 12 members listed below, appointed by the Speaker of the House of Representatives. The Speaker of the House of Representatives shall designate two co-chairs. Members serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives may dissolve the Committee at any time.

Representative Bruce Goforth, Co-Chair
Representative Paul Luebke, Co-Chair
Representative Larry R. Brown
Representative Nelson Dollar
Representative Earl Jones
Representative Louis M. Pate, Jr.
Representative Edgar V. Starnes
Representative Fred F. Steen, II
Representative Russell E. Tucker
Representative Trudi Walend
Mr. Douglas Aitken, Moore County
Ms. Judith Welch Wegner, Orange County

Section 3. The Committee shall study the topic of municipal annexation in North Carolina. As a part of its study, the Committee shall examine the current State law on municipal annexation and its application, reports of prior legislative committees that have examined this subject, and whether any changes are needed to the State's current annexation statutes.

Section 4. The Committee shall meet upon the call of its Co-Chairs. A quorum of the Committee shall be eight members.

Section 5. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes.

Section 6. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1.

Section 7. The expenses of the Committee including per diem, subsistence, travel allowances for Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations. Individual expenses of $5,000 or less, including per diem, travel, and subsistence expenses of members of the Committee, and clerical expenses shall be paid upon the authorization of the Co-Chairs of the Committee. Individual expenses in excess of $5,000 shall be paid upon the written approval of the Speaker of the House of Representatives.

Section 8. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Committee.

Section 9. The Committee may meet at various locations around the State in order to promote greater public participation in its deliberations. The Legislative Services Commission shall grant adequate meeting space to the Committee in the State Legislative Building or the Legislative Office Building.

Section 10. The Committee may submit an interim report on the results of the study, including any proposed legislation, on or before May 1, 2008, by filing a copy of the report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives on or before December 31, 2008, by filing the final report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee terminates on December 31, 2008, or upon the filing of its final report, whichever occurs first.

Effective this 15th day of November, 2007.

Joe Hackney

MEMBERS OF ANNEXATION COMMITTEE

Rep. Bruce Goforth, Co-Chair
137 Stonecrest Drive
Asheville, NC 28803
(828) 298-6237

Rep. Paul Luebke, Co-Chair
1507 Oakland
Durham, NC 27705
(919) 286-0269

Rep. Larry Brown
PO Box 85
Kernersville, NC 27295
(336) 996-4099

Rep. Nelson Dollar
PO Box 1369
Cary, NC 27512

Rep. Earl Jones
21 Loney Circle
Greensboro, NC 27406
(336) 273-0840

Rep. Louis Pate, Jr.
102 Meredith Street
Mount Olive, NC 28365
(919) 658-6170

Rep. Edgar Starnes
6715 Lakeview Terrace
Hickory, NC 28601
(828) 326-9653

Rep. Fred Steen
PO Box 308
Landis, NC 28088
(704) 857-0857

Rep. Russell Tucker
464 Hwy. 11
Pink Hill, NC 28572
(252) 568-3295

Rep. Trudi Walend
112 Ridgewood Pl.
Brevard, NC 28712
(828) 883-3790

Mr. Douglas Aitken
42 Oxton Circle
Pinehurst, NC 28374
(910) 295-5809

Ms. Judith W. Wegner
2307 Pickard Mountain Rd.
Hillsborough, NC 27278
(919) 929-5024

STAFF (919) 733-2578

Steve Rose
Giles Perry
Erika Churchill
Denise Huntley

COMMITTEE ASSISTANTS

Ann Jordan
(919) 733-5746

Rosa Kelley
(919) 715-3012

Rules for House Select Committee on Municipal Annexation
Public Hearing

1. All speakers must sign up on the "Speaker Sheets" before the public hearing. Two sign up sheets will be available, one "pro" and one "con" concerning the state's annexation laws.

2. Registration for speaking will begin at 4:00 p.m., one hour prior to the convening of the hearing at 5:00 p.m., and continue until 6:00 p.m.

3. Speakers will be chosen alternately from each list, in the order of registration.

4. If a speaker is not present when called, the speaker will be skipped at that time. Time permitting at the end of all registered speakers, those skipped will be allowed to speak.

5. Speakers are asked to limit their comments to 3 minutes. Time will be kept by the Sergeant-at-arms.

6. Speakers are asked to provide a written copy of their comments, if possible, and any additional material they may want to add to the Committee record, to the Committee clerk

7. Speakers are cautioned to direct their comments to the issue of the State's annexation laws. Decency of speech shall be observed by all speakers, and disrespect of personalities avoided.

8. The Presiding Chair, at the Chair's discretion, may change these guidelines if conditions warrant a change.

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ATTENDANCE

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION

2007-2008 INTERIM

DATES	1/30	2/13	3/18 P.H.	4/9 P.H.	4/23	5/19
Rep. Bruce Goforth, Co-Chair	✓	✓	✓	✓	✓	✓
Rep. Paul Luebke, Co-Chair	✓	✓	X	✓	✓	✓
Rep. Larry Brown	✓	✓	✓	✓	✓	✓
Rep. Nelson Dollar	✓	✓	X	✓	✓	✓
Rep. Earl Jones	✓	✓	X	✓	✓	✓
Rep. Louis Pate, Jr.	✓	✓	✓	✓	✓	✓
Rep. Edgar Starnes	✓	✓	✓	✓	✓	X
Rep. Fred Steen	✓	✓	✓	✓	✓	✓
Rep. Russell Tucker	✓	X	X	✓	✓	✓
Rep. Trudi Walend	✓	X	✓	✓	✓	✓
Mr. Douglas Aitken – Public Mem.	✓	✓	✓	✓	✓	✓
Ms. Judith W. Wegner-Pub. Mem.	X	✓	✓	✓	✓	✓
STAFF						
Steve Rose	✓	✓	✓	✓	✓	✓
Giles Perry	✓	✓	✓	✓	✓	✓
Erika Churchill	X	✓	X	X	✓	✓
Denise Huntley	✓	✓	X	X	✓	✓

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION

Wednesday, January 30, 2008
Room 544, Legislative Office Building
10:00 A.M.

Representative Bruce Goforth, Co-Chair, called the meeting to order and welcomed the members, guests and introduced the staff. He thanked all of them for their presence at this first meeting of the committee.

Members present: Representative Bruce Goforth, Co-Chair; Representative Paul Luebke, Co-Chair; Representative Larry Brown, Representative Nelson Dollar, Representative Earl Jones, Representative Louis Pate, Jr., Representative Edgar Starnes, Representative Fred Steen, Representative Russell Tucker, Representative Trudi Walend, and Public Member, Douglas Aitken.

Staff present: Steve Rose, Giles Perry and Denise Huntley, all from the General Assembly Research Department.

Steve Rose, Staff Attorney, read the Charge to the Committee as received from the Speaker of the House of Representatives, Joe Hackney. (Attachment No. 1)

Representative Goforth introduced David M. Lawrence, Professor of Public Law and Government, UNC-CH School of Government. Mr. Lawrence presented an Overview of Current North Carolina Annexation Law which included the following:

- **Some Annexation History**
- **Some Basic Principles of Annexation Law**
- **Annexation Standards**
- **City Service Requirements**
- **Legal Challenges to Annexations**
- **The Four Annexation Standards**

(For further information on Mr. Lawrence's presentation, see Attachment No. 2)

Representative Goforth thanked Mr. Lawrence for his presentation following questions and comments from the members. At this point, Representative Luebke, Co-Chair, presided.

The following are items the committee members would like addressed and discussed at future meetings:

1. **Aitken (See Attachment No. 3 for his suggestions.)**
2. **Pate – Voluntary annexation used as a bridge for involuntary annexation.**
3. **Jones – Recent history of successful challenges**
4. **Steen – Remedies factor – possible abuse of time line**
5. **Jones – hear from proponents of present system – possible League**
6. **Goforth – voice in the process – have a year away from election cycle**
7. **Luebke – Public Hearing in June – why would anyone want to be annexed voluntary that already have benefits of annexation?**
8. **Dollar – Live and work in different counties – citizens obligation to pay for those services – water issue will drive some annexations**
9. **Starnes – Municipals – decision of intent – are they not required to show they can provide water/sewer (Steve Rose addressed this question)**
10. **Goforth – according to Dr. Lawrence annexations don't have to do any services**
11. **Pate – Section 9 of charge – hold meetings in various locations around state**
12. **Jones – standard of criteria for annexation**
13. **Walend – annexation across county lines – (Rutherford & Polk) how often & specifics**
14. **Pate – preemptive – inc form own municipalities – look and policies**

The following citizens made comments to the committee:

Ken Moore – Davidson County Commissioners
Ed Spencer – New Hanover County
Cathy Heath – Stop NC Annexation
David Wilson – Cumberland County
Lydia Bost – Attorney
Charlie Marigdon – Moore County
Mr. Tetterdon – Johnston County

Ron Thoreson – Orange County
Bob Pleasants – Goldsboro, NC

The Chair announced the next meeting would be on Wednesday, February 13, 2008 here in the Legislative Office Building at 1:00 p.m.

The following meeting will be held as a Public Hearing in Asheville, NC on Wednesday, March 19, 2008 at AB Tech at 5:00 p.m.

There being no further business, the meeting adjourned at 12:00 Noon.

Rep. Bruce Goforth, Co-Chair

Rep. Paul Luebke, Co-Chair

Rosa S. Kelley, Committee Assistant

Additional Attachments

Policy Notes
A Look at Annexation Laws (A State by State Report)

(A Visitors Registration Sheet is attached to these Minutes.)

House Select Committee on Municipal Annexation

January 30, 2008
10:00 a.m.
Room 544

Agenda

I. Welcome and Introductions
Rep. Bruce Goforth, *Co-Chair*
Rep. Paul Luebke, *Co-Chair*

II. Committee Charge

III. Overview of Current North Carolina Annexation Law

David M. Lawrence
William R. Kenan, Jr. Professor of Public Law and Government
UNC-CH School of Government

IV. Committee Discussion

V. Adjourn

Attachment No. 1

Office of Speaker Joe Hackney
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

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Effective this 15th day of November, 2007.

Joe Hackney

Attachment No. 2

House Select Committee – Municipal Annexation

David Lawrence
School of Government

Some Annexation History

1. Before 1947 there was no annexation statute. All annexations were done by or pursuant to local legislation.

2. From 1947 until 1959, the annexation statute effectively required voter approval for an annexation. As a result many cities still sought to accomplish annexations through local legislation.

3. The current involuntary annexation statutes were enacted in 1959.

4. In the 1980s the statutes were amended to create protections for volunteer fire departments and private solid waste collectors.

5. In 1998 the statutes were amended to modify the standards of urban development and to protect property subject to use-value taxation.

Some Basic Principles of Annexation Law

1. The General Assembly still may accomplish or authorize annexations by local act; it may also create exceptions to the general annexation statutes by local act.

2. There are two *voluntary* annexation procedures – one for property that is contiguous to the city and one for property that is not contiguous but that is within 3 miles of the city (so-called satellites). These annexations are voluntary in the sense that all the owners of all the property in question must sign a petition seeking annexation.

3. *Involuntary* annexation is only available for property that is contiguous to the city and can be used only from the primary city limits; that is, a city may not undertake an involuntary annexation from a satellite.

4. The basic policy of the involuntary annexation statute is that if an area that is adjacent to a city has become urban in character or is in the process of doing so, the city has the unilateral right to annex that area. The city's reciprocal responsibility is to provide city services to the annexation area on the same basis as services are provided within the pre-annexation city.

The Four Annexation Standards

There are four alternative standards that a city may use to qualify an area as developed for urban purposes. The city may divide the annexation area into one or more parts, and apply a different standard to different parts.

A. The *use and subdivision standard* (available to all cities):

1. Use test. The area is so developed that at least 60% of the total number of lots and tracts in the area are used for residential, commercial, industrial, institutional, or governmental purposes' and
2. Subdivision test. It is so subdivided that at least 60% of the total acreage, not counting acreage used for commercial, industrial, institutional, or governmental purposes, consists of lots and tracts of 3 acres or less.

(*Used for residential purposes* means a lot or tract five acres or less, on which is a habitable dwelling unit.)

A. *Nonresidential urban uses standard* (available to all cities):

An area in which all tracts are used for one of the following uses: commercial, industrial, governmental, or institutional.

B. *Population density standard* (available only to cities of 5000 or more):

The area must have a "total resident population equal to at least two and three-tenths persons" per acre.

D. *Density and subdivision standard* (available only to cities of 5000 or more):

1. Density test. The area has a total resident population of at least one person per acre.
2. Subdivision test. It is so subdivided that
- at least 60% of the total acreage consists of lots and tracts of 3 acres or less; and
- at least 65% of the total number of lots and tracts are of 1 acre or less.

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION

Wednesday, February 13, 2008
Room 643, Legislative Office Building
1:00 P.M.

Representative Paul Luebke, Co-Chair called the meeting to order and welcomed the members, guests and staff present. He thanked all present for their attendance at this meeting.

Members present: Representative Bruce Goforth, Co-Chair; Representative Paul Luebke, Co-Chair; Representative Larry Brown; Representative Nelson Dollar; Representative Earl Jones; Representative Louis Pate; Representative Edgar Starnes; Representative Fred Steen; Mr. Douglas Aitken and Ms. Judith Wegner:

Staff present: Steve Rose, Giles Perry, Erika Churchill and Denise Huntley, all from the General Assembly Research Department.

The Chair asked for a motion to approve the minutes of the January 30, 2008 meeting and they were approved unanimously as written.

Representative Luebke introduced Dr. Paula Sanford, a Public Service Associate, Governmental Services and Research, Carl Vinson Institute of Government, University of Georgia. Dr. Sanford gave a presentation based on a Public Policy Research Series entitled "AN ASSESSMENT OF MUNICIPAL ANNEXATION IN GEORGIA AND THE UNITED STATES". (See Attachment No. 1) In Dr. Sanford's remarks she explained the Service Plan Statutes which included the following types of provisions: Considerations in whether to approve annexation; Specific services listed in law, Plan available before hearing on proposed annexation, Time frames to provide services, Special considerations for water and sewer services, Fiscal impact on city and property owners, Township's ability to continue to provide services, Rights of property owners if municipality does not provide service, Special tax considerations for property owners, and When service plan is not required – exceptions. She then explained Annexation Plans and Growth Plans which included: Purpose, Annexation within predetermined territory, Time frame of plans and Approval – Who has the authority? (See Attachment No. 2)

Representative Luebke then introduced Dr. Betty Hudson, a Public Service Assistant, Government Services and Research, Carl Vinson Institute of Government, University of Georgia. Dr. Hudson explained information entitled Consent to Annexation by Property Owners and/or Residents: Review of Various Methods of Annexation, Petition by property owners and/or electors (100%) (Less than 100%); Ordinance of Resolution of municipality; Requirements for referenda in the area annexed and/or in the annexing municipality, States with no referendum requirement, Unincorporated Islands, Legislative annexation, Deannexation and County's authority to object to annexation. (See Attachment No. 3)

Representative Luebke thanked both Dr. Sanford and Dr. Hudson for coming to Raleigh to help and further explain this truly enormous problem facing many areas of our State today.

Representative Goforth, Co-Chair took over presiding at this point.

The next speaker on the agenda was DeWitt F. "Mac" McCarley, City Attorney, City of Charlotte. Mr. McCarley explained ANNEXATION IN THE CITY OF CHARLOTTE. (See Attachment No. 4)

Mr. S. Ellis Hankins, Executive Director of the North Carolina League of Municipalities, was introduced for comments on how the League feels about annexation. (See Attachment No. 5-a) The next part of his presentation was Annexation Laws Key to Smarter Growth. (See Attachment No. 5-b)

Public Speakers were then asked to make their presentations. They were as follows:

Rep. Angela Bryant – Halifax County (See Attachment No. 6)
Bob Pleasants – Good Neighbors United
Grady Jefferys – Self
Don Beal – Self
Gary Galloway – self
Dallas Woodhouse – Americans for Prosperity
Jack Fisher – Winston-Salem, N.C.
Cathy Heath – Stop N. C. Annexation
Tony Tetterton – Johnston County Citizens for Justice

The Chair announced the following meetings: March 19, 2008 – Public Hearing in Asheville, NC; April 9, 2008 – Public Hearing in Raleigh, NC in Room 643 of the Legislative Office Building; April 23, 2008 – Regular and Final Meeting – Raleigh, NC in Room 544 of the Legislative Office Building.

The Chair thanked all who came and for their input at this meeting. There being no further business, the meeting adjourned at 4:10 p.m.

Respectfully Submitted,

Representative Paul Luebke, Co-Chair

Representative Bruce Goforth, Co-Chair

Rosa S. Kelley, Committee Assistant

Additional Attachments

Letter from Lydia Boesch, Attorney at Law
Letter from John C. Boesch, President, "Stop the Taking of Pinewild"
Letter from Florine Bell, Lincoln Heights Community Development Center, Inc.

(A Visitors Registration Sheet is attached to these Minutes.)

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

2/13/08
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CATHY HEATH	STOP NC ANNEXATION
TOM CLARK	PINEWOLD @ Mineral Springs NC
Thirsa Clark	Pinewild, NC
Dallas Woodhouse	Americans for Prosperity
Allison Fowler	NC State Grange
Steve Woolson	NC Farm Bureau
Becki Gray	John Locke Foundation
Steve Metcalf	Town of Beaufort
Andy Romanet	NCLM.
Matt Darnell	Policy Group

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

2/13/08
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Patti Hoy	for Repl. Waland
Jim Blackburn	Association of County Commissioners
Anita Watkins	NCLM
Mary Jeffreys	Self
Don Beal	Self
Dave Fisher	Self
Jerry Johnson	SELF
Bob Pleasants	Good Neighbors United
Jerry Jensen	BLCAC - Asheville - Buncombe Cty
Judy Lowe	LA; Rep Danny McComas

VISITOR REGISTRATION SHEET

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Name of Committee

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Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Paul Meyer	NCACE
Kim Hibbard	NCLM
Patrick Buffkin	Nelson Mullins
David Lawrence	UNC Sch of Gov't
R. Paul Wilms	NCHBA
Ken McHow	Electric Cities
Diane Standaert	UNC School of Law

LYDIA BOESCH
Attorney at Law

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PINEHURST, NORTH CAROLINA 28374
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(910) 255-3063 FAX
Lydiaowen@aol.com

February 13, 2008

VIA HAND DELIVERY

The Honorable Paul Luebke
Chair
House Select Committee on Municipal Annexations
529 Legislative Office Building
Raleigh, NC

Dear Representative Luebke:

I am writing as an attorney who has been dealing with forced annexation issues for several years and as a target of a municipal forced annexation. I respectfully request that the House Select Committee on Municipal Annexations carefully consider the following insights I have gained thorough my experiences:

I. The Services Issues

A. The forced annexation statutes require that the municipality *extend* or *provide* five major municipal services into the area being annexed: road maintenance, water and sewer, fire protection, solid waste collection, and police protection. Despite this clear language, many municipalities continue to insist that targeted citizens pay for the "services" they receive, and it's obvious that the municipalities mean more than the five major services.

The language regarding"extending" or "providing" services contemplates that services will be extended outward from the municipality. It does not contemplate individuals traveling *into* the municipality to take advantage of amenities within the municipality. I would suggest that, if individuals choose to take advantage of these amenities, they should pay a user fee. Everyone in outlying areas benefits from the major services extended outward. Therefore, increased taxes are appropriate. A user fee is more appropriate for those individuals who elect to travel into a municipality take advantage of the various amenities the municipality might provide.

B. Should targeted citizens be forced to accept inferior services, in place of the superior services they already receive? This very question was asked by a Superior Court judge last year. If residents of the targeted area already have acceptable municipal services, should they be forced to give those services up and

accept the inferior services offered by the municipality that is attempting to annex them by force? This issue will arise more frequently as municipalities forcibly annex area that have the full range of major municipal services.

II. Private Communities

A. The existing forced annexation statutes were enacted in 1959. Private, Common Interest Communities were not created until the 1960s. Therefore, it is clear that the statutes never contemplated the forced annexation of these communities. These communities usually have all of the five major services, plus they are bound together by their Contracts, Covenants, and Restrictions, bylaws, rules, and regulations. Should the municipality be allowed to force its services, rules, ordinances, and laws on these communities? Should the municipality be allowed to supplant the rules and regulations that bind the residents of the private, Common Interest Community, while giving those residents little to nothing in return for the increased taxes they will be forced to pay?

B. Our community recently filed a lawsuit against the Village of Pinewild, in the Middle District of North Carolina, Rockingham Division addressing this very issue. See Boesch, et al., v. Village of Pinehurst, No. 1:08-CV-74.. We believe that no court in the United States ever has addressed the forced annexation of a private, Common Interest Community. Thus, the case is a case of first impression, and could have significant impact on the annexation of private, Common Interest Communities in North Carolina.

C. The North Carolina forced annexation statutes state that the territory, citizens, and property of an area being annexed is subject to all laws, ordinances, and regulations of the annexing municipality. Yet, in depositions, Village of Pinehurst officials have testified under oath that not all laws, ordinances, and regulations will apply because our community is private. So, what is the law? Can a municipality possibly have discretion to determine which rules apply and which don't? I doubt it. The Legislature must address this issue.

III. Litigation Issues

A. One of the most disturbing aspects of the litigation requirements is that ordinary citizens have to dig into their pockets to file a lawsuit against the municipality. Nothing is right about this, especially when the municipality is assisted by the taxpayer-funded League of Municipalities.

Do you know how much it costs to fund a lawsuit all the way through the

appellate process? It is easily $100,000. Do you realize how many ordinary citizens are required to fund this very expensive litigation? Do you have any idea how sickening it is for these citizens, many of whom are unfamiliar with the rigors of litigation, to actually contemplate suing the government? It's daunting for most of them. Does it seem acceptable and appropriate to you that citizens of a targeted area must engage in creative fund-raising (e.g., bake sales, raffles, special events) to raise huge sums to fight the municipality, and that these efforts must be carried out for two to three years? It's exhausting. Then, when the municipality engages in tactics to run the citizens out of money, it's frightening to them. This entire process just isn't right.

B. It is an abomination that the statutes provide only for a limited review of the municipalities' actions. The statutes assume that municipalities followed the correct procedures and used the tool of forced annexation for valid, statutory reasons. Recently, in many cases, the municipalities have not employed correct procedures and are using the forced annexation statutes primarily as a money-making device. When the targeted citizens complain about the profit motive, the municipalities argue that these complaints are not properly before the court, in this limited-review setting.

In addition, the statutes don't even provide for the taking of discovery and the North Carolina Rules of Civil Procedure don't even apply! A court eventually held that the poor citizens actually could take advantage of discovery tools. This is unthinkable that the citizen's rights are being overrun in the process until the annexation ordinance is adopted, then the statutes give them only a limited voice in litigation. This must change.

IV. Other

In your first meeting, Representative Jones commented that it seemed that municipalities might be using the forced annexation statutes just for monetary reasons. That is absolutely true. The Village of Pinehurst has said numerous times that this is one of their two reasons for annexing our community. This is not a valid statutory purpose. Then, to make matters worse, when we try to argue to a court that this reason is improper, the Village argues either that their motives are irrelevant or that our arguments are outside of the scope of limited review. This must change.

V. Conclusion

The forced annexation statutes were enacted in 1959, based on a study commissioned ***more than fifty years ago.*** The statutes from the start were biased in favor

of the municipalities. The rights of the citizens, if ever sufficiently protected, are not being protected now. Professor Lawrence even testified at your first meeting that North Carolina's forced annexation statutes are the most municipal-friendly in the country.

Much has changed since 1959, yet our forced annexation statutes have remained virtually unchanged. The testimony and other evidence before you surely demonstrate that a dramatic change is needed, and needed soon. Thousands of North Carolina citizens are being harmed by these statutes and by the continued abuse of these statutes by municipalities. I urge you to do something as soon as possible to provide more protections to North Carolina citizens all over the state.

Thank you for your careful consideration of the above. I am happy to talk with you or your staff at your convenience.

Very truly yours,

Lydia Boesch

Lydia Boesch

Stop the Taking Of Pinewild

February 13, 2008

The Honorable Paul Luebke
House Select Committee on Municipal Annexations
529 Legislative Office Building
Raleigh, North Carolina

Dear Representative Luebke:

In North Carolina, a blind eye continues to be turned to the suffering and the injustices that are occurring with increasing frequency through involuntary annexation.

The state of North Carolina is awash in the societal flotsam and jetsam of forced annexation. Tens of thousands in Fayetteville are paying taxes for services that some may not receive in their lifetimes. Tommy West, a wounded Korean war veteran, will lose his home if forcibly annexed by Lexington. Don Beal, in Cary, has made two huge payments for sewer services he is yet to receive. Ordinary citizens are being forced to pay for services that are being imposed on them by force – services they neither want nor need.

These citizens all tried to resist. There were varying degrees of failure. But, all failed. Why? All had at least some will to resist. All had the guts to stand up to tyrannical municipalities. Some even had the resources to mount a defense. However, these defenses were puny in face of the combined forces of their annexing town and the League of the Municipalities.

John Hood, of the John Locke Foundation, has called the practice of forced annexation repugnant. Forced annexation in North Carolina is light years beyond repugnant. It is despicable and it is tyrannical. Allow me to clarify this statement.

The League has a "playbook." It is replete with the "how-to's" and "sound bytes," complete with sample questions and answers for municipal officials to use in trouncing those who attempt to oppose a forced annexation.

When these flawed forced annexation laws were drafted, they were supposed to be about extending services related to health, safety, and welfare of the urban citizen. High minded. High sounding. But, the harsh reality is this: Most forced annexations are now about money. Blatantly about money, and about grabbing more territory. But the law does not mention increasing the tax base as a reason to annex. The law is supposed to be about extending services. So, you would think that money and land grabs would not stand up in a court of law as a valid reason for annexation, as they are not services. Well, they stand up as valid reasons because the court never hears about them.

The League is proud of saying that citizens who are annexation targets have a voice – they can take their opposition to court. Not entirely true. In fact, an outright falsehood if you want the court to hear the real reasons for your being annexed: money and territory.

I'm there. I am in court with Pinehurst. I am the president of StTOP (Stop the Taking Of Pinewild), and I am telling you that there is no level playing field for forced annexation opponents in the North Carolina judicial system.

When you finally get into court, you find that there is virtually no way to overcome the clever trap that the drafters of the laws have set (yep, the same folks that say we have a voice -- we can take it to court). You are forced into a "limited review" that is as farcical as the statute's required Public Hearings. The courts for years have only been able to rule on whether the municipality followed a step by step procedure – very narrow and very limited. Fairness is not part of the equation. Citizen involvement is not part of the equation. This process is the equivalent of Lindbergh trying to cross the ocean by flapping his arms!

The Pinehurst attorney from the League's favorite law firm told our Superior Court judge on Monday that the judge could not hear the documented claims made by the Village of Pinehurst that "It's about the money!" The law does not allow this evidence, according to this attorney.

And, forget services! Nothing Pinehurst is offering holds a candle to the services we now enjoy in Pinewild, our formerly peaceful, safe and tranquil community. But, we can't argue that! The League certainly had a large influence in the writing of these laws. The high sounding policy statutes – the underlying reasons for the law existing – are meaningless because they cannot, according to the League, be heard in court. Almost fifty years ago, the General Assembly passed these draconian, "one size fits all" laws. And, for the same amount of time, the League, using taxpayer funds, has effectively crushed any meaningful reform.

There has been NO MEANINGFUL REFORM in a half-century. Where were you in 1958? Think back. It was a different time. Think of all that has changed – technology, travel, styles, education, music, the world map, the structure and fabric of society and cities. And through all that time, there has been a great myth built about the North Carolina annexation law being the envy of other US states. Yet, it doesn't even work as advertised in North Carolina. Please keep that *fact* in mind as you review how other states accomplish their annexations. Only through prevarication can one present a compelling case for the North Carolina forced annexation laws.

We must never turn a blind eye to the suffering of the innocent at the hands of a few evil men. Our annexation laws are repugnant, draconian, tyrannical, unfair and obsolete. As written, they support and encourage unbridled land and money grabs. They hurt good people. They must be changed!

Kindest Regards,

John C. Boesch
President

Attachment No. 3

Fair ANNEXATION COALITION

www.fairannexation.com email: FAC@nc.rr.com

Representative Bruce Goforth, Co-Chair
Representative Paul Leubke, Co-Chair

Gentlemen: January 28, 2008

It is a great pleasure to have the opportunity to serve on this House Select Committee for Municipal Annexation. Having two citizens appointed by Speaker Hackney shows his concern for this critical issue.

In the almost fifty years since this law was enacted, I dare say that there have been hundreds of thousands, nay millions of citizens annexed by the municipalities of North Carolina. I do know that between 1999 and 2003 there were almost a thousand annexations a year. (Karen E. Ubell in a North Carolina Law Review article, "Consent Not Required: Municipal Annexation in North Carolina." September 2005.)

Certainly, many of those annexations were done in accordance to the spirit and intent of the current law. And certainly many municipal elected officials and professional managers did their best to balance the needs of their municipalities with the desires of the unincorporated citizen. In almost every case, I am sure the needs of the municipalities prevailed, regardless of the good intentions of those officials.

Additionally, I am equally sure that there have been thousands of annexations where the law was not followed and where municipal services were not provided. And this has led to situations where citizens are paying taxes and not receiving the services demanded by the law.

And the recourse allowed for this abused citizen is minimal, as we will see during the course of our meetings.

The Agenda for the January 30, 2008 meeting stated that Mr. David Lawrence will make a presentation. I hope we have a chance to ask questions of this acknowledged expert on North Carolina annexation law.

In addition, the meeting notice stated: "Members can also raise concerns and issues they would like addressed by the committee."

As far as my "issues and concerns" I would refer to paragraph three of the Speaker's Nov. 15, 2007 announcement:

"The Committee shall study the topic of municipal annexation in North Carolina. As a part of its study, the Committee shall examine the current state law on municipal annexation and its application, reports of prior legislative committees that have examined this subject, and whether any changes are needed to the State's current annexation statutes."

1. I would think we would want to examine the make-up and assumptions of the Municipal Government Study Commission, from which the current law was drafted.

2. We should also examine the 1983 Legislative Research Commission to determine who was on the Commission, what recommendations were proposed, and what changes actually were made to the law.

3. Again in 1998, the Legislative Research Commission published suggested changes to the law after a series of meetings. It would prove instructive if we looked at who was on this Commission, who appeared before it, what recommendations were made to it, and which of those recommendations were implemented. For those recommendations that were not implemented, it would be useful to know why.

4.I have many specific items about the law which I will happily present to the Committee when convenient.

5. The Committee should invite to appear before it a broad range of individuals and organizations:

a. County Commissioners, and not just the North Carolina Association of County Commissioners.

b. John Locke Foundation

c. Cedar Grove Institute

d. North Carolina Grange

e. Elizabeth R. Connolly, author, "Bargain Basement Annexation: How Municipalities Subvert the Intent of North Carolina Annexation Laws."

f. Grady Jefferies, author, "Fighting Annexation: How to Protect Your Property Rights Against Municipal Tyranny."

g. Town Commissioners/Mayors

h. Other Representatives or Senators who have an interest.

i. Organized citizen groups from around the state.

j. The League of Municipalities, and

k. The citizens of North Carolina.

I am looking forward to this experience and am hopeful that meaningful reform will result from our work.

Sincerely,

Douglas B Aitken, member
House Select Committee on Municipal Annexation

Public Policy Research Series

Carl Vinson Institute of Government ◆ The University of Georgia

POLICY NOTES

MAY 2002

VOL. 3, NO. 5

Annexation Law in Georgia Serves Multiple Stakeholders and Is Relatively Comprehensive

Betty J. Hudson and Harry W. Hayes

Municipal governments use annexation as part of a long-term growth strategy and an ad hoc measure to accommodate or control urban sprawl.

The benefits of annexation are manifold. Municipal governments use annexation as part of a long-term growth strategy and an ad hoc measure to accommodate or control urban sprawl. As an integral part of urban development, proponents of annexation justify the activity through several important arguments such as contiguity, land management, and environmental protection. Economic interests, such as diversifying the tax base and promoting economic development, also are important stimuli for annexation. In counties that provide few services or low levels of service, annexation relieves public pressure to supply urban services that are already available from the city. For property owners, annexation may offer the opportunity to receive services, or a higher level of service, not currently available from the county.

County officials may resist annexation, perceiving the maneuver as a "land grab" by cities that causes hardships on the remaining unincorporated areas.

As with any public policy, concerns over annexation exist alongside benefits. Property owners living within the city may believe that annexation will result in an excessive financial burden, that the city may become too large, or that municipal leadership will neglect the older areas of the city. Property owners in unincorporated areas may consider the benefits accruing from the new services to be unequal to the increased tax burdens and may therefore oppose annexation proposals. County officials may resist annexation, perceiving the maneuver as a "land grab" by cities that causes hardships on the remaining unincorporated areas. Urban counties may face more complicated issues than rural counties, such as conflict over zoning regulations and changes in land use for land proposed for annexation.

To understand the effects of annexation law on annexation activity, researchers have categorized annexation methods but have ignored many other facets of annexation law. The classification schemes are often mutually exclusive in that a state is forced into one category, even if the state has multiple annexation methods that serve various stakeholders. Expanding on the work of others (Sengstock 1960; Galloway and Landis 1986; NACo 1999; Palmer and Lindsey 2001), we develop a new stakeholder approach to classifying state annexation laws. Nineteen of the most commonly found provisions of annexation law are classified based on who is served—the state, city, county, property owner, or all groups (i.e., universal interests). (For a more complete presentation of this research, see Steinbauer et al. 2002.)

Using 19 of the most commonly found provisions of annexation law, we categorize state laws based on who is served—the state, city, county, property owner, or all groups.

The table presents the legal provisions of annexation law by primary beneficiary. Although an argument can be made that laws benefit multiple groups, this classification scheme categorizes legal provisions according to which stakeholder receives the primary benefit.

The research reveals the variety of law among states, but more important, it shows that states—including Georgia—do seek to balance interests. Every state has at least one annexation law that protects each interest.[1] Furthermore, no state has enacted all 19 provisions. The states address the needs of various groups through basic provisions such as contiguity and public hearings, but the laws are also very different in their details. These details reflect the influence of various groups as well as the attitudes of the state's citizenry toward urbanization, property rights, and local authority.

[1] New England states, Hawaii, and Pennsylvania do not have unincorporated land and therefore do not have laws addressing municipal annexation of unincorporated land.

The requirement for contiguity is the most widely utilized annexation law in the nation, adopted by all but one of the states that permit municipal annexation of unincorporated areas. Other widely enacted legal provisions include annexation by local ordinance (93 percent), annexation upon the petition of either the property owner or the voters of an area (93 percent), and the requirement for some type of public hearing (88 percent). Georgia law generally requires that an area to be annexed be contiguous to the annexing city, with very limited exceptions. The state's municipalities are authorized to annex by local ordinance and by property owners or a combination of property owners and residents petitioning the city. A public hearing is required under one of the annexation methods.

Georgia has enacted 13 of the 19 most common annexation legal provisions—more than any other state.

At the other end of the spectrum of state regulation, only 17 percent of states require the preparation of impact reports prior to annexation or facilitate annexation for reasons of health or safety hazards. Twenty-nine percent of states have some type of boundary agency with authority over annexations. Georgia is among the majority of states that have not adopted any of these provisions.

Provisions of Annexation Law, by Primary Beneficiary or Stakeholder

State	County	Municipality	Property Owner/ Resident of Area	Universal Benefit
Boundary Agencies (29 percent)	Contiguity Required (98 percent) GA	Noncontiguity Allowed (33 percent)	Service Plans (48 percent) GA	Abate Health and Safety Hazards (17 percent)
Annex by Legislature (14 percent) GA	Impact Plans (17 percent)	Municipal Land: Ease Annexation (52 percent) GA	Election in Area to be Annexed[c] (67 percent) GA	Public Hearing (88 percent) GA
Judial Review: Judicial Decision[a]	Islands: Forbid Creation[b] GA	Islands: Ease in Annexation[b] GA	Annex through Petition (93 percent) GA	Judical Review: Appeal Annexation[a] GA
	County Approval (48 percent) GA	Cross-county Annexation (40 percent) GA		
		Election in City[c] (40 percent)		
		Annex through Local Ordinance (93 percent) GA		

Notes: The 19 legal provisions included in this table are based on a review of 1999 annexation laws in all 50 states. The percentages of states that have a provision are in parentheses. GA = the provision has been enacted in Georgia.

[a] Provisions related to judicial review include judicial decision-making authority on proposed annexations and/or the right of an affected party to appeal an annexation. Eighty-five percent of states have at least one law pertaining to judicial review.

[b] Provisions pertaining to unincorporated islands include those that facilitate annexation of existing islands and/or those that prohibit the creation of new islands. Fifty-five percent of states have at least one law pertaining to unincorporated islands.

[c] Provisions related to elections include the holding of elections in the area to be annexed or elections in that area *and* in the existing city.

Historically, annexation in Georgia has been and continues to be a controversial topic, as evidenced by the recent Association County Commissioners of Georgia and the Georgia Municipal Association Joint Task Force on Annexation. As our analysis indicates, however, Georgia annexation law is relatively comprehensive: Georgia has enacted 13 of the 19 most common annexation legal provisions—more than any other state. Moreover, although the state's provisions have developed incrementally, they clearly reflect the major interests of essential stakeholders.

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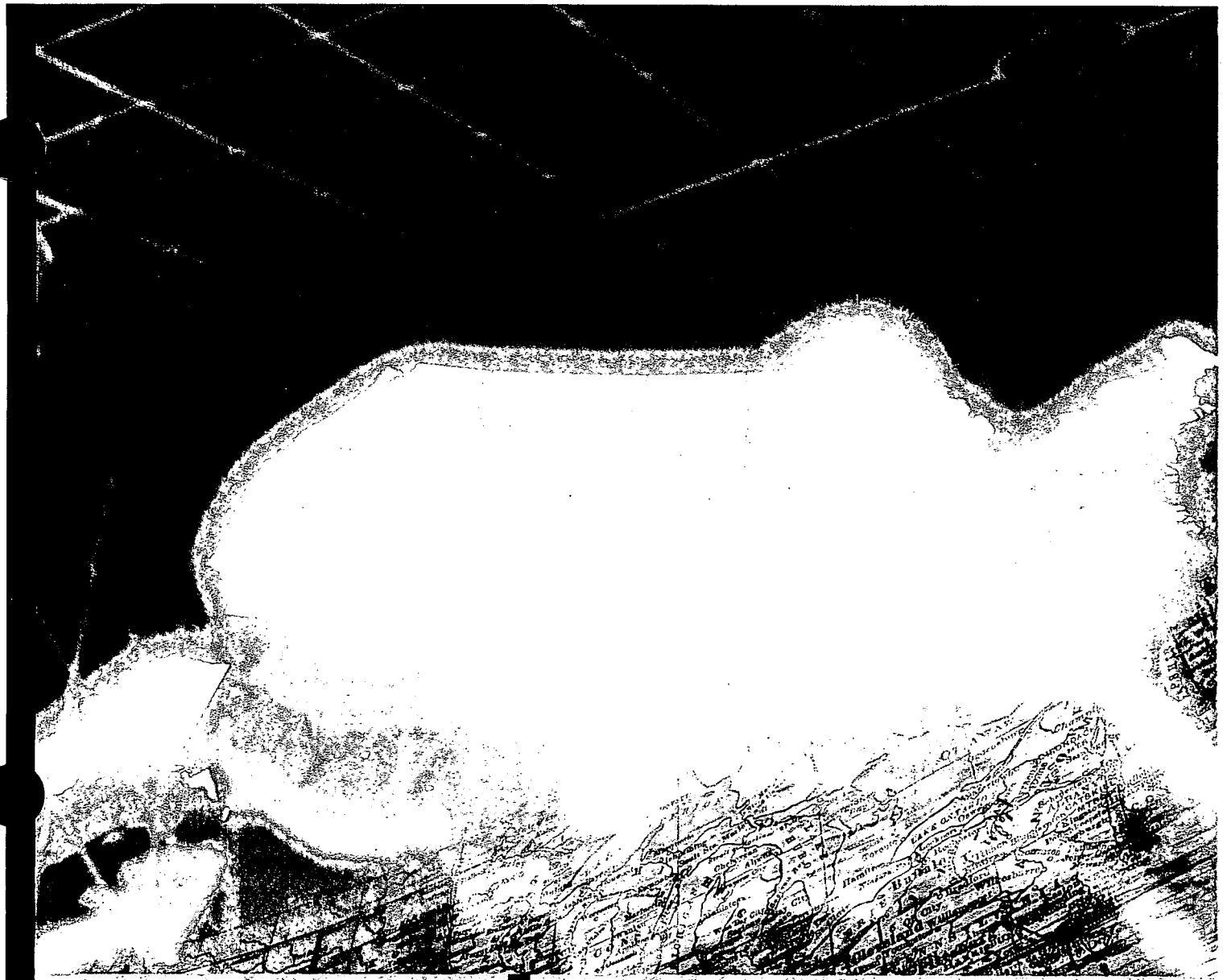
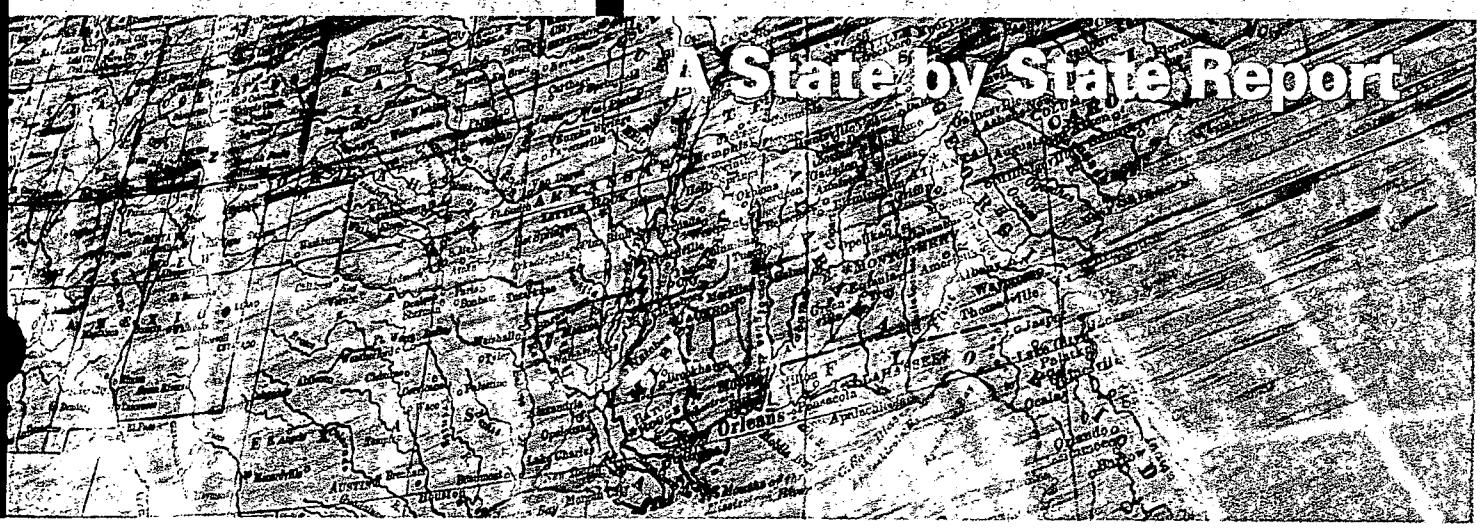


NACO National Association of Counties

The Voice of America's Counties

A Look at Annexation Laws

A State by State Report



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A Look at Annexation Laws

A State by State Report

This book provides a summary of general annexation procedures on a state by state basis. Greater detail and more specific definitions can be obtained by reading the exact text of individual state laws, especially those that have been highlighted underneath each entry. Primary documents of state annexation laws are listed at the back of the book.

For more information about this publication or the programs included, please contact:

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Oct 2007

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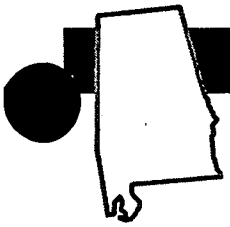


ALABAMA

Code of Alabama: 11-42-1 to 11-42-6; 11-42-20 to 11-42-24; 11-42-40 to 11-42-88; 11-42-120 to 11-42-126; 11-42-150 to 11-42-167

• Annexation by election

The council body of the municipality may approve a resolution for the annexation of new territory so that the public interest of the acquired area is better served inclusive of the city's limits. The probate judge shall be presented with the resolution and map of the proposed territory. An election shall be called for in the following 10-15 days and be held 20-40 days after the order. Notice of the election shall be published in a newspaper distributed within the proposed territory. The notice must include the location and time as decided upon by the probate judge. Voter qualification requires a three-month residency within the territory. Election costs transfer to the annexing municipality.

An election is not require if, within the 10 day period prior to a recorded call for an election, all of the territory's voters submit a written consent for annexation.

• Annexation by petition (into municipality with 2,000 or more)

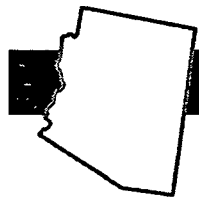
Property owners may request annexation into an adjoining municipality so long as the proposed territory is under no prior jurisdiction. They must present a petition signed by all the property owners and include a description of the territory along with a map. Annexation takes effect once the petition is accepted by the municipality.

ALASKA

Alaska Statutes: 29.06.040-29.06.055; 29.06.090-29.06.170

• Annexation

The Local Boundary Commission reviews any submitted proposal for annexation and has the authority to make additional edits before entering it into the legislature. The proposal is adopted unless faced with majority rule opposition within each house. The Local Boundary Commission establishes the method for annexation which must include the following: a majority vote of approval by residents of the municipality; majority vote of approval by residents in the territory; the ability to annex by a petition submitted by the property owners and electors in the bordering area; and annexation of property owned by the municipality without election.



ARIZONA

Arizona Revised Statutes: 9-121 to 9-131; 9-471 to 9-472; 11-269.07

• Annexation

Annexation may occur so long as the proposed territory is contiguous to the annexing municipality. The municipality may enter a petition with a map and description of the proposal to the county recorder of the territory. A 30 day period must lapse before the petition becomes available for signing. A public hearing shall be held in the last ten days at which the municipal council will hear any argument regarding annexation. Notice of the hearing shall be sent out in the following manner: publication in a newspaper distributed within the municipality and the proposed territory at least 15 days prior to the end of the 30 day period; placement in three of the territory's prominent locations; a mailed account to the chairman of the board of supervisors; and a mailed account with a detailed map to the property owners that would come be taxed in the event of annexation. After the 30 day period, the petition shall become accessible to the public. The petition must be signed by owners of at least 50% of the property's value and 50% of those who own property that would come under taxation if the area is annexed. No changes can be made to the petition once it gains its first signature. The petition must be completed within a year following its availability to the public, and annexation occurs 30 days after approval.

Restrictions

Annexation may not occur if it results in the extension of a municipality so that it surrounds an independent area. However, this does not apply in the case that a municipality already encloses the territory, or if it shares the boundary of the area on at least three of its sides.

Territory featured in a previously failed annexation proposal must wait a 45 day period following the initial request before it can be considered again for annexation. Permission must be obtained from the state land commissioner if the proposal contains state owned land.

Remonstrance

Protest to annexation may be submitted in the 30 days

before annexation enters into effect. The submitted petition must include the reason(s) by which annexation fails to comply with the standards as set by the Arizona Revised Statutes.

Annexation of a park
A park maintained by the county may be annexed with the permission of the board of supervisors.

De-annexation followed by annexation
An area may be de-annexed from one municipality and annexed by another so long as it shares a boundary with the latter. The councils of both municipalities must submit an ordinance to the board of supervisors. The board decides on a hearing to take place on a date 30-60 days from the time that the ordinance was entered and inform the council of each municipality 30 days prior to the hearing. The de-annexing municipality must mail notices to all property owners at least 20 days prior to the hearing and include information regarding the area under discussion and future tax obligations. The notice must inform the property owner of his right to protest the action. De-annexation shall fail to occur if the board of supervisors hears opposition by property owners that account for a majority of the proposed area's lands. A period of one year must pass before any future proposal for de-annexation can be submitted.

Annexation of unincorporated islands
The board of supervisors can request annexation of territory within the county if it measures less than or equal to 10 acres and is surrounded by the municipality. The municipality shall receive the proposal and a map of the territory. A public hearing will be held on the question of annexation. The same information shall be mailed to owners of property in the territory and owners of railroad property. Notice of the proposal must be displayed in three prominent locations in the territory. The hearing may occur any time 90 days after the notice. A two-thirds vote by the board members in favor of annexation confirms the action.

Annexation shall not occur in the event that a petition of protest is signed by a majority of territory's property owners. The petition must be received within 60 days of the notices.

Annexation shall not occur if a municipality approves of a resolution in opposition to the annexation within 60 days following the delivery of the mailed notices. The opposing municipality must enter the resolution to the board of supervisors and mail notice to the territory's proprty owners.

ARKANSAS

Arkansas Code: 14-40-201 to 14-40-601

• Annexation by ordinance

A municipality's council may pass an annexation ordinance by a two-thirds vote. The territory must contiguous to the annexing municipality and meet one of the following criteria: platted and designated as municipal lots; sold as suburban land; used for the municipal growth as it extends past its designated boundary; used by a service that provides for the municipal population; or valued for its future utility to the municipality.

The ordinance shall include a description of the proposed territory, provision of municipal services over a period of three years, and a date for an election. The election follows 60 days or later after the passage of the ordinance and is conducted on the second Tuesday of the month unless it coincides with a presidential primary election or a general election. In such an event, the elections will occur simultaneously.

The municipality will recognize all residents of the territory prior to the election date. Eligible voters may participate in the election. Notice of the election shall be published in a newspaper distributed within the municipality. Annexation requires a majority approval vote.

If two municipalities pass an ordinance to annex the same or an overlapping portion of the territory within 30 days of each other, both elections shall take place. Of the two elections, one must take place 30 days before or after the other. If only one of the elections gains majority approval, then only the approved annexation shall occur. If both elections result in a favorable vote, a third election shall be held. Only those residing in the portion of the territory claimed by both municipalities will vote in the third election. The final election will address the question of which municipality shall annex the disputed territory. In case of a tie, the territory will be annexed by the municipality that gained the greater percentage votes in either of the two prior elections.

Annexation of surrounded land
An unincorporated island may be annexed by the surrounding municipality. Annexation requires the adoption of an annexation ordinance. If two municipalities surround the territory, the municipality having a greater length of boundary shared with the territory may request an ordinance for annexation unless otherwise decided upon by the two cities.

The annexation ordinance shall include a description of the territory and services provided by the municipality. The proposed territory must satisfy the prerequisite standards as set out by the general annexation law. A public hearing shall occur within the 60 days following the ordinance. The municipal council must publish and mail notices to the property owners of the territory at least 15 days before the hearing. The ordinance will be put to a vote at the next planned general meeting. Annexation requires a majority vote if approval, upon which services of the municipality will be extended into the newly incorporated area. Any opposition to the ruling must be made in the following 30 days.

Territory adjacent to county seat
Territory contiguous to the county seat may be annexed by ordinance if the territory requires services from the town in order to provide for its public interest. The county must have at least two levy courts and be inhabited by 13,250-14,000 persons.

• Annexation by petition
A petition may be entered into the county court of the municipality signed by a majority of the real estate owners of the unincorporated area. A hearing shall be set to occur at a date after a 30 day period. Within the 30 day period, a weekly notice shall be published in a newspaper distributed throughout the county for a period of three consecutive weeks. If no newspaper is available, then notice shall be placed in a prominent location within the municipality for a minimum of three weeks prior to the hearing. The notification should include the contents of the petition and the time and location of the hearing. The court will proceed to confirm the petition and agree to annexation once it verifies the document, authenticates the signatures through a set standard, and reviews the description of the proposed territory. No action shall be taken in the next 30 days during which opposi6tion to the act may be entered through the circuit court. A judge may cancel the act if he finds that requirements for annexation have not been met. Annexation occurs in the event that the 30 day period passes without the submission of any protest.

• Annexation by judicial review
Annexation may occur through the judicial process if the unincorporated territory does not meet the standards as set out by the general annexation law. Action must be filed with the circuit court in the county of the territory in the 30 days following the election. The court shall determine if annexation procedures have been followed. Upon the court's approval, annexation enters into effect on the date of the court's decision.

• Annexation of land in contiguous counties
Territory in a contiguous county may be annexed if it serves the interest of the municipality's prosperity. The territory may be annexed if it has a population of 75,000 or less.

• Change in judicial districts
Annexation resulting in a change of judicial districts may occur if a county hosts more than one judicial district with a levy court for each district. The issue of annexation is heard by the court of the district that holds the annexing municipality. Following annexation, the incorporated area falls under the district of the municipality.

• Remonstrance
The property owner may request de-annexation if the municipality fails to extend its services to the annexed area in the three years following annexation.

• Limitations
Annexation cannot occur if: the land is best used for agriculture or horticulture and has a fair value in the market or if the area is to receive federal aid through Title IV of the Housing and Urban Development Act of 1970 to form a new community.
If the annexed area is based on agriculture and/or horticulture, it may continue to function for the same purpose following annexation so long as the owner wishes.
A municipality with a population less than 1,000 cannot annex more than 10% of its municipality's measured area per given year.

• Parks and airports
Annexation of municipally-owned parks and airports may occur if the municipality has a population of at least 40,000 and not greater than 80,000 in counties with 140,000 inhabitants or more. Annexation of parks may also occur if the city population numbers at least 6,000 and not greater than 6,450 in counties with a total population between and inclusive of 22,600 and 22,800.
Municipality may annex territory within a half mile distance of a state park in a county with a population over 350,000 only it is on the other side of a river; on the other side of and south of a railroad; or through a majority vote by those inhabiting the territory.

CALIFORNIA

Government Code: 56000 et seq.

• Local Agency Formation Commissions
The Local Agency Formation Commission is an agency that plays an active role in the local government affairs regarding cities, counties, and districts. It holds a regula-

tory role in regards to annexation procedures. The commission may set requirements to annexation and has the authority to either approve or reject the proposal. The commission shall deliver its decision after a hearing and its deliberation of the proposal.

• Annexation procedures

Annexation may be initiated by either a petition or resolution of application. Application for annexation shall be composed of: the petition or resolution; the purpose of the proposal; a map and details of the proposed territory; information as required by the commission or that which would be of use to the commission; the names of the officers who shall be provided with copies of the document and receive notice of the hearing. The application shall be submitted to the commission of the county in which the proposed territory is situated. Upon receipt, the executive officer shall send notice of the application to all concerned agencies, the county committee on school district organization, and the school superintendents of the districts within the proposed territory. No notice is required if the municipality has already delivered a similar mailing. Upon submission of the completed application, the executive officer shall produce a certificate of filing and publish notice of a hearing to be held in the next 90 days. Notice of the hearing must also be mailed to the necessary parties affected by the annexation. Following the hearing, the commission shall review the application and evaluate the proposal. Annexation occurs upon the issuance of a certificate of completion. Proceedings conducted before January 1, 2001 shall continue under the laws by which they were instated.

Initiation by resolution

A municipality may initiate annexation proceedings by passing a resolution of application. Prior to the resolution, the municipality shall send notice of its intent to pass such a resolution to the commission and all concerned agencies. The notice will describe the annexation and the proposed territory. Aside from the required signatures, the resolution is similar to the petition. The resolution shall be accompanied by a plan for service extension.

Initiation by petition

A petition for annexation must contain the following: the purpose of the petition and the consequence of the proposal; a map and description of the territory; the terms and conditions of annexation; the reason for annexation; identify the signatories as either registered voters or landowners; name, at most, three persons as chief petitioners; and cite the section of the code (56700) by which to follow annexation proceedings. Signatures must date within six months for the petition to be considered valid.

Remonstrance

Opposition to annexation must be filed within the designated time limit or otherwise be considered void.

• Annexation of islands

Unincorporated islands may be annexed without an election in event of the following: the municipality proposes annexation by resolution; the proposed territory measures 150 acres or less; the territory is within the limits of the annexing municipality or a combination of several municipalities; the territory does not exist as a gated community that is provided for by a community services district; the territory is a developed or developing area; the territory does not satisfy the definition of agricultural land; the territory profits from the municipality; and the territory has existed as an island prior to January 1, 2000. The municipality may prepare an annexation plan for territory that measures more than 150 acres.

Aside from the above considerations, annexation proceedings require a public hearing. The city council will pass a resolution to proceed with annexation and decide on the date for a second public hearing. The city council may then pass a resolution for annexation and send necessary documents to LAFCO. Annexation enters into effect upon a certificate of completion.

It is encouraged that municipalities annex the whole unincorporated islands versus partial annexation of the area. Municipalities should annex unincorporated islands presently in their urban service areas before proceeding in any other annexation proposal.

COLORADO

Colorado Revised Statutes: 31-12-104 to 31-12-120

• Prerequisite

Unincorporated territory must meet the following criteria in order to be eligible for annexation: one-sixth or more of it must be contiguous to the municipality; it shall undergo urbanization if it has not already done so; it is assimilated or can be assimilated with the municipality; and the territory and municipality must have shared interests. Contiguity is the basis for compliance with this law unless the council finds that the territory to meet two of the following criteria: fewer than 50% of the territory's inhabitants utilize the municipality's religious, social, industrial, commercial, civic, recreational services; fewer than 25% of the inhabitants are employed in the municipality; at least 50% of the land area is used for

and will continue to be utilized for agriculture for a minimum of five succeeding years; it is not convenient to extend municipal services to the territory. These factors shall not be taken into account if the territory has no residents at the time of the council's hearing or if services are to become available in the future through a quasi-municipal corporation.

• Annexation by ordinance

Unincorporated islands

Territories existing as unincorporated islands for at least three years are not held accountable by prerequisite standards. Annexation requires the municipal council to weekly publish the proposal over the course of four weeks in a newspaper distributed within the territory. No public hearing is required. Notice must be published a minimum of 30 days before the ordinance is approved.

Annexation of unincorporated islands that have a population greater than 100 and measure more than 50 acres requires the municipal council to authorize an annexation transition committee consisting of: five persons who inhabit, claim property or commerce in the proposed area; two persons who act for the municipality; and two persons who act for the county in which the area is located. The committee shall serve as a liaison between the county, municipality, and the residents of the proposed territory and must create a method of communication for those within the territory in order to discuss annexation.

Unincorporated municipal lands

Unincorporated territory owned by the municipality may be annexed through an ordinance by the council and does not require either notification or a public hearing.

• Annexation by petition

A general petition for annexation requires the signatures of persons owning more than 50% of the property in the proposed territory. The petition must include the reasoning for annexation; indication that standards for annexation are met; information regarding each of the signatories accompanied by documents regarding authenticity; and request for the act of annexation. Map and details regarding the proposed territory shall be entered with the petition and outlined in a specific manner as requested. Signatures must be dated less than 180 days to the time that it is entered.

The municipal council may pass a resolution to annex the territory. A date shall be set for a hearing on the question of annexation. Purpose of the hearing is to make sure that all is in compliance for annexation to proceed. Notice of annexation and the hearing shall be published weekly for a period of four weeks in a newspaper distributed in the territory. The first notice shall be published at least 30 days prior to the hearing date. The petition, resolution for considering annexation, and notice must be sent to the county commissioners and the county attorney presiding over the territory. This must be done at least 25 days before the hearing date. The hearing must begin on the set date as was published and may be lengthened to another set date if the municipal council is unable to complete its review in one session. The annexing municipality shall compose an impact report no later than 25 days to the date of the hearing. The report will include: map(s) of the present municipality and the unincorporated area including an outline as to the proposed annexation, current public services (such as roads, waterways, sewers, etc.), future extension of such services to the territory, and present and suggested land use pattern in the territory; if possible, any pre-annexation agreement; consent by the municipality to extend its services upon annexation; a description of method by which the municipality shall finance the service extensions; the districts within the unincorporated area; and reference to school districts affected by annexation, along with the number of students and the necessary provisional funds. The report must be entered to the county commissions of the county in which the territory is situated. Such a document is unnecessary if the proposed territory measures ten acres or less or if the municipality and county commissioners agree that the action is unnecessary.

The council shall review and approve that all requirements for annexation have been met and may proceed to hold an election. Notice of the election will be published on a weekly basis for a period of four consecutive weeks in a newspaper distributed within the territory. Any owner of property in the proposed territory shall be eligible to vote. Notice of the election shall also be made available at each polling location. Elections that result in a tie or a majority vote against annexation will cancel all actions for the proposed annexation. Annexation requires a majority vote of approval followed by a court decree in consent of annexation and the adoption of an annexation ordinance by the municipality. Upon annexation, the municipality will enter a map describing the annexation and the initial annexation ordinance to the clerk. Three certified copies of the ordinance and map shall also be turned into the clerk and recorder of the affected counties. Annexation occurs upon the filing of these documents.

Petition to hold annexation election

Electors may petition the municipal council for a referendum. The petition must be signed by 75 eligible electors or 10% of electors if the area is within a county with a population greater than 25,000. If the county population equals 25,000 or less, the petition must contain a

minimum of 40 signatures or 10% of electors, depending on whichever number is the lesser of the two. The petition must include the reason for annexation; indicate that requirements for annexation have been met; information regarding the voter eligibility of each signatory and the person's status as a landowner; and request for an election. The document will be accompanied by a map and description of the proposed territory, outlined as requested. Signatures must be dated less than 180 days to the time that the petition is entered. The petition shall be reviewed in the same manner as a general petition for annexation.
The two petitions are alternative methods for annexation and dealt separately. However, in the case that both are filed, the petition for an election gains priority so long as it is entered ten days or more before the hearing of a general petition for annexation.

For a 12 month period, a municipality may not engage in annexation of a territory in which an election for annexation by the same municipality has been held.

No election required
If petition for annexation is signed by persons owning 100% of the property of the unincorporated area, council may pass resolution for annexation without an election.

• Claims by multiple municipalities
A second municipality may file for annexation of a similar territory or an area which overlaps with the annexation proposal of another municipality. An election will be held to decide which municipality shall continue with its annexation claim.

If multiple municipalities wish to annex the same territory, the election will include the name of all parties. The decision will be based on majority vote. In case no majority vote occurs, then a second election will be held including the names of only the top two municipalities from the previous election. The second election will be held four to seven weeks following the first election, and the court will determine the proper manner of notification.

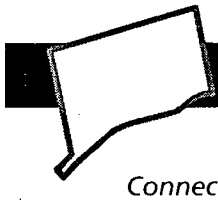
If the territory shares more than two-thirds of its border with one of the municipalities, then the area will be annexed to such municipality unless 75% or more of the votes in the election prefer annexation to the other municipality.

• Requirement of court approval
Annexation that results in the separation of a school district requires court approval. If the election results favor annexation, the Board of Education of the annexed territory must be notified of the action. In the next 30 days, the municipality must request the courts approval through petition. The exception to this rule is an area with a population less than 500 residents, or if 100% of landowners sing the petition for annexation.

• Limitations
In outlining the annexation of a proposed area, dually-owned property can only be separated by consent of the owners or if the land is partitioned by a public division. Once the annexation process has begun, another municipality cannot enter a new petition unless the petition is entered at a time preceding the hearing date set by the first municipality.

If annexation results in a transfer of an area from one school district to another, the gaining school district's board of directors must consent to the action.

The municipality may only extend up to a three-mile limit per year. Exceptions to this rule are when the three-mile limit results in separating a property of which 50% or more lies within the three-mile boundary, and the annexation of enterprise zones.



CONNECTICUT

Connecticut has no county governments.

DELAWARE

Delaware Code: Title 22, sections 101; 101.A; 105

• Prerequisites
The most recent comprehensive plan must feature the proposed territory as a site for potential annexation. If the territory is not presented as such, the plan must be reviewed and updated. The proposed territory must be contiguous to the municipality; roads, canals, and/or waterways do not disqualify an area from annexation. The municipality must provide an outline as to the extension of its services and the means through which it will extend such services.

• Annexation
The municipality must take the following actions: give state notice; show that it has sent notification to related jurisdictions; hold a public hearing; and allow a minimum 30-day period to lapse before formally annexing

the territory. Upon receipt, such documents shall be turned into the State Office of Planning Coordination along with any response to the protests.

If any conflict arises between jurisdictions, the Advisory Council on Planning Coordination will delegate the manner in which to handle the situation.

Annexation by municipality of over 50,000

Any one of the following may submit a petition: the chief executive officer of the municipality; a member of the municipality's legislation; or 25% of the eligible voters in the unincorporated territory. The petition must include a description of the territory and be turned into the clerk of the municipality and the clerk of the county in which the territory resides. The municipal council will pass an annexation ordinance that shall be signed by the chief executive officer. The legislative body of the county shall pass an ordinance in support of annexation, and the chief executive officer of the county must sign in support of the action. An election is held 30-60 days after the chief executive officer's approval. In the event of majority approval, the results of the election shall be verified, and annexation enters into effect on the first day of the next succeeding month.

Florida Code: Title 12, 171.041- 171.046

• Prerequisite

Proposed territory must be contiguous to the municipality. It may not enclosed within the boundaries of another municipality nor be dispersed land. A municipality may annex only within county limits. Proposed territory must comply with one of the two categories:

1 – Portion of the territory must be developed for urban use. Such utility is characterized by a residing population equal to a minimum of two persons per acre; a residing population equal to a minimum of one person per acre, and land divided into lots 60% of which measure one acre or less; or an already developed area in which 60% of lots are divided and have urban use and 60% of the area (not including non-residential urban use) measures five acres or less.

2 – The territory is located between the municipality and an area characterized by urban use and annexation of the buffer territory is required in order for the municipality to extend its services to the urbanized area, and the urbanized area cannot border the municipality without the inclusion of the undeveloped territory; or the territory shares 60% or more of its border with that of the municipality and the developed area.

Annexation by ordinance

The municipality shall compose a report on service extensions. The report must include the following: a written declaration that the proposed territory satisfies the standards for annexation; map(s) of the municipality and the territory that shows the present-day and anticipated extensions of the border lines, sewers, waterways, and land use patterns; and a financial account and method of extending municipal services in the event of annexation. The municipality will submit the report to the county commissioners.

The municipal council must hold two public hearings prior to passing an annexation ordinance and provide adequate advertisement for each hearing. Following the hearings, the council shall pass an ordinance in favor of annexation. The territory's voters shall then have the opportunity to vote on the ordinance. A similar election may be held within the municipality and for its voters. The notice of the referendum shall be published on a weekly basis in a distributed newspaper for at least two consecutive weeks and will contain the ordinance number, location and time of the referendum, and a description of the proposed annexation. The ordinance must also be made visible at each location on the day of the vote.

The ordinance enters into effect upon a majority vote of approval. Annexation requires majority approval by both the municipality and the unincorporated territory if a referendum is held in both areas. If either election results in a majority vote versus annexation, the ordinance shall not be deemed effective. A re-submission for annexation by the municipality requires a waiting period of two years from the date of the referendum.

If more than 70% of the unincorporated area is property of person and/or industries not registered in the territory, annexation requires approval by persons owning a majority of the territory's land; consent must be obtained prior to the referendum. Consent by persons owning a majority of the land certifies annexation if the territory has no registered voters on the date that the ordinance is passed. If no municipal election is held, then ordinance enters into effect once the necessary number of property owners approves annexation.

Annexation by petition

The municipal council may receive a petition signed by all owners of property within a territory proposed for annexation. The council shall verify the petition and pass an ordinance for annexation and the reconstruction of

the municipality's boundary lines. Prior to the ordinance, notice shall be published on a weekly basis for a period of two consecutive weeks in a distributed newspaper. In the absence of a municipal and county newspaper, notice shall be placed in a prominent area for a period of four consecutive weeks. The notices must provide the ordinance number, a description of the proposed territory, and a map. The municipality shall also send notice by mail to its county commissions. The ordinance must be entered within seven days of its approval to the clerk of the circuit court and the chief administrative officer of the county and be accompanied by a map relaying the unincorporated territory and its description.

Annexation by petition shall be followed as a complimentary measure to any other annexation proceedings unless municipalities are located in counties with charters that designate an alternate method of annexation. Annexation may not occur if it results in the formation of an unincorporated island.

Annexation of unincorporated islands
The Legislature prohibits the existence of unincorporated islands, and, if any exist, they must be annexed. If the area measures less than ten acres, annexation may occur through interlocal agreements with the unincorporated territory under the authority of the county; or if the area has less than 25 registered voters, then annexation may occur by ordinance so long as 60% of those voters approve of annexation through referendum.

GEORGIA

Georgia Code: 36-36-2 to 36-36-59

• Methods for annexation

Annexation by 100 percent method
Annexation by this method requires contiguity as defined by a shared border measuring a minimum of one-eighth of the border or 50 feet. Streets, waterways, ways of public services, and municipal property do not invalidate an area for annexation. Property, excluding that of public service, must adhere to the minimum size standards of the municipality; furthermore, property may not be divided in order to justify any requirements of annexation.

All owners of private property in the proposed territory must submit a written and signed application requesting annexation to the municipal governing body. The general procedures shall then apply, and annexation occurs through ordinance. The municipality shall enter the identification of the newly added area to the Department of Community Affairs and the county in which the territory is situated.

Annexation may occur by an agreement between the municipality and county in which the territory is situated so long as the proposed territory is contiguous to the municipality.

If the proposed territory is situated in a neighboring county, the municipality must obtain permission from the county governing authority that has jurisdiction over the area. In the ten days following receipt of an application for annexation, the municipal corporation should deliver a written notification to the county in which the territory is situated; the notice shall be accompanied with a map or description of the proposed annexation. The county governing authority has 15 days following the delivery to ask for a meeting with the municipality in order to discuss the annexation. The meeting, if requested, shall occur in the 15 days following the request unless the municipality and county agree upon an alternative date.

If the county opposes the action, it may pass a resolution against annexation. The resolution must be approved within 30 days of the earliest of the following: the close of the county-municipal meeting; or 30 days after the municipality has delivered its written notification to the county listing its intent to annex. In such a case, the municipality may appeal through entering a complaint to the superior court of the neighboring county. The judge who presides over the case must not be from either the county circuit or the circuit associated with the municipality. The court shall rule in favor of the county if it finds that the denial for annexation is justified. If not, annexation may proceed.

Annexation by 60 percent method
Annexation by this method requires contiguity as defined by a shared one-eighth of the unincorporated area's border line.

The application for annexation must be signed by persons owning 60% of the land and 60% of the electors that reside in the proposed territory. The application will include the signatory's resident address and note whether he owns property and/or is an elector. The application has a one year time duration which starts on the date of the first signature. The necessary number of signatures must be obtained within the year, or else the application and its signatures are termed invalid. Upon submission, the municipality shall refer to a list of residing electors in order to determine whether the application includes the required number of electors. The municipal governing body must confirm that all requirements are met by the document; otherwise, it will send

notice to the person(s) submitting the application and cite the absent information. The municipality shall set a date for a public hearing if the application meets all set requirements.

Prior to the hearing, the municipality must compose a report of its services that shall be provided to the territory upon its annexation. The report must contain: 1) map(s) of the municipality and territory, present border lines, waterways, sewers, and the extension of the services and change in borders in the event of annexation; and 2) a statement of the municipality's method in which it will pursue the service extension. This plan shall address police and fire services, trash disposal, and street maintenance that must all be provided for at the same level of service as to any other municipal area. These services will be provided at the time of annexation. However, if waterways are inaccessible at the time of annexation, then arrangements must exist for sufficient fire protection until the extension of the water systems. The plan must also outline the service of water mains and sewers in the 12 months following annexation. The report must be accessible to the public at least two weeks before the public hearing.

The hearing will be scheduled for a date 15-45 days after the application for annexation has been approved by the municipality. Persons submitting the application will receive a notice of the hearing, and a general advertisement will be published for two weeks in a newspaper distributed in the municipality and the unincorporated territory. A signatory of the application has the option to remove his name by submitting a notice of his withdrawal at some point within the three days of the hearing.

Annexation occurs in the event that, following the hearing, the governing body decides that the action will serve the best interest of the unincorporated territory and the municipality. It shall pass a resolution for annexation and submit a notice of the annexation to the Department of Community Affairs and the county in which the annexed area is situated.

In the 30 days following the ordinance, any resident elector or landowner of either the annexed territory or the municipality may enter a petition to the superior court of the county requesting declaratory judgment. The municipality, in turn, must enter the record of its official actions and a certified copy of the ordinance. If the court finds that the municipality acted in a manner versus the state criteria and standard of annexation, the ordinance is thereby invalid. If the court finds that services have not been provided to the annexed area, it shall rule in a manner to correct such a deficiency and maintain the ordinance.

Annexation by resolution and referendum

Annexation by resolution and referendum requires the proposed territory to be contiguous to the municipality, unincorporated, and share one-eighth of its boundary lines with the municipality. The territory must only be receiving water and sewer services from the annexing municipality unless a written compromise exists between the municipality and the alternate government service-provider. The proposed territory must either be an urban development, characterized by a population of at least two persons per acre and divided into lots of which 60 percent measure at maximum of five acres and 60 percent of which measure at maximum one acre; or undeveloped and situated between the municipality and an urban development that requires municipal services which must be run through the undeveloped area. In case of the latter, the undeveloped area must share a minimum of 60 percent of its boundary with the municipality and developed area. The municipality shall, in a proper manner, ascertain that the above requirements are met before taking any action of annexation. If municipal methods are questionable, appeals may be made to the superior court. The court will then assess if the municipality made its decision based on accurate data.

The municipality shall pass a resolution of intent to annex that includes a description of the boundary and the date of a public hearing. Prior to the hearing, the municipality shall compose a report of service extensions that includes the following: map(s) of the municipality and the unincorporated area, water mains and sewers, the boundary and service extensions in the event of annexation, and the land use pattern of the proposed area; a statement that supports that the area meets the set criteria making it eligible for annexation; a statement of the municipality's method for service extensions; provisions for of fire and police protection, trash disposal, and street maintenance in the event of annexation and, if a water system is not fully available at the time, an alternative fire protection service until the water lines are accessible; an outline for any required construction work to begin in the 18 months directly following annexation; and the manner in which the municipality will fund the additional extensions. The report must be accessible to the public.

The municipality shall publish a weekly notice in the newspaper for three consecutive weeks, the last of which must be no more than seven days before the public hearing. The notice will contain a description of the territory's boundary, availability of the service extension report, and information on the day, time, and location of the hearing. In absence of a newspaper, the notices shall be placed in three prominent locations within the municipality and three prominent locations within the territory.

A referendum will be held at some time within 30-60 days following the hearing and conducted in the same manner as a special election. Only persons who are registered to vote for the General Assembly and claim residence in the proposed territory shall be eligible to vote. Annexation requires a majority vote of approval. In the event of annexation, identification of the newly incorporated area must be entered to the Department of Community Affairs and the county. If the majority opposes annexation, the action fails and a two year period must follow before any other annexation proceeding.

Annexation by Local Acts of General Assembly
Local Acts by General Assembly may initiate annexation of a territory that has over 50% of its area designated for residential use. Annexation requires approval by referendum if the territory's population numbers more than 500 people, or if it is greater than 3% of the municipal population.

Annexation of unincorporated islands
A municipality may annex an unincorporated island which shares its boundary with the municipality. Annexation occurs by ordinance and takes effect 30 days after notices are mailed to the property owner of the unincorporated area. Identification of the territory must be entered into the Department of Community Affairs and the county in which the newly incorporated area is situated. If two or more municipalities enclose the unincorporated island, the municipality sharing the greatest measure of the area's boundary lines shall have the right to annex unless an alternative agreement is reached between the parties.

If a municipality chooses to annex an unincorporated island, it must present its annexation to the U.S. Justice Department within 90 days of the ordinance's approval. Approval by the U.S. Justice Department is required for annexation.

• General guidelines of annexation

Once the initial proposal is received and approved, the municipality's governing authority must provide a written notice to the county in which the territory is situated and include either a map or documentation with details of the proposed territory. If annexation occurs through Local Act of General Assembly, the county governing authority must receive the legislation for annexation.

Upon receipt, the county governing authority shall respond to the municipality if any of the county's public facilities are situated in the territory. Annexation does not affect county ownership of either facilities or property within the proposed territory. If annexation includes the land on both sides of a county road, the municipality gains the ownership of the road and the responsibility to provide for its maintenance unless the municipality and county reach an alternate agreement. If county property or facility within the annexed area is no longer serviceable to other unincorporated territories in the county, the municipality must assume ownership of the land or property.

Annexation enters into effect the first day of the succeeding month once all requirements have been fulfilled. Annexation by Local Acts of General Assembly enters into effect in accordance to the date prescribed within the document. If a municipality contains an independent school system, a separate timeline will be constructed in order to provide an effective method for school enrollment. Unless a separate date is set by the county and municipality, taxes for property with an independent school system will go into effect on December 31st the year following the year in which annexation requirements were met. For tax purposes, annexation by any other method goes into effect on December 31st of the same year.

• Restrictions

Annexation and/or de-annexation may not occur if it results in an unincorporated island.

No annexation procedures exist.

Idaho Statues: Title 50, chapter 2, 50-222 to 50-223

• Annexation method by categories

Annexation methods differ by the description of the proposed territory. Annexation occurs in the event that the city council approves the action and enacts an ordinance of annexation. A copy of the ordinance must be entered into the county auditor, the county treasurer, the county assessor, and the state tax commission within ten days of the ordinance.

Category A lands
Category A includes islands composed of less than 100 privately owned parcels or a contiguous area of which no private land owner opposes annexation.

Category B lands

Category B includes: areas composed of less than 100 ownerships and lots of which not all land owners have approved of annexation; areas composed of more than 100 ownerships and lots of which persons owning a majority of the property consent to annexation; or areas in which development has been suspended, or its water or sewer connection has been prohibited by the health or environmental agencies.

Territory proposed for annexation must be contiguous to the municipality and located at a distance to which it is affected by the municipality. It must either be divided into lots with a maximum of five acres per lot, sold by a land owner as divided plots measuring no more than five acres, or be surrounded by the municipality if it exists as an island. A plan of annexation shall outline the extension of municipal services, tax alterations, effect of annexation on the local governing system of the area, and land-use and future zoning. Notice of a public hearing will be published in a distributed newspaper, and every property owner of the proposed area must receive mailed notification with an attached account of the annexation plan and its accessibility to the property owner. The notices shall be mailed at least 28 days prior to the public hearing. All notices will include the time of the public hearing and the directions to enter one's opinion on annexation.

Annexation shall also require a majority approval from the county commissions if the proposed territory is composed of municipal-owned property and used as a fairground. Annexation requires written consent of the nongovernmental entity which owns the property if the property serves the public for outdoor recreational purposes, IS assigned as a planned unit development of at least fifty acres, and is not in need of municipal services.

Category C lands

Category C includes areas composed of more than 100 ownerships and lots of which owners of the majority of land have not consented to annexation.

In addition to criteria outlined for lands under Category B, annexation for Category C lands requires proof that land owners consent to annexation. Notice shall be mailed to the territory's landowners who are not serviced by the municipality. The notice shall outline the process in which the person may enter either a written note of consent or opposition to annexation. The city council will review the final report and determine whether the majority opinion of land owners approves of annexation. The council may adopt an ordinance if it finds that the majority consents to annexation.

Noncontiguous lands

Noncontiguous territory may be annexed in the event that it houses a municipal-owned airport or landing field. However, the municipality is forbidden from annexing any area that lies next to its noncontiguous property.

• Appeal to annexation

Any person affected by the annexation has the option to enter an appeal to the district court in the 28 days following the ordinance.

ILLINOIS

Illinois Compiled Statues: Illinois Municipal Code, 65 ILCS 5, Art.7, Div.1

• Prerequisites

Territory proposed for annexation must be unincorporated and contiguous to the municipality.

Contiguity

Unincorporated territories separated from the municipality by railways, strip parcels, and public right of ways are not disqualified for annexation. Unincorporated territory remains eligible for annexation if the land between the municipality and the unincorporated area is a forest preserve, wildlife refuge, open land or open space program, and so long as the municipality can prove that the unincorporated area would have been an extension of the municipality if not for the status of the land in between the municipality and the unincorporated area. Contiguity is not upheld for such areas if the proposed territory shares at least three of its sides with a) other municipalities; b) forest preserves, wildlife refuges, open land or open space; c) other municipalities and forest preserves, wildlife refuges, open land or open space. A territory is also ineligible for annexation if the county population is greater than 600,000 and less than 3,000,000, and in the case that an alternative municipality exists at a closer distance to the proposed territory. Land designated as a forest preserve, wildlife refuge, open land or open space cannot be annexed, nor can it serve as a right of way unless given approval by the authority of the forest preserve district or federal wildlife refuge.

If the annexing municipality is situated in a county with a population greater than 500,000, the unincorporated territory shall be considered contiguous to the municipality if the area in between the two is composed of a river and national heritage corridor. In the event of annexation, the river and national heritage corridor are not to be thought of as part of the annexation.

Contiguity and the Mississippi River
Municipalities may annex noncontiguous unincorporated territory if the county population is greater than 200,000 and less than 255,000 and part of the municipality is situated an area that is encompassed by the Mississippi River and a canal, linked at either ends to the Mississippi River and positioned on U.S. property. Annexation may occur so long as the land that separates the municipality from the unincorporated territory is U.S. property.

• Annexation

By petition
The petition requires the signatures of a majority of land owners and a majority of the electors of the territory proposed for annexation. The petition shall be entered into the circuit court of the county.

By ordinance
The municipality may approve an ordinance of annexation. However, the municipality may not include any plot that measures over ten acres without consent of the owner unless the plot is either divided into lots or if it shares at least three of its sides with land that is divided into lots.

General proceedings
Both petition and ordinance shall request the territory to be annexed to a specific municipality and, depending on the method, the petition or the ordinance must be entered to the circuit court clerk of the county in which the territory is situated. The court will order a hearing to be held in the 20 to 30 days following the receipt of the petition or ordinance. Notice of the submitted document must be sent out 15 to 30 days before the court's decision on a hearing date. Notice shall also be placed in a distributed newspaper, and a copy must be entered to the clerk of the municipality who will then forward copies of the notice to the highway commissioners of the road districts in the proposed territory. Petitions must be verified and confirmed to meeting the standards required for annexation. If the court finds that the petition or ordinance fails to meet criteria, the court shall reject the document. If the court confirms that the document meets all requirements, it shall allow for annexation to proceed. The court will order that the question of annexation be entered to the municipality or the electors of the unincorporated territory.

Annexation requires a majority approval by the corporate authorities of the annexing municipality. Annexation goes into effect 30 days later unless the corporate authorities call for a referendum or a petition for referendum is submitted. If the municipal authorities vote against annexation or do not call for a referendum, a petition may be entered in the next 30 days to the municipal clerk signed by electors equal to ten percent of the number that voted for a mayoral or presidential candidate in the last general election. The petition shall request a referendum on the question of annexation. If the municipal authorities voted in favor of annexation, and the referendum results in a similar decision, annexation occurs. However, if the municipal authorities oppose annexation and the referendum reveals a majority vote for the action, then the decision will be turned and annexation shall occur. Once the court establishes the authenticity of the ordinance, it shall then order for a referendum in the unincorporated territory. Annexation requires majority approval.

Alternative methods
If the territory is contiguous to the municipality and does or does not have electors residing in the area, annexation may occur by a petition signed by owners of all the land; if any electors reside in the territory, the petition must also be signed by a majority of those electors. The petition must be entered into the municipal clerk. Majority vote in favor of annexation by the municipal authorities results in annexation.

Annexation of a territory may occur by ordinance if the proposed territory is unincorporated, contiguous, uninhabited, and is municipal property. A copy of the ordinance and a map must be entered to the recorder of the county in which the territory is located.

Annexation may be initiated by petition if the proposed territory measures one square mile or more, has 500 inhabitants or more, is unincorporated, and contiguous to a municipality that has a population of less than 100,000. The petition must be signed by at least 100 of the territory's electors and owners of a majority of its lands and turned into the circuit court of the county in which the territory is located. The document requests that the question of annexation be submitted to the electors of the territory. The petition may not include tracts measuring more than 10 acres unless by approved of by the owner, if the tract is divided into lots, or if three of its sides share their boundary with land divided into lots. If a majority favors annexation, the court shall notify the municipality of territory's consent to annexation. Municipal authorities will vote on annexation, and a majority vote in favor is required for approval of such an ordinance. If annexation fails to capture a majority vote of the municipal authorities, the question will be submitted to an election. Annexation occurs in the event of a majority vote of approval. If the majority votes against annexation, no further action of annexation may be discussed until the lapse of 22 months from the date of the election.

A wholly or partially surrounded unincorporated territory composed of no more than 60 acres may be annexed

by the surrounding municipality through an ordinance. Notice must be published in a distributed newspaper at least 10 days prior to the passage of the ordinance.

Special considerations
The following applies to unincorporated territory fitting the following description: it may be used as commercial or industrial property; it is under one ownership; the tract is situated so that it includes land on either side of the Illinois and Michigan canal; the tract is or part of a parcel of land that measures more than 800 acres; and the tract is situated in a county with a population of 300,000 or more and less than 400,000. In regards to such territory, annexation requires that the petitioner or the municipal authorities provide notice of the action through a distributed newspaper. The notice shall be placed for three consecutive days, the last of which must date 30 to 45 days before the hearing. All property owners of commercial or industrial tracts measuring 50 or more acres will receive notice by mail informing them about any meeting, public hearing, or referendum at least 30 days or more before the date of such a meeting, public hearing, or referendum. The annexation ordinance may enter into effect at any time 30 days after the public hearing.

Exceptions to general proceedings
State-owned land, agencies, and institutions
If the municipality wishes to annex territory that is either owned by the state or in which a state agency is situated, it only requires the written approval from the Governor or the governing body of the agency residing on the estate. State highways are excluded from this scenario.

A municipality does not require an ordinance or a petition to annex land on which a state charitable institution is located, provided that part of the institution resides on municipal land. The municipality may annex by resolution and written approval of the Director of the State Department.

Areas contaminating groundwater
A municipality may annex by ordinance an area whose residents, commerce, and industry contribute to the contamination of the state's groundwater through the release of sewage into the mines and class 5 injection wells. The ordinance shall state the following: the proposed territory is unincorporated and contiguous to the municipality; a majority of the structures are disposing untreated sanitary sewage into the mines or class 5 injection wells; the municipality has composed and approved of a method to clean up and prevent future contamination by supplying treatment facilities and sewage collection that will effectively start in the area within five years from the date of annexation; and no tract measuring over ten acres is included by the ordinance unless approved of by the owner. The ordinance shall be turned into the clerk of the circuit court of the county in which the territory is situated, and the court will set a date for a hearing to occur 20 to 30 days following the receipt of the ordinance. The municipality must publish a notice of annexation in a distributed newspaper 15 to 30 days before the hearing and submit a copy to the municipal clerk. The notice must include information of the territory, name of the municipality, a summary of the ordinance, and the date of the hearing.
Opposing parties may present their stance at the hearing. If the court finds that the proposed territory does not meet the requirements for annexation, it shall rule against annexation and the ordinance will become void. If the court finds no violation, it shall file an order and enter the question of annexation to the municipal corporate authorities. Annexation occurs by a majority vote of approval by the municipal corporate authorities and enters into effect 30 days later.

• Opposition to annexation
Any person may enter his opposition to annexation between the time that the petition is entered to the court and the five days before hearing date. Protest to annexation may address the issue of contiguity, the petition's signatures, the territory as described by the petition or ordinance, or ask for the exclusion of land from that which is outlined in the annexation petition or ordinance.

INDIANA

Indiana Code, Title 36 Article 4 Chapter

• Annexation by ordinance
Prerequisite and limitations
A municipality may annex by ordinance if the proposed territory meets any of the following conditions: it is contiguous to the municipality; it is noncontiguous and features a municipally owned or operated airport or landing field; or the municipality owns or has authority over a sanitary landfill, golf course, or hospital located on noncontiguous territory. Annexation of a territory within a county requires that a part or whole of the municipality was located within the county on January 1, 1982; or the executive of the county has approved the action. If the municipality ceases its ownership of the sanitary landfill, golf course, or hospital for a period of one year or more following annexation, authority transfers to the unit that would have jurisdiction over the territory if annexation had not occurred. If a municipality has annexed noncontiguous territory before May 1, 1981, it may not use the territory to base further annexations.

Certain municipalities may annex by ordinance noncontiguous territory that is located two miles or less from the municipal boundary line, is designated as an industrial park with at least one business, and is either under municipal ownership or approved of by the property owner. Such municipalities must be located in counties with populations of: 73,000 to 74,000; 71,400 to 73,000; 70,000 to 71,000; 45,000to 45,900; 40,900 to 41,000; 38,000 to 39,000; 30,000 to 30,700; 23,500 to 24,000; or 182,790 to 300,000. Such annexation requires the county to zone the territory for industrial use if the municipality is located in a county with a population between 200,000 and 300,000. The annexed noncontiguous territory cannot be used for further annexation by the municipality. If the annexed territory is not used as an industrial park within five years of annexation or if the territory is not used as an industrial park for at least one year, authority is transferred to the unit that would have jurisdiction over the territory if annexation had not occurred.

A municipality with a population greater than 31,000 and less than 32,000 may annex by ordinance a noncontiguous territory if it meets the following conditions: the territory is eight miles or less from the municipal boundary line; it is no more than one and one-half mile to the west, three-fourths of a mile to the east, half a mile to the north or half a mile to the south of an interstate highway and a state highway intersection; and the territory is either owned by the municipality or by a property owner that has approved the annexation. The annexed noncontiguous territory may not be used for further annexation by the municipality.

Procedure

A public hearing shall be held prior to the passage of an annexation ordinance. The hearing will occur 60 days or later to the date that the ordinance is proposed and allows for all parties to be heard. Notification of the hearing must be placed in a newspaper as well as mailed to every owner of real property situated in the proposed territory. Both the publication and the mailings must occur least 60 days before the hearing. If all property owners of the territory enter in their written approval for annexation, notices must be published and mailed at least 20 days before the hearing. The mailings should include the following information: a legal description of the real property under consideration; the date, time, place, and topic of the hearing; a map of the current municipal boundaries and the boundary in event of annexation; present day zoning classifications for the territory and suggested zoning changes; a synopsis of the proposed fiscal plan, its availability to the public, and the municipality's declaration to provide such a document upon request by landowners; and contact person who can be reached in regards to additional information. The municipality must approve of a fiscal plan prior to mailing any notification to the landowners of the proposed territory. Mailed notices and fiscal plans are not required for annexation of the following: noncontiguous territory featuring a municipally owned/operated airport or landing field; noncontiguous territory featuring a municipally owned or controlled sanitary landfill, golf course, or hospital; territory annexed for its use as an industrial park; or noncontiguous territory that features the intersection of an interstate highway and a state highway.

The annexation ordinance must include the following: details of the boundaries of the proposed territory, inclusive of all public highways or right-of-way; the territory's estimated acreage; and details of any special considerations and all property tax deductions. The ordinance shall include provisions to make the annexation fair to both the residents of the municipality and annexed territory. After its adoption, the ordinance shall be published in a newspaper and entered into each of the following: the county auditor of each county in which the territory is situated; the circuit court clerk of each county in which the territory is situated; the registration board of each county in which the territory is situated, if such a board exists; the Secretary of State; and the office of census data. The ordinance must be submitted no later than 90 days after the expiration date for a remonstrance or the copy of the judgment sent by the court to the municipality in regards to its decision on a remonstrance and hearing. The county auditor shall than send a copy of the ordinance to the designated county departments.

• Annexation by petition

Petition signed by majority

Landowners of a territory may enter a petition for annexation to the legislative body of a contiguous municipality. The petition must be signed by a majority of the territory's landowners or by persons owning 75% of the total assessed value of the land for property tax purposes. The petition must include a description of the territory and a formal request for annexation. The municipality has 150 days from the date of the document's entrance in order to pass an annexation ordinance. The municipality must approve of a fiscal plan prior to its adoption of an ordinance. The ordinance for annexation must include the following: details of the boundaries of the proposed territory, inclusive of all public highways or right-of-way; the territory's estimated acreage; and details of any special considerations and all property tax deductions.

If the municipality does not adopt an ordinance of annexation, then the petitioners may enter a copy of the petition to the circuit or superior court of the county in which the territory is situated. A statement shall accom-

pany the petition and explain the rationale for annexation. In such a case, the municipality shall hold the position of a defendant, and the court will decide whether or not annexation shall occur.

Petition signed by all landowners
Landowners of a territory may enter a petition for annexation to the legislative body of a contiguous municipality. The petition must include the description of the territory, a formal request for annexation, and be signed by 100% of the territory's landowners. Upon receipt, the legislative body may hold a public hearing in the next 30 days. Notice of the hearing shall be published in the newspaper at least 20 days before the hearing date. The municipality shall approve of a fiscal plan prior to its adoption of an ordinance. The ordinance for annexation must include the following: details of the boundaries of the proposed territory, inclusive of all public highways or right-of-way; the territory's estimated acreage; and details of any special considerations and all property tax deductions. The municipality may pass the ordinance of annexation 14 days after the public hearing. If the municipality has not approved of an ordinance in the 60 days following a petition's entry, the landowners may submit the petition to the circuit or superior court of the county in which the territory is situated. The court shall decide on the question of annexation.

A landowner has the option to remove his signature from the petition up to the 13th day following the approval of a fiscal plan. The landowner must submit a notice in writing to the office of the clerk of the municipality. The petition will then be treated as a voluntary petition. After its adoption, the ordinance shall be entered into each of the following: the county auditor of each county in which the territory is situated; the circuit court clerk of each county in which the territory is situated; the registration board of each county in which the territory is located, if such a board exists; the Secretary of State; and the office of census data. It must be submitted no later than 90 days after the expiration date for an appeal or the copy of the judgment sent by the court to the municipality. The county auditor will send a copy of the ordinance to the designated county departments. If no appeal is entered, the annexation ordinance enters into effect 30 days or later than its approval and required filing. Remonstrance is not allowed under this form of annexation; however, appeals may be entered.

• General guidelines for ordinance

Once approved, an ordinance is published and enters into effect in the 90 days following its publication and required filing. If the ordinance is approved of the year before the year of the dicentennial census, the ordinance shall enter into effect on the 2nd of January of the year in which the census is held.

Fire protection districts
If the whole or part of the annexed territory is situated in a fire district, the ordinance shall enter into effect on the 1st of January of the year after the year in which the ordinance is adopted. The municipality shall then take on the responsibility of providing fire protection service to the annexed territory. In the ten days following the approval of the ordinance, the municipality must deliver a written notice informing the fire protection district of the date upon which the municipality shall assume its responsibility of providing fire protection service to the annexed territory. The municipality shall assume the payments of any debt acquired by the fire district in a ratio equal to the assessed value of its annexed territory.

Immediate effect of ordinance
An ordinance goes into effect following the 60 day period designated for remonstrance and appeals, publication, and required filing if the following criteria are satisfied: the annexed territory is uninhabited; 90% of the total assessed value of the land applicable for property tax is under sole ownership; and annexation is necessary in order to execute an economic development incentive package. This is not applicable to any ordinance approved of in the year before the year of a dicentennial census.

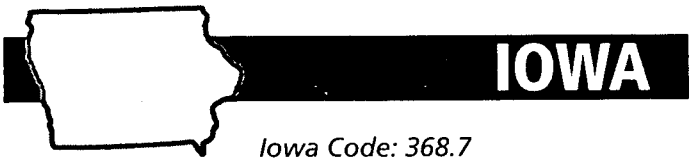
• Remonstrance

Appeals may be made by entering a remonstrance to the circuit or superior court of the county in which the territory is situated. The remonstrance must include either the signatures of 65% of the territory's landowners or the signatures of owners accounting for more than 75% of the territory's assessed land value. If the territory is composed of no more than 100 parcels and shares 80% of its boundary with the municipality, then a remonstrance requires the signatures of at least 75% of the territory's landowners. The remonstrance must be entered within the 90 day period following the publication of the ordinance. A copy of the ordinance and reason for appeal shall be entered along with the remonstrance. The receiving court shall validate the signatures on the document and then proceed by setting aside a date for the hearing. At the hearing, the municipality shall take the place of the defendant, and the court shall issue its decision of the remonstrance without a jury. A copy of the decision shall be sent to the clerk of the municipality. If the court opposes annexation, the municipality may not reassert its intent of annexation by ordinance for the four years following the decision of the court or the date of the final disposition of appeals to a higher court. This stipulation does not apply to any annexation by petition.

Remonstrance is not applicable to annexation applied for by a petition signed by 100% of the territory's landowners.

• Appeals

A landowner within half a mile distance from the proposed territory may enter an appeal to the circuit court or superior court of the county in which the territory is situated. The appeal must be entered within the 60 days following the publication of the ordinance and state that the territory is not contiguous to the municipality. If annexation occurs by a petition of all (100%) landowners, the appeal must be entered within 30 days following the publication of the ordinance. The complaint must be reviewed for its adequacy and a date shall be set for a hearing to occur within the next 60 days. At the hearing, the municipality will take the place of the defendant, and the court shall issue its decision without a jury. The court shall deny the appeal if it finds that the territory is contiguous to the municipality.



Iowa Code: 368.7

• Annexation by application

Landowners of a territory may enter a written request for annexation to an adjacent municipality. The municipality shall notify the board of supervisors and trustees of the counties and townships in which the territory is located. The counties and township shall receive a copy of the application along with a legal description of the area and a map of the proposed area and its relation to the municipality. A time will be designated at which the parties will meet and discuss the proposed annexation. This consultation shall be attended by a representative member of the county and the township. Additional suggestions to the annexation may be entered by the county and township in the next seven business days. Within 30 days of the consultation, the board of supervisors of each county (those in which the territory is situated) must approve a resolution either in favor of, opposition to, or no position towards the application for annexation. A copy of the resolution must be entered to the city development board. Landowners who have not yet approved of annexation as well as all public utilities will be mailed a copy of the application at least 14 business days before the municipality acts on the application. The application includes a legal description and a map of the proposed area with its position to the annexing municipality. A public hearing must occur before any action may be taken by the municipal council. Notices will be mailed to the chairpersons of each county board of supervisors, property owners who are not party to the application, and those owning property that is connected to the proposed area and not in a city. Mailed notices and those placed in county newspapers must give the tie and location of the public hearing and legal description of the proposed area. By resolution, the city council shall either accept or reject the application for annexation.

Application for annexation may include territory without consent of landowner if the area is a railway right of way or is composed of land area measuring at most 20%, and annexation prevents the formation of islands.

Territory inside urbanized area

If the proposed territory is located in the urbanized area of a municipality other than the annexing municipality, the application requires a resolution of consent from the annexing municipality's council and board.

The annexing municipality will send notice by mail to the council of the municipality which lies beside or is within a two mile distance of the proposed territory, the board of supervisors of each county in which the territory is located, concerned public utilities, and the territory's regional planning authority. Notices must be mailed at least 14 days before the municipal council acts to address the application. Notice shall be placed in the county newspaper of each county involved at least ten days before the municipal council acts to address the application. Annexation occurs in the event that procedures are followed and the board enters and records the necessary parts of the proceedings. Board will not consent to an application for annexation which results in islands.

Territory outside urbanized area

Annexation by application of territory not located in an urban area requires that the municipal council approve of the application by resolution. Copies of the application must be mailed to the board of supervisors of the counties in which the proposed territory is located and must be received at least 14 business days before the municipal council acts on the application. Announcement of the application must be placed in the county newspaper 14 business days prior to any action by the municipal council. The city clerk shall enter a copy of the resolution, map, and the legal description of the territory to the Secretary of State, county board of supervisors, public utilities affected by the action, and the department of transportation. Annexation occurs in the event that the Secretary of State confirms the receipt of the documents. Annexation may not occur if the Secretary of State refuses to confirm the receipt of such documents based on the fact that annexation will create islands.

Annexation of a secondary road

The board of supervisors of involved counties may send notice to the city development board in the event that a secondary road that extends to the center line and shares a boundary with the municipality has not yet

been annexed by the municipality. The notice shall contain a legal description and map that indicates the secondary road. The city development board will hear each municipality in or beside which the secondary road is situated. On claiming that the notice is valid, the city development board shall pronounce the road as annexed by the city.

State and county property
State and county property may be annexed so long as: in the case of state property, the attorney general receives notification of the hearing and a copy of the proposal; in the case of county property, the county attorney receives notification of the hearing and a copy of the proposal.

Withdrawal from application
If the applicant or a landowner wishes to withdraw from the resolution, he may do so within three days of the public hearing. Exceptions to this occur if a written agreement was entered for the extension of municipal services, or the applicant or landowner knowingly waived his right to withdraw from the application.

• Involuntary annexation

Involuntary annexation requires a petition to be filed by a municipal council, county board of supervisors, a regional planning authority, 5% of the municipality's voters, or 5% of the territory's registered voters. At least 14 days before the petition is entered, the petitioner must mail a notice of intent to the council of each municipality whose urbanized areas the territory is located, the board of supervisors of each county in which the territory is located, the territory's regional planning authority, affected public utilities, and the property owners included in the petition. The letter shall also give notice of a public meeting to be held by the petitioner in order to discuss involuntary annexation.

The public meeting shall be held prior to the filing of the petition. At least five days prior to the meeting, a notice will be placed in the county newspaper of all counties in which the territory is located. A representative appointed by the mayor of the annexing municipality shall reside over the public meeting. All attendees have the option to enter in their opinion in writing or through an oral presentation.

The petition for involuntary annexation must be entered to the City Development Board. Notifications and copies of the petition will be delivered to the council of each municipality whose boundary will be affected by the annexation, the board of supervisors of each county in which affected municipalities and the territory are located, and any affected regional planning authority. The petition must contain a general statement of the proposed annexation, a statement that the territory is not located within a municipality, a map of the territory and concerned municipalities, a land value assessment of unplatted and platted land, a list of property owners, population density, details of the area's topography, plans on how to dispose of assets and assume liabilities, details of present municipal services, and plans for agreements with special service districts. The petition must also include a condition that allows for transition for the imposition of city taxes against property in the annexed territory. The petition must also include a plan for the extension of municipal services and note that the annexed territory will be provided for within three years of July 1 of the fiscal year in which the municipality begins to collect property taxes.

Within 90 days, the Board must decide to either reject the petition or continue the process of annexation. The Board also has the option to merge petitions that address the same territory and enter it to a special local committee for deliberation. In the 30 days following entry of the petition to the Board, each county must pass a resolution stating its position in approval or disapproval of the petition of annexation. The resolution shall be entered to the annexing municipality and the City Development Board. The Board may decide either to reject the petition or proceed with annexation and construct a committee composed of local representatives and the Board. The county's board of supervisors must provide one representative; if the territory is located in more than one county, each county shall provide a representative to the committee. The committee must feature one representative from the annexing municipality; if the territory is located in more than one county, the municipality will provide a number of representatives equal to the total number representing the counties. The local representatives must be registered as voters in the territory or municipality that they are represent. If no registered voter exists within the territory, then the county may appoint an owner of property located in the territory. The committee will hold a public hearing in regards to the proposed annexation. Notice of the hearing must be delivered to board of supervisors of each county in which the territory is located and affected regional planning authorities. Announcements of the hearing must be published twice within a newspaper distributed in the annexing municipality and the territory. An individual may enter his written opinion of annexation, and the committee has the authority to call persons and documents in regards to the proposed annexation.

The committee may favor annexation if it serves the public's interest. The committee may not approve of annexation unless the territory is contiguous to the annexing municipality. Annexation may not occur if the commit-

tee concludes that the municipality is not be able to provide a level of services equal to those already available to the territory, and annexation was motivated for the purpose of revenue. The committee has the authority to make additions and changes to the petition. If the alterations are significant, the committee will hold a hearing and place announcements to address the changed petition. The committee must either reject or approve of annexation within 90 days of the hearing. If annexation is approved, an election will be held 30-90 days following the decision. Only those registered within the territory or municipality may vote, and annexation requires majority approval.

The results will be published, and the Board will enter all related documents with the secretary of state, clerk of the municipality, and the recorder of each affected county. A map and legal description of the area must also be entered to the state department of transportation.

• Voluntary and involuntary annexation

If applications for voluntary annexation and involuntary annexation are entered within 30 days of each other, the board will favor the application for voluntary annexation so long as all requirements are met. However, if the board finds fault or suspicion with the voluntary application, it may construct a committee to investigate into the matter and hold a public hearing. The board shall come to a decision within 90 days to the date that it received the application; if it is unable to do so, then the matter is turned over to judicial review. If the application for voluntary annexation fails to be approved, it will be converted to the status of a petition.

Kansas Statutes: 12-520 to 12-521

• Annexation by ordinance

Prerequisites

Annexation by ordinance requires that one or more of the following conditions be met: the proposed area is platted and a portion of it is contiguous to the municipality; the area is under the ownership or trust of the municipality or one of its agencies; the area shares 50% of its boundary with the municipality; the area is contiguous to the municipality and the landowner enters a petition or written approval for annexation; the area measures 21 acres and annexation will straighten the municipal boundary line; or the proposed area measures 21 acres or less and shares two-thirds of its boundary with the municipality. A municipality may annex multiple tracts through one ordinance so long as one or more of the preceding conditions is met for each annexation.

Restrictions

Unplatted land measuring over 21 acres and utilized for agricultural purposes may not be annexed without the written approval by the landowner. A municipality may not annex any incorporated and organized improvement district or part of such a district. It may annex a fire district or land part of a fire district.

A municipality may annex any area that is under the ownership of a governmental agency so long as it is not owned by another municipality. Annexation requires approval from the county commissioners if the proposed area is owned by the county and provides a public use such as an airport or for recreation.

A municipality may not annex the right-of-way of any highway unless the municipality has jurisdiction over land on at least one side of the road or if land on at least one side of the road is annexed simultaneous to the highway. County commissioners may inform the municipality of a highway that has not yet been annexed and shares a boundary with the municipality. The notice will provide a legal description and map identifying the location of the highway. The municipality's governing body will confirm by ordinance the validity of this and annex the highway or portion of the highway.

Whenever a municipality annexes a noncontiguous area, territory contiguous to the newly annexed area will not be considered as contiguous to the municipality for the purpose of further annexation.

Report on municipal service extension

Before adopting a resolution for annexation, the municipality must construct a report in regards to the extension of municipal services. The report shall give a sketch of the proposed area and the annexing municipality and detail the following: municipal boundaries as they presently exist, and its boundary lines following annexation; streets, water mains, sewers, and city utility lines as they presently exist and their change following annexation; and the general land use pattern in the areas proposed for annexation. The report must include a plan that indicates the cost and extension of municipal services, including an estimated cost impact and the manner in which the service extension will be funded. The report shall also include a timetable for the extension of each service and the method in which the municipal service will be equal to or better than the previous service. The plan will address the services to be provided immediately following annexation and those services requiring a petition to form a benefit district. A plan for the extension of municipal services is not required in the event

that all landowners enter a petition or written approval for annexation.

Resolution
The municipal governing body must approve a resolution of intent to annex. The resolution must detail the boundary lines of the proposed territory, make available a plan for municipal service extension, and designate a date, location, and time for a public hearing. The hearing must occur 60-70 days following the resolution and at a location in or near the proposed area. The timing of the hearing shall be considerate of when the most people can attend. A copy of the resolution must be delivered by mail to landowners of the proposed territory no more than ten days after the resolution. The resolution must be placed in the newspaper two weeks prior to the public hearing. Both mailed and published resolution copies must be accompanied by a sketch of the territory. No more than ten days to the date of the resolutions adoption, a copy of the resolution must be delivered by mail to the county commissioners, the governing body of the township in which the proposed area is situated, any district or government agency that provides municipal services to the territory, utilities whose facilities area located in the area, the governing body of any school district included within the area, any planning commission that has authority over the area, and political or taxing subdivisions situated in the area. The planning commission shall evaluate the resolution and conclude as to the suitability of annexation. Its evaluation will be delivered to the municipality. At the public hearing, a city representative will present the proposal for annexation. All concerned persons have the option to be heard, and the municipality will decide as to the suitability of annexation.

A resolution, notices, and a public hearing are not required if the proposed territory is owned by or held in trust for the municipality or its agencies, or all landowners have entered in either a petition for annexation or their written approval. The resolution will include the date of a public hearing, a location in or near to the proposed territory, and a time

Consent annexations
A landowner and municipality may enter into a written agreement which stipulates for the provision of municipal service and annexation to occur at a later date. Such agreements will be viewed as consent to annex. The municipality must enter the agreement within 30 days of its execution to the office of the register of deeds of the county in which the property is situated.

Opposition to annexation
Owners of land within the territory and municipalities that have a boundary line within half a mile to the proposed area may enter their complaint to the district court of the county in which the area is situated. Complaints shall address the rationality of annexation and the service plan and must be filed within 30 days of the ordinance's publication. In its decision, the court shall evaluate the effect of annexation on the growth of the opposing municipality. Opposition in such a manner is allowed so long as annexation is not based on a petition or consent by landowner.

• Annexation by petition

A municipality may annex territory that does not adhere to the prerequisite standards set by general annexation by entering a petition to the county commissioners of the county in which the proposed territory is situated. The petition must include a legal description of the territory and call for a public hearing to be held on the question of annexation. The petition shall be accompanied by a report that details the municipality's plan for service extension and cost. The report is identical to the report entered under general annexation guidelines. Within 20 days following the receipt of the petition, a copy of the document must be entered to the planning commission. Copies of the petition must also be entered to any municipality, county, township or join planning commission that has authority over any part of the proposed area. The planning commission shall evaluate the resolution and conclude as to the suitability of annexation. Its evaluation will be submitted to the board of county commissioners at least 20 days before the hearing date and will be made available to the public. The public hearing must be held 60-70 days following the entrance of the petition. A legal description of the land, names of landowners, and the time and place of the hearing will be placed in a newspaper distributed within the municipality. A copy of the notice and a detailed sketch will be mailed to all landowners of the proposed area in the ten days following the entrance of the petition.

At the public hearing, the county commissioners will reside over the case for annexation and hear the municipality's proposal as presented by its representative. The county commissioners shall issue its decision within seven days of the public hearing. Annexation requires majority approval by the board of county commissioners. In the event that the action is approved, the municipality may proceed to annex by ordinance. If a majority of the county commission opposes annexation, it shall pass such a resolution and send it by mail to the municipality. A landowner or municipality may appeal the decision in the district court of the county.

• Annexation of noncontiguous areas

Annexation of noncontiguous area requires that the proposed territory be in the same county as the municipality, landowners either enter a petition or their written

approval of annexation, and the county commissioners conclude that annexation will not impede growth and development of the area or that of any other municipality within the county.

The governing body of the municipality shall pass a resolution to ask the board of county commissioners for its evaluation of whether or not annexation will impede the development of the area or any other municipality. The city clerk shall enter a copy of the resolution to the county commissioners who will inform the municipality of their decision within 30 days of receiving the document. The district court of the county will hear any appeals made by a landowner or municipality against the county's evaluation.

Whenever a municipality annexes a noncontiguous area, territory contiguous to the newly annexed area will not be considered as contiguous to the municipality for the purpose of further annexation.

• Annexation of area within water districts

If the acquired area is located within a water district, then the municipality will enter into agreement with the district so as to purchase its facilities that service the newly annexed area. The governing body of the municipality and the district's board of directors shall agree to a price for the transition, and municipal ownership occurs in the event of payment.

• Five year evaluations

The board of county commissioners shall hold a hearing five years after annexation in order to evaluate the municipal service extensions according to the original timetable. A hearing shall be set and notices will be sent to the municipality and all landowners of the acquired area. If the board concludes that services were not provided and will not be available in the next two and half years, landowners will be told of their right to de-annex.

Kentucky Revised Statutes: Chapter 81A

• Prerequisites

A city may annex a territory so long as the following conditions apply: the proposed territory is contiguous to the annexing municipality; and the territory is urbanized or appropriate for the extension of urban development. This does not apply in the case of a consolidated local government with a first class city, in which no city within the county may annex for a period of 12 years, and the legislative council of the consolidated local government must consent to any annexation proposed by a city after the 12 year limit. Annexations may not include any land within the boundaries of another municipality.

• Methods of annexation

First class cities with compacts

First class cities that have compacts with their counties may annex unincorporated territories by ordinance. The ordinance must outline the boundary of the proposed territory and state the suitability of the annexation. A copy will be delivered to the clerk of the county in which the territory is situated. The question of annexation shall be put to vote; only those residing in the proposed territory will be eligible to cast a vote. If the ordinance is received by the second Tuesday in August before the regular election, the question of annexation shall be entered to the voters at the time of the regular election. If a majority approves of annexation, the legislative body of the municipality may pass an ordinance to annex the territory; the ordinance must be adopted within the 60 days following the verification of election results. If a majority vote in favor does not occur, then the proposed annexation shall be dismissed.

First class cities without compacts

The city must create a report to address service extensions into the proposed territory. The report shall contain: a map outlining the city's boundary presently and in the event of annexation, presently existing streets and utility lines, those portions already receiving or able to receive city services and proposed extensions to other areas, the general land use patterns in the territory, and, if the city adheres to zoning, the zoning in the event of annexation; a written declaration stating that the proposed territory is eligible by prerequisite standards; a written declaration of the city's method for the extension of services similar to those provided for the city's residents, including timetables for the creation of necessary services, an estimate of the tax rates to be applied on the territory until services are provided, and the manner in which the city shall finance the service extension. Following the report, at least two public hearings must be held in regards to the topic of annexation. Notices shall be published in accordance with the method required for all legal notices (KRS 424). At each hearing, the city shall provide a representative who will explain the report. All persons, of the city and the territory, have the opportunity to state their opinions. The board of alderman has the right to make any alterations to the report. If additional amendments are added, then another hearing must be held in the 30 days following the board's consent to the report's change.

Following the report and the public hearings, the legislative body of the city shall pass an ordinance that out-

lines the boundary of the unincorporated territory proposed for annexation, which must be published in the method required for all legal notices (KRS 424). In the event that no petition of opposition is submitted, the legislative body shall pass an ordinance of annexation at a date 30 days or more after the first ordinance.

Annexation by cities other than first class
The city's legislative body may pass an ordinance of annexation, including in the text its intent to annex, a description of the territory's boundary, and a statement that the territory as being suitable for annexation. If, after publication of the ordinance and within the next 60 days, the city does not pass a final ordinance of annexation, then 50% of the resident voters or real property owners of the territory may enter a petition against annexation. A vote on the proposal shall be held in congruence with the regular election if the petition is entered to and verified by the county clerk by the second Tuesday in August before the regular election. Only those residing in the territory or portion of the territory considered for annexation are eligible to vote. If the election results in a 55% or greater number in opposition to annexation, the ordinance shall be dismissed. Annexation occurs in the event that less than 55% of voters oppose annexation. The city may then pass a final ordinance of annexation. If the city decides to apply zoning prior to annexation, a map shall accompany the ordinance and outline the zoning.

If, after 60 days of the first ordinance, no petition of opposition is entered, then the city may pass a final ordinance.

Annexation of impoundments of water by fifth class cities
Fifth class cities may annex part or all of an impoundment of water so long as it is not a navigable stream; is contiguous to the city; has been formed by a dam under the authority of the city and which supplies the city with water. Annexation requires the passage and publication of an ordinance that includes a description of the territory's boundary. Annexation may not occur in the event that the proposed territory is greater than one-fourth acre multiplied by the city population.

Annexation by consent
All owners of record of the land enter in their written approval for annexation. Upon receipt, the city shall approve an ordinance of annexation which includes a description of the annexed territory. If the city decides to apply zoning prior to annexation, a map shall accompany the ordinance and outline the zoning.

Unincorporated territory with industrial plants
Annexation of unincorporated territory with industrial plants requires that the act be part of a broader annexation plan. The territory must be contiguous to the city and have a number of registered voters that equals at least 50% of the average number of industrial plant employees.

A city may annex the territory if the industrial plant(s), by way of representatives, consents to annexation.

• General guidelines for annexation

Notification to property owners
A city with the intent to annex must mail notifications of the proposal to all owners of property in the proposed territory at least two weeks before the meeting at which the ordinance is given its second reading. The notifications shall inform the recipient of the date, time, and place of the meeting and include with it a copy of the proposed ordinance. This is not applicable to annexation proceedings in which property owners have submitted their written approval for annexation.

Map of new boundary
In the 60 days following annexation, a copy of the ordinance and a map of the annexed area must be entered into the office of the county clerk of the county or counties in which city is situated,the office of the Secretary, and the Governor's Office for Local Development. A professional land surveyor shall construct the map and include a description as required. The city may not apply taxes in the annexed territory until the proper documents have been entered into each designated office. The office of the county clerk must also be furnished with the contact information of all property owners registered voters of the annexed territory.

Voter rejection of annexation
If voters reject annexation, the city must abandon its intent to annex the proposed territory and may not introduce the topic of annexation in regards to the same territory for the next five years.

• Opposition to annexation

Annexation by first class cities
One or more residents or freeholders of the proposed territory may enter a petition to the Circuit Court of the county stating an argument against annexation. A summons will be issued to the chief executive office of the city, and the city's answer shall be entered in the following 20 days. The case shall be held in the manner of a trail of jury case. The jury shall favor annexation if it determines that less than 75% of the freeholders of the territory oppose annexation, the action serves the city's interest and causes no harm to real estate owners. Annexation shall not occur in the event that the jury finds 75% or more of the freeholders in opposition of the act. Despite the majority opposition, annexation may occur

if the jury determines that failure to annex shall negatively affect the wealth of the city and the landowners and residents of the territory. If the jury decides in favor of annexation, the decision shall be reported to the legislative body which will then proceed to annex the territory.

Dismissal of an ordinance
An ordinance becomes void in the event that, when an action is brought to the circuit court, the court finds that the city did not observe the proper manner of annexation which led to material prejudice to the rights of property owners and compromised the impartiality of the annexation process.

LOUISIANA

Louisiana Statutes, 33:151-33:180

Annexation by petition
A petition for annexation requires one of the following: the territory is contiguous to the municipality (with the exception of New Orleans), and the petition is signed by landowners accounting for one-third of the land and value; the territory is contiguous to the limits of a municipality situated in a parish that has a population between 115,000 and 125,000; or the territory is contiguous to the limits of a municipality situated in the parish of Rapides, and the petition is signed by landowners accounting for one-fourth the land and value. The petition shall be turned into the mayor and governing body of the municipality and include details of the proposed boundary and lands to be annexed. The surveyor of the parish in which the municipality is situated shall provide a process verbal and plat of proposed territory to be entered along with the petition. Notice of an election must be placed in the municipality's newspaper at least ten days prior to the election and inform the public of election procedures, details of the proposed territory, and poll locations. Voter eligibility requires the person to live in the proposed territory and hold voting status under general election guidelines. The municipality shall receive the results in the 48 hours of the election and record them in the public records book; in the following ten days, the municipality will print the results in the newspaper for a period of ten days. If the results show a majority in favor of annexation, then an election will be held for the annexing municipality. Voter eligibility requires the person to live within the municipality's limits and hold voting status under general election guidelines. Notice of the elections must be placed at least ten days prior to the election and include the same information as provided for the first election. Results shall be reported to the municipality within 48 hours of the election and documented in the public records book. In the following ten days, the municipality will place the results in the newspaper for a period of ten days. If the results show a majority in favor of annexation, then, upon the end of the ten days, the municipality shall annex the territory. The municipality will turn in copies of the ordinance, map, and a written description of the annexed territory to the registrar of voters.

The question of annexation of the same territory cannot be put to vote more than once during a 12 month period.

Alternative methods of annexation

Annexation by municipalities located in a parish
Municipalities that are located in a parish may annex uninhabited contiguous territory. The municipality shall pass a resolution that includes a statement of intent and details of the territory. The parish shall receive a copy of the resolution in the ten days following its passage and have 45 days to approve, dismiss, or take no action in regards to the proposal. Within ten days of its vote, the parish shall inform the municipality of its decision. If 45 days pass and the parish takes no action, the municipality may continue with annexation. If the parish dismisses the proposal, an annexation panel will be constructed consisting of the chairman of the parish council (or his representative), the chairman of governing authority of the municipality (or his representative), and a selected member of the American Arbitration Association. In the 60 days following proposals rejection, the panel will conduct a public hearing and make a final decision in regards to annexation.

Annexation by this method does not apply to municipalities with a population over 25,000 or parishes having a consolidated government.

90% contiguity
A municipality may annex by election a territory which shares 90% of its borders with the municipality. Annexation requires a majority vote of approval from the territory's registered voters. No election need be held if the territory has no registered voters.

By election
Annexation by ordinance does not require a petition if a special election is held in the territory and results in a majority in favor of annexation. Such an election may also be held by request of a petition signed by 25% of the territory's resident property owners and by persons accounting for 25% of its value.

• Requirements for ordinance validity

Prior to the enactment of an annexation ordinance, the governing body of the annexing municipality must re-

ceive a petition in favor of annexation signed by a majority of the territory's registered voters, a majority of the its resident property owners, and persons accounting for 25% of the its property value. The petition does not require such signatures if the territory has no registered voters. If the territory has no resident property owners, the petition does not require such signatures; instead, the petition must include the written consent of nonresident property owners. If the territory is uninhabited, annexation requires the consent of the parish in which the territory is located.

Once the petition is entered, a notice must be placed in a newspaper distributed in the municipality. An ordinance may only be enacted after the ten day period following the publication. Opposition to annexation must be entered before the passage of the ordinance. An ordinance may not go into effect until 30 days after it has been published in a distributed newspaper.

• Special considerations

Rapides Parish

A municipality may annex according to the general guidelines of annexation by petition. However, if the results of the second election favor annexation, then the question of annexation goes to the municipal authorities who may either proceed with or dismiss the proposal of annexation.

City of New Orleans

The city of New Orleans cannot incorporate any territory of Jefferson, Plaquemines, or St. Bernard parishes.

St. Martin Parish

A municipality not fully within the limits of St. Martin Parish but wishing to annex territory within the parish must obtain the consent of the parish.

Jefferson Parish

Municipalities located in Jefferson Parish require the entry of a petition in approval of annexation prior to the enactment of an ordinance. The petition must include: the consent of a majority of the territory's registered voters, a majority of its resident property owners, and persons accounting for 25% of its property value; and a detailed account of the proposed territory. If Jefferson Parish provides the territory with utilities and services, the petition must include the consent of a majority of the territory's registered voters, a majority of its resident property owners, and persons accounting for 50% of the its property value. Once the petition has been entered, a notice shall be placed in a distributed newspaper. Any person wishing to enter their opinion in regards to the proposal must write to the secretary or clerk of the municipality; the governing authorities must hear the opinion before an ordinance can be passed. Enactment of an ordinance may not occur until ten days after the publication of the notice. A special election shall be held for those residing in the proposed territory who shall vote on the question of annexation. Annexation occurs in the event that the election results in a majority vote in favor of the proposal. If the territory has no registered voters or is made up of a parcel of property that does not form a whole voting precinct, then the question of annexation shall be entered to the governing authority of the Jefferson Parish.

Annexation occurs in the event that the parish enacts an ordinance in agreement with the proposed annexation, and a majority of the territory's voters have voted in favor of annexation. Jefferson Parish requires contiguity as a prerequisite for any annexation.

The city of Westlake

Westlake may annex noncontiguous territory and a right of way corridor that connects the municipality and the territory so long as the proposed territory does not measure greater than 20 acres. Westlake may annex by ordinance; however, if the territory has no registered voters, the required petition must include the consent of persons owning the majority of the its acreage and those owning property equal in value to at least 25% of the territory's total property value.

The city of Crowley

If the proposed territory has no resident owners or registered voters, then the city of Crowley may annex property by petition so long as the act is approved of by: persons owning a majority of the acreage or square footage of the proposed property; and persons owning property equal in value to at least 25% of the territory's total property value.

• Opposition to annexation

Any citizen may enter a complaint to the district court against annexation in the 30 day period before it goes into effect. If the court decides that annexation was reasonably applied, then the ordinance will become effective in 10 days after the judgment except in the case of a suspensive appeal. If the court judges the annexation to have been wrongfully applied, then the ordinance shall be dismissed and may not be reintroduced for a period of 12 months.

MAINE

Maine Revised Statues Annotated: Title 30A, 2171

Annexation resides under the authority of the State Legislature which functions in the best interest of its constituents.

MARYLAND

Maryland Code: Article 23A, section 19

Prerequisite

A municipality may annex territory that is unincorporated and contiguous to the annexing municipality. Annexation may not result in an unincorporated island.

Annexation by resolution

The proposed annexation must be approved of by 25% of the territory's residents who are registered to vote in county elections and persons accounting for at least 25% of the territory's real property value. The legislative body of the municipality may then review a resolution of annexation. Notice of the proposal must be published at least four times (at least twice if the proposed territory measures 25 acres or less) in a newspaper distributed in the municipality and territory; a minimum of one week must pass in between each publication. The notices shall include information of a public hearing to be held at least 15 days from the date of the last publication. At the first publication, a copy of the notice shall be sent to the governing body of the county and all regional and state planning agencies that have authority in the county. The municipality must outline its service extensions to the territory in the event of annexation and make the plan available to the public at the hearing. Copies of the document shall be delivered at least 30 days before the hearing to each county in which the municipality is situated and regional and state planning agencies that have authority in the territory. The outline must include information on the proposed land use pattern for the territory, a timetable for the extension of each service, and the manner of funding the extension. The legislative may pass a resolution of annexation after the hearing. The resolution may not enter into effect until at least 45 days after its passage. A copy of the approved resolution must be delivered to the clerk of the court in the county in which the municipality is situated, the Department of Legislative Services, and, if applicable, the Maryland-National Capital Park and Planning Commission.

Annexation by petition

A petition for annexation must be signed by at least 25% of the territory's residents who are registered to vote in county elections and persons accounting for at least 25% of the territory's real property value. The legislative body receives the petition and must verify its contents and signatory parties. Once confirmed, the legislative body shall propose a resolution of annexation. The process shall then follow in accordance to that by resolution.

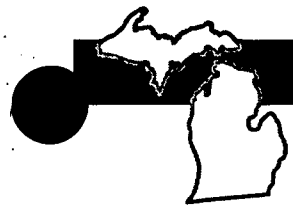
Remonstrance

A petition for referendum may be entered within the 45 day period between a resolution's passage and its enactment. The document must be signed by at least 20% of the annexed territory's residents who are registered to vote in county elections. A similar petition may be entered on behalf of the municipality's voters and include the signatures of at least 20% of the municipality's voters. A petition for referendum may be entered by the county or counties in which the municipality is situated. The governing body of the county may enter such a petition after a two-thirds majority vote in favor of a referendum. The municipality must verify the contents and signatories of the petition and then suspend the resolution until a referendum is held. Notices shall be published in newspapers distributed in the municipality and the proposed territory and include information of a referendum to be held 15 to 90 days from the date of the publications. The resolution shall be entered to a referendum election. Voter eligibility depends on the type of petition. Real property owners may vote and/or sign the petition if the territory has only 20 persons eligible to vote by general criteria.

If there is only one petition for referendum, annexation depends on the outcome of that the one referendum. Majority vote for change of the proposal goes into effect 14 days after the referendum. If two petitions for referendum exist, then two referenda shall be held, and majority vote of both is required for changes to the proposal.

MASSACHUSETTS

Massachusetts does not have unincorporated territory.



MICHIGAN

Home Rule City Act, MCL 117.9

• Annexation

Initiating a petition or resolution

A petition or resolution for annexation may be entered to the State Boundary Commission in any one of the following manners: the legislative body of a municipality adopts a resolution of annexation; a petition is submitted by any party that holds the title as a vendee under a land contract or memorandum of land contract or record title to 75% or more of the land excluding streets located in the territory; or a petition endorsed by at least 20% of the registered electors residing in the proposed territory.

State Boundary Commission

The petition or resolution for annexation shall be submitted to the State Boundary Commission which will authenticate the document and then call for a public hearing. The Commissions has the authority to review, deny, approve, and revise the petition. The Commission shall mail a notice of the public hearing to all persons owning property in the proposed territory; notices must also be mailed to all persons owning property within 300 feet of the territory. Notifications will be mailed at least 30 days before the hearing date.

If the Commission rejects the proposal of annexation, then it shall deliver a copy of its order to each clerk of all effected counties, cities, villages, and townships. If the Commission approves the proposal and the territory has no more than 100 residents on the date of the petition's filing, a referendum is not required. A copy of the commission's order shall be sent to the clerk of all affected counties, cities, villages, townships, and to the Secretary of State. Annexation enters into effect on the date designated by the order. If the Commission approves the proposal and the territory has more than 100 residents on the date of the petition's filing, a copy of its order shall be sent to each clerk of all affected counties, cities, villages, townships, and the secretary of state. The order is confirmed 30 days after its initial date unless the commission receives a petition for referendum signed by 25% of the registered electors of either the territory or annexing municipality. A referendum shall be held in each area from which a petition was received. If all referenda result in individual majority approval, annexation shall enter into effect on the date designated by the order. If the Commission receives no petition for referendum, annexation enters into effect on the date designated by the order.

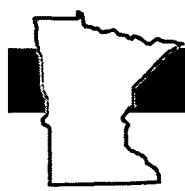
The Commission shall dismiss any petition or resolution that proposes the annexation of territory that had previously been proposed for annexation in the past two years and either was rejected by the Commission or failed by election. The State Boundary Commission shall send a copy of its order to all persons owning property in the proposed territory. Notice must also be mailed to all persons owning property within 300 feet of the proposed territory.

Annexation by city council

A municipality may annex by resolution if the territory is contiguous the municipality, uninhabited, and composed of a park or vacant land that is situated in a township and under the ownership of the annexing municipality. Annexation in this manner requires a resolution passed by the city council.

A municipality may annex territory by majority approval of its legislative body and consent of the legislative body of the adjacent municipality (be it city, township, or village) if the territory is contiguous to the municipality and composed of either city-owned property or parts of platted subdivision lots situated in an adjacent municipality (city, township or village).

A municipality may annex territory by the majority approval of its council and consent of the township board so long as: no eligible electors exist in the proposed territory aside from the person(s) submitting the petition; a petition, signed by any party holding the title of a vendee under a recorded land contract or memorandum of land contract, or record legal title to more than 50% of the territory's land, is submitted to the city council of the annexing municipality and with the township board of the township in which the territory is located. The township treasurer shall inform the property owners of the proposed territory at least ten days before the township board's approval.



MINNESOTA

Minnesota Statutes: Chapter 414

• Annexation by director's order

Any one of the following may initiate annexation: a resolution by the annexing municipality; a resolution by the township in which the proposed territory is located; a petition signed by either 20% of the territory's property owners or 100 property owners (which ever is less in number); or resolutions passed by the municipality and township with the intent of the municipality to annex the township. The document shall state the boundary of the proposed territory, a list of persons who must be

notified, and the grounds for annexation. If property owners submit a petition for annexation, the annexing municipality must also submit a separate resolution that approves the petition. The municipality shall mail a notice of its intent to the township clerk of the township involved and describe the boundary of the proposed territory at least 30 days before the director receives a petition or resolution.

The petition or resolution shall be submitted to the director who will set a date for the hearing. The director shall review the proposal and may approve of annexation if he concludes any one of the following: the proposed territory is or promises to be urban or suburban; the municipal government is necessary to provide for the territory's public health, safety, and welfare; or the territory is best served by annexation. The director shall dismiss the proposed annexation if he determines that revenue collected by the municipality upon annexation is unreasonably unequal to the monetary value of assistance gained by the annexed territory. The director may also dismiss the proposed annexation if he determines that the property would be better serviced by annexation to another municipality or part of the township excluded from annexation shall be negatively affected. The director retains the authority to modify the boundary line as submitted in the petition or resolution. The director must provide the rationale for each of his decisions. A copy of the annexation order shall be sent immediately to the necessary county auditors. Annexation goes into effect on the date as designated by the annexation order.

Joint informational meeting
A joint informational meeting must be held under annexation by director's order. The meeting shall be attended by the council of the annexing municipality and the board of supervisors of the township in which the territory is situated. The meeting will be held after the last mediation meeting and before the hearing. If no mediation meeting is held, the joint informational meeting shall occur after the submission of the documents and before the hearing. The meeting must be properly advertised last ten days before its occurrence.

• Orderly annexation

A joint resolution declaring the need of orderly annexation for unincorporated territory may be entered by either: at least one township and at least one municipality; or at least one municipality and the county. The resolution shall contain details of the unincorporated territory and the reason for annexation. Annexation of the unincorporated territory, or any part thereof, may occur by either the director or the entrance of a resolution to the director by a party that has signed the joint resolution. The director automatically gains the authority to annex in the event that a state agency, excluding the pollution control agency, demands a municipality to extend its services. The director does not have the authority to modify the unincorporated territory's boundary lines if the joint resolution addresses that any alteration is unsuitable. If the joint resolution declares that the director need not deliberate over the proposal and includes all provisions necessary for annexation, the director shall issue an annexation order reflective of the resolution in the next 30 days.

Notifications shall be placed in a newspaper distributed in the township and municipality at least ten days prior to the passage of an orderly annexation agreement. The publication must detail the boundaries of the proposed territory and include information on the public hearing. A public hearing will be held, and the director shall review and decide on annexation in the same manner described in the above section. The director may dismiss the proposal if he finds that it disagrees with any condition as set out by the joint agreement. If the director rejects the annexation, the same territory may not be proposed for future annexation until two years from the date of the denial order. However, annexation may be proposed by petition of the territory's property owners within those two years.

• Annexation by ordinance

Prerequisites
Annexation by ordinance requires the proposed territory to be unincorporated and contiguous to the annexing municipality.

Urban and suburban lands
The municipality may annex by ordinance territory that is considered to be, or is soon to become, urban or suburban if: the municipality owns the territory; the territory exists as an unincorporated island; the territory measures at most 120 acres and is not provided by public wastewater facilities, or such facilities are unavailable, and all of its property owners submit a petition for annexation to the municipality; or land situated two miles from the municipality's limits has been approved for the purpose of residential lots measuring 21,780 square feet or less. Unless the territory is under municipal ownership, the municipality must conduct a public hearing before it approves of an annexation ordinance. The municipality shall mail notices to the affected town(s) and landowners of and contiguous to the proposed territory; mailings shall occur at least 30 days prior to the public hearing.

60 percent and 40 acres
The municipality shall give notification to the town board and director of its intent to annex if the proposed territory shares at least 60% of its border with the mu-

nicipality, and its total area measures 40 acres or less. The town board may submit its opposition to the director in the following 90 days. If the director receives any such complaints, a hearing shall be held and an order will be issued in regards to the annexation. If no opposition is entered, then the territory shall be annexed by ordinance.

This section does not apply if the territory exists as an unincorporated island within the municipality.

Petition by property owners

A majority of property owners may enter a petition for annexation if the territory is either platted or composed of no more than 200 acres of unplatted land and contiguous to the annexing municipality. In the next ten days, copies of the petition shall also be turned into the director, town board, the county board, and the council of any other contiguous municipality. The town board and municipal council(s) have the following 90 days to enter in any opposition to the director and the annexing municipality. If the director receives any such complaints, a hearing shall be held and an order will be issued in regards to the annexation. If no complaint is entered, the municipality may annex by ordinance so long as it concludes that the proposed territory qualifies as, or will in the future become, urban or suburban. If the petition is not signed by all property owners, the municipal council shall announce a hearing date and deliver notice of such at least 30 days prior to the hearing.

The annexation ordinance must be entered to the director, the township, the county auditor, and the Secretary of State. Annexation is concluded on the date that the director approves the ordinance.

• Entry of maps for boundary alterations

Whenever a municipality proposes annexation, it is required to submit to the director a corporate boundary map that illustrates the boundary in the event of annexation. Any party requesting annexation is required to submit to the director maps that describe the land and contain copies of plats.

MISSISSIPPI

Mississippi Code: 21-1-22; 21-1-27 to 21-1-65

• Prerequisites

A territory proposed for annexation must be unincorporated and contiguous to the annexing municipality.

• Annexation

A municipality may enact an annexation ordinance describing the proposed territory, proposed alterations, the method to implement the alterations, and the timetable for such changes; and reason(s) for annexation. The municipality will petition the chancery court of its county or, if the proposed territory is in an adjacent county, the petition will be entered to the chancery court of the county in which the territory is situated. The petition shall ask for the court's approval of annexation and be accompanied by a copy of the ordinance and a map of the municipality's borders in the event of annexation.

The chancellor shall set a date for a hearing which will be published weekly for a period of three weeks in a newspaper distributed in the municipality and territory. The first notice shall be placed at least 30 days before the date of the hearing. Any person opposed to annexation may be heard at the hearing. If, after the hearing, the chancellor deems the proposed annexation suitable to continue, he shall enter a decree in favor of annexation. The chancellor reserves the authority to alter the proposal if he so decides. If the chancellor finds the proposal inconsistent with the public's needs, he shall enter a decree in opposition to annexation. The decree goes into effect ten days from the date of its entry. In the event of an appeal, the decree goes into effect ten days after the decision regarding the appeal. A copy of the decree must be sent to the Secretary of State following the ten days.

• Annexation of state institutions

A municipality may annex state institutions so long as it obtains the written approval from its board of trustees or the governing body that oversees the institution.

• Remonstrance

Appeal to chancellor's decree

An appeal may be entered to the supreme court in the ten days following the date of the decree. If the supreme court approves, the decree shall enter into effect ten days from the date of the court's decision. Entry of the appeal must be made by a person who was part to the proceedings of the chancery court.

MISSOURI

Missouri Revised Statutes: Section 71-012; 71.015; 71.860 to 71.920

• Prerequisites

A municipality may annex a territory so long as the territory is unincorporated and contiguous to the municipality. Contiguity does not apply where the proposed

territory is contiguous to the annexing unit by a railroad line, trail, pipeline or strip of property measuring less than one-quarter mile in width and results in unincorporated islands. However, voluntary annexation that results in unincorporated islands may occur so long as unincorporated islands have had the option to voluntarily annex to the city, town, or village.
A municipality situated in a county of the third classification that is adjacent to a county of the fourth classification, a county of the second classification and the Mississippi River may annex territory adjacent to a road or highway up to two miles from its borders.

• Annexation

By petition

A petition for annexation may be turned into the governing body of the municipality. The document must be signed by either the owners of all fee interest of record in all tracts of real property situated in the proposed area or the governing body of a common interest community and consented by the majority of unit owners situated in the territory. On receipt of the petition, the municipality shall call for a public hearing to be held in the following 14-60 days. Notice of the hearing shall be placed in a distributed newspaper. The hearing must date at least seven days after the publication and shall provide the opportunity for parities to present their opinion on annexation. The governing body shall then decide if annexation is suitable to the interests of the municipality and its ability to provide services to the territory. An ordinance shall be passed upon a favorable decision of annexation. Three copies of the ordinance will be delivered to the clerk of the county in which the city, town or village is situated; if necessary, a copy must also be delivered to the election authority.

In the 14 days following the public hearing, written opposition to annexation may be submitted to the governing body of the municipality If opposition is entered by at least five percent of the qualified voters of the city, town or village or two qualified voters of the proposed territory, annexation shall follow the procedure outlined for receipt of protest.

Of territories to which objection has been entered

The municipality must confirm that the proposed territory shares at least 15% of its border with the annexing municipality prior to the passage of any resolution. The governing body may then introduce an ordinance that states the contiguous status of the territory (as confirmed above); the necessity of annexation for the interests of the municipality; the existence of a plan for the extension of services; a public hearing to be held; and the effective date shall be, at most, 36 months from the date of the election. Notice of the hearing shall be mailed to all fee owners of record 30-60 days before the hearing. Similar information shall be published in a newspaper distributed in each county that the proposed territory is situated. The published notice must appear on a weekly basis (at least) for a period of three consecutive weeks; at least one notice must be published 10-20 days before the hearing. The municipality shall introduce its plan for service extension at the hearing and include: a list of services to be provided; a timetable for the provision of such services, which must be completed in the three years following annexation; property assessment levels and tax rates, zoning; and the date at which the annexation shall go into effect. After the hearing, the governing body may vote in favor of annexation and enter a petition to the circuit court of the county in which the territory is located. The petition shall ask for a declaratory judgment for annexation and provide information for the following: the territory complies with the criteria required for annexation; it suits the municipality's developmental interests; and the municipality shall be able to provide its services within the three year time period. If the court approves of annexation, then the municipality may proceed to hold an election. Annexation requires the majority vote of approval by the municipality and a separate majority vote of approval by the territory. If the municipal election is the only election that favors annexation, a second election shall beheld within 120 days. Registered voters in the municipality and the territory are eligible to vote in the second election. Annexation requires at least a two-thirds vote in favor of the action. If the proposal fails in the second election, the territory may not be again proposed until two years after the election. However, annexation by petition may occur during the two year period.

This does not apply to municipalities situated in a county of the first classification that has its own constitutional charter for local government.

Specific municipalities

A municipality situated in a county of the first classification that has a charter form of government, a population of at least 200,000, and is adjacent to a county with a population of at least 900,000 cannot annex until it has received approval by a majority vote of the municipality and a majority vote in favor of annexation by the unincorporated territory. If no eligible voters reside in the unincorporated territory, then an approved majority vote by the municipality shall suffice. If majority by both the municipality and territory is not achieved, then annexation of the territory may not be proposed for a period of two years from the election date. Annexation by petition is allowed to occur during the two years.
Annexation by a municipality situated in a first class chartered county that has a population of at least 500,000 requires a notification to be sent to the election authority and to the governing body of the county.

The notice must contain a description of the territory, a map of the territory and note the boundaries of both the territory and incorporated areas, and a copy of the municipality's resolution for the question of annexation. Annexation may not occur until an election is held and results reveal a majority vote of approval for annexation by the municipality and the proposed territory. Annexation enters into effect after one year from the date of the election if the proposal gains the required majority approval from both groups.

Elections
Annexation shall occur if elections in the municipality and territory result in majority approval for annexation. Annexation may not enter into effect until one year after the election date for first class charter counties that have a population of at least 900,000.

• Remonstrance
If the municipality fails to provide the services in accordance to the plan of intent and is still lacking services in the three years after annexation, then any person residing in the annexed territory may file for de-annexation in the circuit court.

If the proposed territory contains a public road or highway but excludes all the land adjacent to the road or highway, the fee owners of the land may intercede the declaratory judgment action filed by the municipality to the circuit court.

Montana Code Annotated 2005: 7-2-4303 to 7-2-4625

• Annexation of contiguous territory
Conditions
A municipality may annex contiguous territory, platted or unplatted so long as: the territory has been platted for parks or into lots, streets, and alleys, and a map has been turned into the office of the county clerk and recorder of the county in which the territory is located; or unplatted territory has been surveyed, and a certificate of survey has been submitted.

Unless stated otherwise, annexation of a territory serving industrial, railroad, or manufacturing purposes requires the written approval of the landowner(s).

Procedure
When a municipality's council approves a resolution for annexation, it must send written notice of its intent to all registered voters situated in the proposed territory and place a notice in a distributed newspaper. The notice shall inform the reader that a resolution has been approved, and registered voters of the proposed territory may send their written opinion in favor of or opposing annexation in the 20 days following the first publication. If, after deliberation, the council adopts a resolution in favor of annexation, the question of annexation shall then be placed to a vote. The election shall be held in the 45 days following the passage of the resolution. Notice of the election shall be sent to the territory's registered voters. If the proposal fails, the territory may not be considered for further annexation by the municipality for a five year period unless accompanied by a petition.

Parceled territory
No election need be held nor is the consent of a landowner required if the territory is composed of less than 300 recorded parcels and holds a railroad. However, a municipality may not annex such territory if a majority of the real property owners of the area submit in writing their opposition to annexation. The proposal fails if a majority opposes annexation. The territory may not be considered for further annexation by the municipality for a one year period unless accompanied by a petition.

• Annexation of contiguous government territory
An official of the government unit owning the territory may enter a request for annexation to the clerk of the municipality. The request shall include a description of the territory, certification of ownership, and an appeal for annexation. It will be submitted to the governing body of the municipality which will then adopt a resolution with the intent to annex and set a date for the public hearing. A notice of the passed resolution shall be published at least once a week for a period of two consecutive weeks. Written opinions in opposition to or in favor of annexation may be entered to the clerk for a time of 20 days to the date of the first publication. The published notices shall also include information on the public hearing. The municipality will hear any party that wishes to address the issue of annexation. The municipality will pass a resolution of annexation if it decides that annexation shall serve to benefit the territory. The resolution enters into effect 30 days after its adoption. The clerk shall submit a copy of the resolution and a map of the changed municipality to the office of the county clerk and recorder of the county in which the municipality is situated. The proper documents must be submitted in the 30 days following the resolution's adoption.

• Annexation of unincorporated islands
Restrictions
Annexation of unincorporated territory may not occur if the area serves: agriculture, mining, smelting refining,

transportation, or industrial or manufacturing reasons; or for the upkeep or operation of a golf or country club, athletic grounds, a landing field, a graveyard, or a location for public or private outdoor recreation.

Procedure

A municipality may annex unincorporated islands by adopting a resolution of intent, providing notice of its action, and then adopting a resolution of annexation. The resolution of intent, notification of the resolution, and a public hearing shall all be conducted in the same manner as that for annexation of contiguous territory; however, registered voters of the unincorporated territory will not be given the opportunity to vote on annexation. Annexation may occur regardless of any objection raised by the territory's property owners.

• Annexation by petition

Restrictions

No territory may be annexed if it is part of another municipality and/or serves for agricultural mining, smelting, refining, transport, industrial or manufacturing use.

Annexation may be initiated by the entrance of a petition signed by one-third of the registered electors of the unincorporated territory. The petition must be entered to the legislative body of the municipality. The municipality shall enter the question of annexation to the registered electors of the territory. The election shall follow the same guidelines for municipal elections. The question of annexation may be submitted at the time of a municipal election, through the holding of a special election, or at any municipal election unless specifically excluded. Notifications of the election shall be published in the manner required and inform the reader of the question under consideration and the election date. If a majority votes in favor of annexation, the municipality shall approve the resolution for annexation in the 30 days following the election. The resolution will include the following information: the entrance of a petition signed by one-third of the registered electors that own real property in the proposed territory; details of the territory's boundaries; a copy of the initial resolution; a copy of the election notice; the time and outcome of the election; and the extension of municipal boundaries so as to contain the annexed territory. Annexation is final at the time when a copy of the resolution is entered to the clerk of the county in which the municipality is located.

No election required

The municipality need not enter the question of annexation if the petition includes a description of the territory and is signed by: the owner(s) of at least 50% of the real property in the territory; or a majority of the resident electors that own real property in the territory. Instead, the municipality shall decide to either approve or reject the petition. If the municipality approves the petition, it may then pass a resolution of annexation. The resolution shall state whether the resolution was signed by the owner(s) of at least 50% of the real property or by a majority of the resident electors that own real property; details of the territory's boundaries; and the extension of municipal boundaries so as to contain the annexed territory.

• Incorrect assumption of annexation

If a territory is found to have been incorrectly assumed as part of the municipality, it shall be assumed that the territory is annexed if municipal taxes have been paid without quarrel for seven years.

• Annexation districts

An annexation district may exist outside the limits of the municipality so long as an agreement exists between the municipality and the owner of property in the district. The district may not exist for a period of more than 10 years.

Nebraska Revised Statutes

Annexation by cities of the first class

The mayor or city council may annex by ordinance contiguous territory considered urban or suburban in character. The council shall pass a resolution of intent to annex that includes the following: a description of the territory's borders; date, time, and place of the public hearing; and a statement that a plan of public extension shall be available to the public in the office of the city clerk. The plan of extension must include the following: the estimated cost impact of servicing the territory; the manner in which the city shall fund the extensions and the upkeep of present services; a timeline for service extension; and a map illustrating the proposed territory, the land-use pattern in the territory, the city's present borders, and future changes to the border in the event of annexation. A public hearing must be held in the 60 days following the resolution. A copy of the resolution and a map of the territory shall be placed in the city's newspaper at least ten days before the hearing date. A copy of the resolution will be mailed to the school board of any school district situated in the proposed territory. At the hearing, the council shall hear the opinion of any party that wishes to address the annexation. Within one year of annexation, the city council must approve the necessary plans and action for the extension of services to the territory.

By petition
An owner of land contiguous to a first class city may enter a petition for annexation. The mayor and city council may either reject or approve the petition. If approved, the city may annex the territory without a resolution of intent or a public hearing.

• Annexation by petition
Landowners and/or residents of the territory may enter a petition for annexation to a contiguous municipality. The petitioners must provide a map of the territory and additional information for platting. The map and petition shall be entered to the office of the clerk of the municipality. The petition must be signed by of property owners and residents of the territory equaling a majority in number and value. The city council or board of trustees will decide on the question of annexation. An ordinance of annexation requires a majority vote in favor of the action. If annexation is approved, a copy of the ordinance and the map of the territory shall be entered to the office of the county clerk or register of deeds and county assessor.

This procedure will also apply for landowners and residents of a territory who wish to annex to a municipality that is located within two or more counties and the territory may or may not be located in the similar counties.

• Annexation by second class cities or villages
The mayor or city council of a second class city or the chairperson and the board of trustees of a village may annex by ordinance contiguous territory considered urban or suburban in character. Within one year of annexation, the city council or village board must approve the necessary plans and action for the extension of services to the territory. This procedure shall also apply to any municipality located in more than one county and wish to annex contiguous territory that may or may not be located in the same counties as the municipality.

A second class city may annex territory in order to execute a redevelopment plan and the creation of an agricultural processing facility. Annexation for this purpose does not depend on the contiguity of the territory or its status as urban or suburban.

• Agricultural land
Neither first nor second class cities are allowed to annex territory that is used for farming purposes and is considered rural.

• Remonstrance
Any action that opposes annexation must be carried out within one year of the annexation.

NEVADA

Nevada Revised Statutes: 268.570 to 268.670

• Counties with at least 400,000
The following applies to annexation procedures taken by cities situated in a county with a population of at least 400,000.

Prerequisites
The territory must be unincorporated and share at least one-eighth of its boundary with that of the annexing city. A territory proposed for annexation must not be within the limits of an unincorporated town unless permission is obtained from the town in which the territory is situated. The territory must be developed for urban use and satisfy the criteria for the definition of urban purpose as set out by the NRS; however, a city may annex undeveloped parts if they are contiguous to the city and situated between the city and an urban area that is not contiguous to the city and provision of services requires the city to extend through the undeveloped area to reach the urban area, and the undeveloped area shares at least 60% of its boundary with both the city and urban area. A city may annex territory that is surrounded by the municipality on at least 75% of its sides. A city may also annex territory if it receives a petition signed by owners of 75% of the lots in the territory or if it receives a written notification from a governmental unit that owns the territory and consents to the annexation.

Annexation procedure
The governing body of the city shall pass a resolution of intent to annex. The resolution must include: a description of the boundaries of the proposed territory; a date for the public hearing that shall fall within 30-60 days after the resolution is adopted; and instructions for publishing a hearing notice. The notice of the hearing shall inform the reader of the date, time, and location of the hearing; include a description of the territory; inform the reader of a report that may be viewed at least 20 days prior to the hearing; list the names of all record owners of real property in the territory; and state that an annexation ordinance may be passed after the hearing so long as a majority of the territory's property owners do not oppose annexation at the appropriate time. The notice shall be published in a newspaper distributed within the proposed territory. If such a newspaper does not exist, the notice will be placed on the front door of the city hall or county courthouse and at two prominent establishments for at least 20 days before the hearing. The first notice must date at least 20 days before the hearing date; the first publication must predate the last

publication by at least six days. The city clerk shall send a copy of the notice to all owners of property in the territory at the same time as the first publication.

The city will provide a report at least 20 days before the hearing date. The report shall include the following: a map or plat of the proposed territory; written confirmation that the territory satisfies the criteria to be considered for annexation; a plan of service expansion to the territory; and a map of the city and the territory that indicates the existing and proposed boundary lines, the existing and proposed streets, sewers, and utilities, and the existing and proposed land use patterns in the territory. The public shall have access to the report prior to the hearing. At the hearing, the city shall provide a representative to explain the contents of the report. Any owner of property in the territory may present his opinion at this time. If no opposition is raised or it fails to collect a majority of the property owners, the city's governing body may pass an annexation ordinance 16-90 days after the hearing. The ordinance shall include the following: an evaluation of the territory's boundaries and the manner in which the territory meets the requirement for annexation; a declaration of intent to extend services to the territory and designate the party responsible for payments; an evaluation of funds available to the city in order to provide the extension of services; and the date on which annexation enters into effect. A map of the annexed territory and a copy of the ordinance shall be entered in to the Department of Taxation and the office of the county recorder of the county in which the territory is located.

Three alternative methods for annexation

1 – A city may annex territory if it is unincorporated; shares at least one-eighth of its boundary with that of the annexing city; all landowners enter a petition for annexation to the city governing body; and, if within the limits of an unincorporated town, the town has consented to the annexation. The city may then pass an annexation ordinance and act in the manner required by annexation procedure.

2 – Annexation may occur if the territory is undeveloped; surrounded on at least 75% of its sides by the city; the city has promised to provide services equivalent to those it provides elsewhere; and no cooperative agreement exists between the city and the governmental unit within whose boundary the territory is situated. The city may then pass an annexation ordinance and act in the manner required by annexation procedure.

3 – A city may annex territory is undeveloped; surrounded on at least 75% of its sides by the city; and the governmental unit owning the territory has entered its written consent to annexation by the city. The city may then pass an annexation ordinance and act in the manner required by annexation procedure.

By petition

A city may take action for annexation upon receiving a petition from either the board of county commissioners, or the majority of property owners from an unincorporated territory that hosts urban development.

Writ of mandamus

A property owner may file for a writ of mandamus at some time 24-27 months after annexation if he thinks that the city has not delivered the appropriate amount of service as promised. The district court that resides over the annexed territory shall deliberate over the application.

Remonstrance

An owner of property within the territory may protest annexation at the public hearing and/or enter a written dissent to annexation within 15 days of the public hearing. Annexation fails if a majority of property owners enter complaints in the provided manner.

A compliant may be filed to the district court by any person who has voiced his opposition to annexation at the public hearing and/or in writing and argues that he will experience material harm in the event of annexation. The complaint must be filed within 30 days of annexation ordinance and to the district court that resides over the annexed territory. No action may be taken after the initial 30 days following the ordinance.

Roads, highways, railroads

If the annexed territory borders one side of a county road, state highway, or railroad and the territory on the other side is outside of the city's limits, then the annexed territory is considered to end at the middle of the road, highway, or railroad. The city may annex the rest of the road, highway, or railroad; all county roads shall then become city streets.

If the annexed territory is on one side of a county road, state highway, or railroad and the territory on the other side is within city limits, then the annexed territory shall then include parts of the road, highway, or railroad that it touches on either side and portions of a county road shall then become city streets.

• County populations of 100,000 to 400,000

The following relates to annexation procedures taken by cities situated in a county with a population of at least 100,000 and less than 400,000.

Program of annexation
Cities with comprehensive regional plans shall have a program of annexation that highlights territories for potential annexation in the next seven years. The city may only annex territory that is within the sphere of influence and in the program of annexation. The proposed territory must be contiguous to the municipality except in the case that annexation is voluntary; the proposal occurs at a time consistent with the program of annexation; and the city shall supply the territory with the necessary facilities for its development. Annexation may not occur if it results in an island measuring 40 acres or less. Annexation may not occur if it splits and proposes the annexation of only part of the lot.

Annexation procedures require a public hearing to be held before the passage of a program of annexation. Notice of the hearing shall be mailed to owners of property in the proposed program of annexation. Once passed, the program of annexation must be entered to the regional planning commission and the county in which the city is situated. The regional planning commission shall verify that the program of annexation complies with the comprehensive regional plan before it can enter into effect.

Annexation commission
An annexation commission is comprised of two representatives from the county, one of whom is the chairman of the board of county commissioners and the other is a selected member of the board; representatives from each city; and an additional member may be added by the Governor in order to achieve an odd number of members to the commission.

The annexation commission may lose its position of authority if the county and cities approve of an interlocal agreement and transfer the responsibilities of the annexation commission to the regional planning commission.

Annexation procedures
Owners of property in an unincorporated territory may submit a petition for annexation to the clerk of the city. The petition must be signed by a majority of the property owners and accompanied by a map of the territory. Annexation may also be initiated by the city through a resolution of intent to annex. The resolution includes a description of the territory and calls for a plat of the territory to be entered to the clerk of the city. Within five days of receiving either the petition or resolution, the clerk shall notify the commission; the commission, in turn, will deliver a copy of the notice to any existing county or regional planning commission that resides over the proposed territory. The planning commission shall deliver its evaluation to the city annexation commission within 30 days time. The commission will call for a public hearing and deliver notice of the hearing to any city within seven miles of the proposed territory, every person that has requested the delivery of a notice, and those persons who support the proposal. The commission shall hear those persons who entered a formal request to state their case. The commission has the following 30 days to come to a conclusion in regards to annexation. The commission shall oppose annexation if the regional planning commission concludes that the proposal conflicts with the comprehensive regional plan or a certified program of annexation; in this case, annexation does not occur, and city cannot include the territory in a proposal for annexation for a period of one year.

The commission may approve annexation so long as it complies with the comprehensive regional plan and a certified program of annexation. upon approval, the city clerk shall place a copy of the petition or resolution in a newspaper distributed in the proposed territory, or, if necessary, in a newspaper distributed in the county. If no newspaper exists, a copy of the petition or resolution shall be posted on city hall or the county courthouse and two other prominent locations for at least 20 days before the next general meeting. The petition or resolution shall be published at least 20 days before the next meeting; at least six days must lapse between the first and last publication. The clerk will also mail a copy of the petition or resolution to the property owners in the proposed territory. All notices must be accompanied by a list of property owners in the territory. The governing body will vote on the question of annexation. A majority vote in favor of annexation shall result in the passage of an annexation ordinance.

Remonstrance
Any property owner in the proposed territory may enter written opposition to annexation in the 20 day notice period. The property owner may state his case to the governing body at the next meeting following the 20 days, or, if there is no such meeting, a special meeting shall be held. The property owner shall be heard before the governing body votes on the question of annexation.

Annexation is rejected in the event that complaints are entered at the public hearing or through written opposition by: a majority of the property owners of the territory; or property owners who together account for the majority of the property value in the proposed territory.

Annexation despite opposition
Despite opposition, annexation shall occur if: the territory exists as an island and measures at most 40 acres or

is divided for residential, commercial or industrial use; the city provides necessary services to the territory; and the city shall be able to provide the necessary services within a reasonable amount of time.

Roads, highway or railroads
If the annexed territory borders one side of a county road, state highway or railroad and the territory on the other side is outside the city's limits, the annexed territory is considered to end at the middle of the road, highway, or railroad. The city may annex the whole road by consent of the county.

If the annexed territory is on one side of a county road, state highway, or railroad and the territory on the other side is within city limits, then the annexed territory shall then include parts of the road, highway, or railroad that it touches on either side and portions of a county road shall then become city streets.

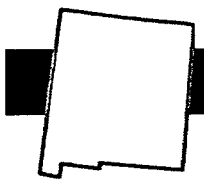
If the annexed territory is a subdivision, the county roads that serve the subdivision will be annexed and considered city streets.

NEW HAMPSHIRE

New Hampshire has little unincorporated territory.

NEW JERSEY

New Jersey has very little unincorporated territory.



NEW MEXICO

New Mexico Statutes 3-7-1 to 3-7-18, 3-57-1 to 3-57-9

- **Annexation by municipalities in class A counties**

The Metropolitan Boundary Act for Class A Counties identifies two methods by which municipalities in class A counties may annex territory.

Petition to the municipality
The municipality may receive a petition signed by owners of the majority of land in the territory. The petition shall include a request for annexation and come with a map of the territory and illustrate the boundary of the territory and its position to the municipality. On receipt, the governing body of the municipality shall pass an ordinance that either approves or dismisses the petition. If the ordinance approves the annexation, a copy of the ordinance and plat of the territory will be entered into the office of the county clerk. Any owner of land in the territory has the next 30 days to appeal to the district court on the authenticity of the annexation. Annexation is final in the event that the court rules in favor of annexation or if no complaint was ever filed.

Petition to district court
A petition for annexation may be entered into the district court. The petition must be signed by either an owner of land in the territory or a representative of a local public body; list the county and board of county commissions as the respondents; declare any existing health hazards; and claims that annexation is the most expedite method of reducing such hazards. The petition must be submitted with a map that illustrates the boundary of the territory and its position to the municipality. The court shall decide on a date for a nonjury trial to deliberate on the question of annexation. The clerk of the municipality, the county, and each county commissioner shall receive a copy of the petition and order of the hearing. The petition and order will be published weekly for a period of three weeks. The documents must be sent and the first notice published within 30-60 days of the hearing date. The court shall hear the opinions, if presented, of the municipality and any owner of property in the territory. The court shall consider the annexation of the whole or part of the territory. The decision shall be entered to the office of the county clerk; upon receipt, annexation shall be final.

Class A counties with less than 300,000
A territory contiguous to a municipality in a class A county with a population of less than 300,000 may be annexed by petition. The petition shall be submitted to the city council with a map that illustrates the boundary of the territory and its position to the municipality. If the petition is signed by owners of the majority of land in the territory, the city council shall present the petition to the county commissioners of the county in which the municipality is situated. Within 30 to 60 days, the council shall pass an ordinance of either consent or rejection of annexation.

If owners of the majority of land did not sign the petition, the extraterritorial land use authority shall decide whether to consent or dismiss the petition. If it approves the proposal, the council may adopt an ordinance in consent of annexation. The city council need not refe to the extraterritorial land use authority in order to an nex the property of a non-consenting owner so long as the land is surrounded by consenting property owners.

• Annexation of municipalities in all other counties

Prerequisites

Territory proposed for annexation must be unincorporated and contiguous to the annexing municipality. A municipality must obtain the consent of the county commissions of the county in which the territory is situated in order to annex territory within a class A county that has a population of more than 300,000.

Annexation by arbitration

The governing body of the municipality shall pass a resolution of intent to annex. The document shall state that the municipality be able to provide services to the territory within a reasonable amount of time. A copy of resolution and plat of the proposed territory must be entered into the county clerk.

A seven member board of arbitration shall be constructed. The clerk will publish a notice of an election to select three members from the proposed territory to the board of arbitration. The election shall be held in 50-60 days after the first publication. Petitions for the nomination of the three board members may be turned into the county clerk at the date of the first publication and up until 35 days before the election. The petitions must be signed by at least ten percent of the qualified electors in the territory or by 25 qualified electors in the territory. An elector may sign up to, but no more than, three petitions. All qualified electors of the territory are eligible to vote in the election. Results shall be determined in the following three days. The three candidates with the greatest number of votes will be appointed as representatives of the territory on the board of arbitration. The elected members must be electors and property owners in the proposed territory; if no such persons exist, the district court shall select three members of the board as representative of the territory. The board of arbitration shall also include three members selected by the annexing municipality. The members must be qualified electors and property owners in the municipality. The seventh member of the board shall be selected by the rest of the board and must be a qualified elector and property owner in the county; however, his residency must be outside of the municipality and proposed territory. If the board is unable to select a seventh member, the district court will assign the last member of the board.
The board of arbitration shall investigate the ability of the municipality to provide services to the territory in an appropriate amount of time. If a majority of the board members decides against annexation, the municipality may not continue with annexation procedures nor propose annexation of the territory for the next two years. If a majority of the board members consents to annexation, the decision shall be entered into the clerk of the municipality, the clerk of the county, the secretary of finance and administration, and the secretary of taxation and revenue. The municipality may then proceed to adopt an ordinance of annexation.

Annexation by Municipal Boundary Commission
The Municipal Boundary Commission shall decide on the annexation of a territory whenever a petition is submitted by either a municipality or a majority of the territory's landowners. The Commission may not deal with any annexations of traditional historic communities unless it is presented with a petition signed by a majority of the qualified electors of the territory in the traditional historic community.

The submitted petition must include the following: a description of the proposed territory; and signatures of the mayor and clerk of the municipality or a majority of the landowners of the proposed territory. The petition shall be submitted with a map that illustrates the following: the boundary of the territory; federal, state, or county highways that run through the territory; and the territory's position to the annexing municipality. The petition must be submitted to the Department of Finance and Administration.

The Municipal Boundary Commission shall hold a meeting at some time in the 60 days following its receipt of the petition. A notice of a public hearing shall be published on a weekly basis for a period of four consecutive weeks; the last publication must occur at least 20 days before the hearing date. The notice shall include information of the proposed territory, and the date and location of the meeting to be held in the proposed territory.

The Commission shall decide whether or not the territory is contiguous to the municipality and the ability of the municipality to provide its services to the territory. If such criteria are met, the Commission will conclude in favor of annexation. If the Commission decides that only a part of the territory satisfies the criteria for annexation, it shall determine that portion as annexed to the municipality. Annexation fails in the event that the Commission concludes that the above criteria are not met. The Secretary of the Department of Finance and Administration shall enter copes of the order into the offices of the municipal and county clerks and the secretary of taxation and revenue. Annexation goes into effect once the order is filed.

An owner of land in the territory may oppose the decision of the Commission through a review of the order by the district court. Opposition to the Commission's decision must occur within 30 days of entering the final order into the offices of the county and municipal clerks.

Annexation by petition
The municipality may receive a petition for annexation so long as: the petition includes the signatures of persons owning a majority of the land in the territory; and comes with a map illustrating the boundary of the territory and its position to the municipality. The governing body of the municipality shall pass an ordinance to either approve of or dismiss the petition. If the ordinance favors annexation, copies of the ordinance and plat of the proposed territory must be entered into the office of the county clerk. Annexation occurs when the documents are filed. Copies of the ordinance and plat of the annexed territory must also be sent to the Secretary of Finance and Administration.

Any owner of land in the territory may question the authenticity of the annexation procedure and appeal to the district court. Such complaints must be made within the 30 days following the submission of the ordinance to the office of the county clerk.

• Government-owned territory
A municipality may annex territory owned by the federal government, the state of New Mexico, or a political subdivision of New Mexico. Annexation requires the permission of the government entity.

A municipality may annex territory that would meet the prerequisites for annexation except for the existence of government-owned territory.

• Traditional historic communities
Annexation of a traditional historic community requires a petition signed by a majority of the registered qualified electors of the territory situated in the traditional historic community. The community may also be annexed by arbitration so long as a petition, as described above, is also entered.

NEW YORK

Municipal Annexation Law

• Annexation by petition
A petition may request the annexation of a territory contiguous to the municipality. The petition must describe the territory and be signed by either 20% of its qualified electors or persons owning a majority of the assessed property value in the territory. The document shall be submitted to the governing board(s) of the affected local government(s) in which the territory is located. A copy of the petition will be sent to the governing board(s) of the local government(s) of the annexing municipality. The petition must include the signature of a witness who confirms the authenticity of the signatures on the petition. A notice of a hearing shall be published by both the municipality and the local government in which the territory is located. Notifications shall also be sent to all owners of property in the territory and qualified resident voters. The notice will inform the reader of a submitted petition and the date and location for a joint hearing that is to occur 20 to 40 days following the publication and mailings. A copy of the notice shall also be delivered to the school authorities of all districts located in the proposed territory and the annexing municipality. If the proposed territory is located in a town, the town board shall deliver a copy of the notice to the following entities if they are located in the proposed territory: the board of commissioners or any other governing body of all fire districts or other district corporations, public benefit corporations, and town improvement districts run by a separate board of commissioners.

At the hearing, the governing boards may listen to arguments to annexation. Opposition must also be entered in writing and filed with the boards. In the 90 days following the hearing, each governing board shall vote on the question of annexation; each will pass a resolution endorsing its majority decision. A written order per board, copies of any agreement, petition, notice, written opposition, and documented proceedings shall all be entered into the offices of the clerks of all the governments. If a governing board does not file a written order as required, the action shall be taken as consent to annexation. Consent or rejection of annexation is unanimous amongst the governing boards, the decision is final. However, if some boards conclude that annexation is not in the best interest of the public, the orders of such boards shall be entered into the office of the county clerk of county in which the territory is located. If one but not all governing boards disagree with annexation, another governing board may file for adjudication in the appellate division of the supreme court.

If the court decides in favor of annexation to continue, an election shall be held to decide on the question of annexation. Voter eligibility requires the person to be a qualified voter residing in the proposed territory. If the proposed annexation fails to capture the necessary votes, the certificate of election shall display the results and be entered into the office of the clerk of the annexing municipality. If the results show a majority in favor of annexation, the petition and certificate of election must be entered into the office of the clerk of the local government and the office of the clerk of the annexing municipality. The municipality shall then annex the territory by law.

• Annexation of uninhabited territory

Village-owned territory

A village may annex uninhabited territory with the approval of the town board in which the territory is located so long as the territory is contiguous to and owned by the village. If any portion of the territory is situated in another village in the town, its governing body must also approve of the proposed annexation. The decision of the town board and/or governing board of the other village shall base their approval on the conclusion that annexation serves the public interest. The village may annex territory without the consideration of a petition or a hearing.

City-owned territory

A city may annex uninhabited territory with the approval of the town board in which the territory is located so long as the territory is contiguous to and owned by the city. Before it gives its approval, the town board shall hold a meeting on the question of annexation. If any portion of the territory is situated in a village, the village governing body must also approve of the proposed annexation. The city may annex territory without the consideration of a petition or a hearing.

• Annexation of fire districts

The city shall assume ownership of a fire district if such a district, in its entirety, is located in the annexed territory. If the city annexes a territory that includes a portion of a fire district, the city shall then assume only a portion of the debt associated with the property.

NORTH CAROLINA

North Carolina Statutes Chapter 160A, Article 4A et seq.

• Annexation by petition

Owners of property in a territory may present a petition for annexation to a contiguous municipality. The petition must be signed by all persons owning property in the territory and include their addresses. The clerk of the municipality shall determine the authenticity of the petition and report his findings to the governing board. The governing board will call a public hearing and publish a notice at least ten days before the hearing date. If no general newspaper exists, notices shall be placed in at least three prominent locations in the territory and in three prominent places in the municipality. At the hearing, the public may present their opposition to annexation, and the governing board will decide whether or not the petition meets the criteria for annexation. The governing board of the municipality may then pass an ordinance of annexation. Annexation may enter into effect immediately or within six months after the ordinance's adoption.

Municipal-owned territory

The governing board of a municipality may pass a resolution of intent to annex in place of a petition for annexation if the municipality owns the proposed territory. The resolution must describe the property, declare itself contiguous to the proposed territory, and set a date for a public hearing.

• Annexation by municipalities of 5,000 or less

The following applies to annexing municipalities with populations of less than 5,000. Municipalities in Craven County with populations of less than 500 may annex in accordance to this section only if they satisfy at least six of the seven categories of municipal services featured in G.S. 136-41.2 (c).

Prerequisites

Territory proposed for annexation must be contiguous to the municipality. If the territory is of a county water and sewer district, the municipality shall annex the noncontiguous parts of the district so long as the greatest amount of the district's land area is contiguous to the municipality. The territory must be unincorporated, share at least one-eight of its boundary with the municipality, and intended for urban purposes.

Annexation procedure

The municipality shall pass a resolution of intent to annex, indicating the boundary of the proposed territory, a date for a public informational meeting, and a date for a public hearing. The public informational meeting must be held 45 to 55 days after the resolution; the public hearing must occur 60 to 90 days after the resolution. Notice of the hearing shall be published in a newspaper distributed in the territory on a weekly basis for two consecutive weeks before the informational meeting. If no such newspaper exists, notices shall be placed in five prominent locations in the municipality and five prominent locations in the proposed territory; notices must be placed at least 30 days before the date of the meeting. The last published notice must be featured within seven days of the meeting. Notifications will be mailed to owners of property in the territory. The mailings shall be done at least four weeks before the meeting. At least 30 days prior to the meeting, the municipality shall provide its report of service extension and make it accessible to the public. A map of the territory and list of property owners shall be placed in the office of the city clerk at least 30 days before the meeting. At the public information meeting, a representative of the municipality shall present the report of service extensions and be available to all municipal residents who interested in inquiring after the report and its contents. At the public hearing,

a representative of the municipality shall present the report of service extensions. Residents and owners of property in the territory may then present their opinion on the question of annexation. The municipal governing board has the authority to make alterations to the report so long as the changes do not affect the general criteria of such a report. The governing body may pass an annexation ordinance ten to 90 days after the hearing.

Report of service extension
The municipality shall provide a report of its service extensions before the date of the public hearing. The report will contain: a map of the municipality and the territory that illustrate the existing and proposed municipal boundaries and proposed extensions of water and sewer utilities; assurance that the territory meets the general criteria for proposed annexations; plans for the extension of municipal services and the manner in which they will be funded; if applicable, a statement of the annexation's impact on the servicing rural fire department, fire protection, and fire insurance rates; and a statement of the annexation's impact on the city's finances and services that shall be sent to the clerk of the county commissions at least 30 days before the public informational meeting.

Resolution of consideration
A resolution of intent may be filed if the city council (or a created planning agency) passes an initial resolution of consideration designating the territory as a potential site for annexation. The resolution shall provide for notices to be sent to persons who will be affected by annexation and inform them of their rights in the event of annexation. A resolution of consideration must predate the resolution of intent by at least one year.

Remonstrance
Within 60 days of the ordinance, a person owning property in the territory may enter a petition to the supreme court of the county in which the municipality is situated and request an evaluation of the governing board's actions.

Within 12 to 15 months of annexation, a person owning property in the territory may file for a writ of mandamus if he concludes that the municipality has not upheld the services promised in its plans.

• Annexation by municipalities of 5,000 or more

The following applies to annexing municipalities with populations of 5,000 or more.

Prerequisites
Territory proposed for annexation must be contiguous to the municipality. If the territory is of a county water and sewer district, the municipality shall annex the noncontiguous parts of the district so long as the greatest amount of the district's land area is contiguous to the municipality. The territory must be unincorporated, share at least one-eight of its boundary with the municipality, and at least a portion of it must be used for urban purposes. A municipality may still annex territory not intended for urban use if: the territory is situated between a municipal boundary and an urban area, and, the municipality must go through the undeveloped territory in order to extend its services to the urban area; or the territory shares at least 60% of its boundary with the boundary of the municipality and an urban area.

Report of service extension
The municipality shall provide a report of its service extensions before the date of the public hearing. The report will contain: a map of the municipality and the territory that illustrate the existing and proposed municipal boundaries, proposed extensions of water and sewer utilities, and general land use pattern in the territory; assurance that the territory meets the general criteria for proposed annexations; plans for the extension of municipal services and the manner in which they will be funded; if applicable, a statement of the annexation's impact on the servicing rural fire department, fire protection, and fire insurance rates; and a statement of the annexation's impact on the city's finances and services that shall be sent to the clerk of the county commissions at least 30 days before the public informational meeting.

Remonstrance
Within 60 days of the ordinance, a person owning property in the territory may enter a petition to the supreme court of the county in which the municipality is situated and request an evaluation of the governing board's actions.

• Annexation of noncontiguous territory

Prerequisites
At their closest point, the territory must be no more than three miles from the municipality. The annexing municipality must be the closest municipality to the territory unless stipulated by an annexation agreement between municipalities. The annexing municipality must be able to provide the territory with a level of service equal to that which it provides within its limits. Some municipalities may not annex territory if, upon annexation, ten percent of the municipality's area exists within satellite limits.

Annexation by petition
A petition for annexation requires the signatures of all owners of property in the territory, their contact information, a description of the territory, and a map of the

territory and its location to the municipality. Railroad companies, public utilities, electric or telephone membership corporations, and property owners who are exempt from property taxation are not required to sign the petition. The clerk of the municipality shall determine the authenticity of the petition and report his findings to the city council. The city council will call a public hearing and publish a notice at least ten days before the hearing date. At the hearing, owners of property in the territory and residents of the municipality or territory may voice their opinion on the question of annexation. Following the hearing, the council shall decide whether the proposed territory qualifies for annexation, the authenticity of the petition, and if annexation answers to the public's interest. The council may pass an annexation ordinance that may go into effect immediately or within six months from the date of its adoption.

Municipal property
A resolution of intent shall substitute for a petition if the proposed territory is owned by the municipality. The resolution shall describe the property and set a hearing date. Notice of the hearing shall be published at least ten days prior to the hearing. If the council concludes that annexation shall serve the public's interest, it may pass an annexation ordinance. Annexation may enter into effect immediately or within six months of the ordinance's adoption.

Annexation agreements
Municipalities may form annexation agreements regarding unincorporated territory. Agreements must be approved of by ordinance of each municipality and may not extend past 20 years.

• General proceedings after ordinance
The mayor shall order a map of the annexed territory, a copy of the ordinance, and election results to be turned into the Secretary of State and the office of the register of deeds of the county in which the territory is located.

NORTH DAKOTA

North Dakota Century Code: 40-51.2

• Annexation by petition
Prerequisites
Territory proposed for annexation must be unincorporated and contiguous to the annexing municipality.

Procedure
A petition for annexation may be signed and entered by either one of the following: 75% of qualified electors in the territory; or owners of 75% of the assessed property value in the territory. Notice of the petition will be published in the municipality's newspaper. Owners of property in the territory shall also receive mailed notice of a meeting on the question of annexation. If the territory is located within the extraterritorial zoning or subdivision regulation authority of another municipality, notice of the meeting shall also be mailed to the governing body of such municipality. In order for annexation to proceed, the annexing municipality must receive written approval from the governing body of the other municipality.

The governing body may pass an annexation ordinance which enters into effect when the county recorder receives a certified copy of both the ordinance and map of the annexed territory.

Extraterritorial zoning or subdivision
The annexing municipality must receive written approval from the governing body of the other municipality if the territory is located within the extraterritorial zoning or subdivision regulation authority of another municipality. If no consent is received, the annexing municipality may either abandon its annexation proceeding or refer to a committee for mediation.

• Annexation by resolution
A municipality may pass a resolution to annex contiguous territory. It shall publish a copy of the resolution and notice of a hearing in its newspaper on a weekly basis for a period of two successive weeks. Notice shall also be delivered to all owners of property in the proposed territory; the mailing will be instructions for submitting written objections to annexation. Written protests may be turned into the city auditor within 30 days of the first published notice. At the hearing, the governing body shall consider the objections to annexation. The municipality may annex the territory so long as it receives no complaints or if the filed complaints account for owners of less than one-fourth of the territory. Annexation enters into effect when the county recorder receives a certified copy of both the ordinance and map of the annexed territory.

Mediation
The annexing municipality may either abandon its annexation proceedings or refer to a committee for mediation if: at least one-fourth of the territory files protest against annexation; or annexation is opposed by the municipality that has extraterritorial zoning or subdivision regulation authority over the proposed territory.

OHIO

Ohio Revised Code: 709.01

• General guidelines for annexation initiated by property owners

By petition

Owners of property in the territory may submit a petition for annexation to a contiguous municipality. At least a majority of property owners must have signed the petition; any signature dating more than 180 days before the filing is considered void. The petition must describe the boundaries of the territory, include a map, and designate a person to serve as agent for the petitioners. Along with the petition, the municipality shall also receive a list of tracts, lots, or parcels in the territory and a list of tracts, lots, or parcels bordering the territory or on the other side of a road contiguous to the territory. The agent for the petitioners shall provide the necessary information and include the address of all owners of such tracts, lots, or parcels. The petition shall be turned into the clerk of the board of county commissioners of the county in which the territory is situated. The agent for petitioners shall send notification of the petition to the municipality and any township in which a part of the territory is situated. The county engineer will evaluate the submitted map and report his findings to the county commissions. A hearing shall be held on the question of annexation after which the county commissions will pass a resolution either in favor of or against annexation. If no appeal is entered in the next 30 days, the clerk of the county commissions shall perform either of two actions: if the board approved the petition, the clerk shall send a copy of the recorded proceedings, resolutions, petition, map, and all submitted documents to the auditor or clerk of the annexing municipality; if the board rejected the petition, the clerk shall deliver a copy of the resolution to the agent for the petitioners and the clerk of the annexing municipality. Annexation may not proceed if the petition is rejected.

If the board approves the application, the municipality may pass an ordinance or resolution of consent or rejection of the petition. Failure to pass either an ordinance or resolution within 120 days shall be seen as a rejection of the petition. If the municipality passes a resolution or ordinance in favor of the petition, the auditor or clerk of the municipality shall send deliver a copy of the petition, resolutions and ordinances, proceedings, and map to the county recorder, county auditor, and the auditor or clerk to the Secretary of State. Annexation goes into effect 30 days after the resolution or ordinance. If the question of annexation is put to referendum and approved, annexation enters into effect 30 days after the election.

Remonstrance

The agent for the petitioners may file for an appeal to the resolution as passed by the board of county commissioners.

Petition by all property owners

A special procedure for annexation may be taken if all owners of property in the territory sign a petition for annexation. The county commissions shall receive the petition along with a copy of an annexation agreement or a cooperative economic development agreement. The county commissions will pass a resolution of consent for the annexation to proceed. The clerk of the board of county commissioners shall send a copy of the recorded proceedings, resolutions, petition, map, and all submitted documents to the auditor or clerk of the annexing municipality. If property owners sign a petition for annexation by special procedure, they may not appeal the decision of the county commissioners.

Special proceedings may also be taken for territory that, upon annexation, shall not be excluded from the township. Petitioners who elect such a procedure may not appeal the outcome of the proceedings. The agent for the petitioners shall send notice of the filing and a copy of the petition to the following: the annexing municipality; townships in which the territory is situated; counties in which the territory is situated; and owners of property bordering the territory or on the other side of a road contiguous to the territory. In 20 days of the petition's entry, the municipality must pass an ordinance or resolution declaring the services that it would provide the territory upon annexation. If the territory adheres to zoning regulations, the municipality shall also pass an ordinance or resolution on zoning changes in the event of annexation. The annexing municipality and any township containing a part of the territory may pass an ordinance or resolution in approval of or against annexation. Based on its findings, county commissions shall pass a resolution in consent or rejection of annexation.

Alternative annexation proceedings exist for the responsibility of significant economic development projects. The municipality shall pass a resolution stating the services provided to the territory in the event of annexation. The annexing municipality and any township in which the territory is located may submit an ordinance of resolution in approval or rejection of annexation. The document must be passed in the 30 days following the petition's entry; absence of any ordinance or resolution shall be viewed as a sign of consent. No hearing need be held if all parties involved consent to annexation and the board may consent to annexation. In the event of a hearing, the county commissions shall pass a resolution in either approval of or rejection of annexation within the 30 days following the hearing date.

• Annexation initiated by municipality

The municipal legislative authority may pass an ordinance to annex contiguous territory and name a person to oversee the proceedings. The municipality shall petition the county commissions for annexation and enter in a map illustrating the proposed territory. The territory must be owned by the municipality, county, or the state.

Within 30 days of receipt, the county commissions shall decide based on the following: if the territory is owned by the municipality, the county commissions shall consent by resolution, and annexation will be final. If the territory is owned by the county, the county commissions may either consent or reject the proposal. If the territory is owned by the state and the director of administrative services has entered a written statement of approval, the county commissions shall pass a resolution of consent.

• Military authority of territory

A municipality may annex territory under the authority of the U.S. military so long as the annexation is approved of by the U.S. Secretary of Defense or any person that has the authority to grant such approval. Annexation of territory used for military housing and operations requires similar consent.

• Annexation agreements

Municipalities may enter into annexation agreements by ordinance or resolution.

Oklahoma Statutes: 11-21-101 et. seq.

• Prerequisites

Territory proposed for annexation must be contiguous to the municipality.

• General guidelines for annexation initiated by municipality

Annexation requires the written consent of persons owning the majority of land in the territory. The governing body shall publish a notice of the proposal in a newspaper distributed within the territory. The notice must include a map illustrating the proposed territory and information regarding the hearing date. Notice shall also be sent to owners of property in the territory and owners of property adjacent to any public right-of-way that makes up the territory's boundary; mailings will be sent to owners of agricultural lands that measure at least five acres. The municipality shall hold a hearing on the question of annexation. The hearing will take place 14 to 30 days from the date of the publication and mailings. Before any publication, the governing body must construct a service plan which shall be included in the annexation ordinance. The plan will address the extension of services into the territory in the event of annexation.

Annexation does not require consent if: the territory is divided into tracts or parcels that measure less than five acres and have more than one residence; or the territory shares three of its sides with the municipality.

If services are not provided within the timetable provisioned by the service plan, the territory shall be deannexed.

Roads and bridge construction

The municipality may annex uninhabited property owned by a nonresident of the state with the intent to use the property for road and bridge construction. The municipality must send proper notification to the property owner and publish a notice in distributed newspaper. Annexation occurs if no opposition is received within 30 days of the mailing and publication.

Restrictions

A town may annex territory with a greater assessed valuation than the town so long as owners of a majority of the territory submit their written approval of annexation.

• Annexation by petition

A petition for annexation requires the signatures from three-fourths of the territory's registered voters and the owners of three-fourths of the territory's assessed value. A notice of the petition shall be placed in a distributed newspaper for two consecutive weeks. The municipality may then pass an annexation ordinance.

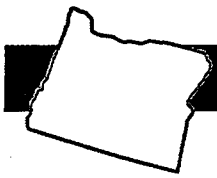
If no ordinance is passed in 30 days time of the last published notice, the petitioners may enter their petition to the district court. The mayor shall receive notification of the complaint and the set date for a hearing.

Territory for education and charitable establishments

A municipality may annex territory platted for educational and/or charitable establishments so long as annexation is initiated by a petition. The petition must be signed by a majority of the resident owners of the proposed territory.

• Filing of ordinance or court order

After any annexation, the mayor shall turn in the ordinance or court order and a map of the territory to the county clerk of the county in which the territory is situated and the Ad Valorem Division of the Oklahoma Tax Commission.



OREGON

Oregon Revised Statutes: 222.111 to 222.183

• Prerequisite

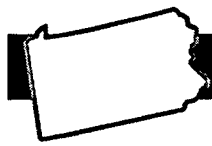
Territory proposed for annexation must be unincorporated and contiguous to the annexing municipality. The whole or part of the territory must be situated within the same county as the annexing municipality.

• Annexation procedures

A proposal for annexation may be submitted by either the municipality or through a petition turned in by owners of property in the territory. Electors in both the territory and municipality shall have the chance to vote on the annexation; the two elections must be held within a year of each other. Notice of the election shall include a map illustrating the boundaries of the proposed territory. If a majority of the territory's electors vote in favor of annexation and no election is held in the municipality, the legislative body may pass a resolution or ordinance of annexation. If elections are held in the municipality and territory and both result in a majority vote of approval, the legislative body may pass a resolution or ordinance of annexation. The municipality shall provide the following documents to the Secretary of State: a copy of all resolutions and/or ordinances adopted throughout the process; the results of the election(s); if applicable, the submitted statement of consent; and the results of the referendum if such a petition was submitted and received. Annexation enters into effect upon receipt of the documents or the date prescribed by the ordinance. The date of annexation may not be more than ten years from the date of a proclamation of annexation. If the municipality decides to delay the annexation date, it must inform the county clerk of each county in which the municipality is situated.

Election requirement

An election is not required unless stipulated by the city charter. If the legislative body of the municipality chooses not to hold an election, it must conduct a public hearing on the question of annexation. Notice of the hearing shall be placed in a newspaper on a weekly basis for a period of two consecutive weeks; notice of the hearing must also be displayed in four prominent locations throughout the city at the same time as the publications. The legislative body mass pass an ordinance claiming the territory annexed as long as one of the following conditions is met: a majority of the territory's voters approve the proposal; the Department of Human Services reports of a public health hazard within the territory; the municipality receives written approval from all of the territory's landowners and at least 50% of its electors; or the municipality receives written approval from a majority of the territory's landowners who also own a majority of the land in the contiguous territory and account for a majority of its assessed property value. Statements of approval may be subject to time limits. The municipality may also be required to provide information on its budget and services.



PENNSYLVANIA

Pennsylvania does not have unincorporated territory.

RHODE ISLAND

Rhode Island has no county governments.

SOUTH CAROLINA

South Carolina Code of Laws: Title 5, chapter 3

• Annexation by petition

Petition by 75%

A petition for annexation may be submitted by 75% of the freeholders owning at least 75% of the assessed value of the proposed territory. The petition must be dated before the first signature, and all signatures must be dated within six months of the petition's date. The petition must indicate the type of annexation procedure being carried out and include a description and plat of the territory. The document shall be made available to the public. Notice of a public hearing must be published in a newspaper at least 30 days before the municipality acts on the petition. Notices shall also be placed on the municipal bulletin board and mailed to the chief administrative officer of the county, public service or special purpose districts, fire departments, and any taxpayer of property in the proposed territory. Upon receipt of the petition, the governing body may adopt an ordinance of annexation. A notice of annexation shall be sent to the Secretary of State, Department of Transportation, and Department of Public Safety.

Petition by 100%

A municipality may receive a petition for annexation signed by all owners of real estate in a contiguous territory. Upon receipt, the governing body may adopt an ordinance of annexation. A notice of annexation shall be sent to the Secretary of State, Department of Transportation, and Department of Public Safety.

Petition by 25%
The municipality may receive a petition for annexation signed by at least 25% of electors residing in the territory. The municipality shall verify the contents of the petition and send notice to the county election commission. The county election commission shall call for a special election on the question of annexation to be held in the territory. A notice shall be placed in a distributed newspaper at least 30 days before the election date. If a majority votes in favor of annexation, the municipality shall publish the results and place a notice in the newspaper that describes the territory; indicates the manner in which the territory is being annexed; confirm that the territory's electors voted for the annexation; and state that the municipality shall annex the territory unless it receives a petition for referendum signed by at least 5% of electors who reside within the municipality. Upon receipt of such a petition, a municipal election shall be held on the question of annexation. A notice will be published at least 30 days before the election date. If a majority votes in favor of annexation, the municipal council will adopt the ordinance and complete annexation.

• Specified territory

Territory under municipal ownership
A municipality may pass a resolution to annex territory that is under the ownership of and contiguous to the municipality. If the county owns the proposed territory, annexation requires a resolution passed by the municipality and the county.

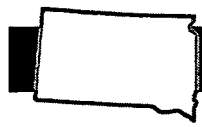
Territory part of multicounty park
Annexation of property within a multicounty park and under state authority requires the consent of the Budget and Control Board.

Territory owned by corporation
A corporation's stockholders may petition for the annexation of corporate owned territory. The municipality may consent to the petition and adopt an ordinance to annex the territory.

School district
If the territory belongs to a school district, annexation occurs in the event o a petition by the board of trustees of the district to the municipality. The municipality may consent to the petition and adopt an ordinance to annex the territory.

Federal or state ownership
The federal or state government may petition for annexation of a territory under federal or state ownership and contiguous to the annexing municipality. The municipality may consent to the petition and adopt an ordinance to annex the territory.

Property owned by airport district
Annexation of property owned by an airport district made up of more than one county requires the written consent of the district.



SOUTH DAKOTA

Dakota Code: Title 9-4

• Annexation procedures

The municipality shall carry out a study to specify the requirements of and resources needed for the annexation of contiguous territory. After a review of the findings, the municipal governing body may pass a resolution of intent to annex. Before its adoption, notice of the resolution must be mailed to the county commissions and affected landowners. The mailing shall also include a notice of the public hearing to be held at a date at least ten days after the mailing. The governing body may pass the resolution of intent only after the public hearing.

Voters in the annexing municipality and proposed territory may submit a petition for referendum in the 20 days following the publication of the resolution. The county commissions shall construct a special election precinct in the proposed territory and provide a registration list to the annexing municipality. The petition must be signed by at least five percent of the total voters in the municipality and special annexation precinct. Signatures must date within six months of the petition's submission. The resolution becomes effective with a majority vote of approval.

Resolution of intent
For municipalities with a population of at least 1,000 persons, the resolution must include: a description of the territory's boundaries; that the appropriate resources exist so as to provide for future development in the territory; a timetable for the expansion of municipal services into the territory; the cost of service extension; an estimate on the difference in tax assessment rate for the territory; assurance that boundary lines were drawn with deliberation; that annexation serves a present or future need; and a statement that census data shows municipal growth as having or will in the future surpass its existing boundaries.

For municipalities with a population of less than 1,000 persons, the resolution must include: a description of the territory's boundaries; that the appropriate resources exist so as to provide for future development in the territory; an estimate on the difference in tax assessment rate for the territory; assurance that boundary lines were drawn with deliberation; and a statement

that census data shows municipal growth as having or will in the future surpass its existing boundaries.

• Annexation by petition

A municipality may annex contiguous territory upon receipt of a petition signed by at least 75% of the territory's voters and persons owning at least 75% of the assessed property value of the territory. Upon receipt of the petition, the municipal governing body may adopt a resolution of annexation.

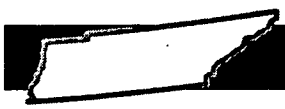
• Restrictions

Municipalities with less than 1,000

Annexation of unplatted territory requires the consent of the county commissions.

Territory in proximity of municipal airport

A municipality may not annex territory within one and one-quarter mile of land used as a municipal airport without the consent, by resolution, of the municipality that manages the airport.



TENNESSEE

Tennessee Statutes: Title 6 chapter 51

• Annexation procedures

A municipality may pass an ordinance to annex contiguous territory upon receipt of a petition by the majority of the residents and property owners of the territory or through its own initiative. The municipality must pass a plan to extend its services into the proposed territory and include an estimated time of delivery. Before approving a plan of services, the municipality shall turn in its plan to the local planning commission for review. The municipality must hold a public hearing of which a notice shall be published in a distributed newspaper at least 15 days prior to the hearing. The notice shall inform the public of at least three locations at which the proposed plan is available for viewing upto the date of the hearing. Once the municipality adopts a plan of services, it shall forward a copy of the resolution to the mayor of the county in which the proposed territory is situated. Annexation enters into effect 30 days following the passage of the ordinance. During this time, the municipality shall send notice of annexation to the mayor of the county in which the territory is situated

Referendum

Notice of the resolution shall be published in a distributed newspaper and placed in at least three sites in the municipality and at least three sites in the territory. Within 30 to 60 days after the last publication, the question of annexation shall be submitted to the territory's voters. A similar election may be held for the municipality's voters. If the election results in a majority vote of approval, annexation enters into effect 30 days after certification of results. If an election is held in both the municipality and the territory, annexation requires that each election result in favor of the resolution.

Annexation by smaller municipalities

A smaller municipality may adopt an ordinance to annex territory within the limits of a larger municipality if: the smaller municipality is located in a county with a population of more than 700,000 or between 260,000 and 280,000; and the territory is less than 75 acres, uninhabited, has no industrial plant development, and is detached from the larger municipality by a highway or service road. A plan of service is not required for this type of annexation.

Annexation initiated by petition

If property owners petition for annexation, the county clerk shall receive the document and send a copy of the petition to the county mayor, county assessor of property, and the chair of the county legislative body.

Petition to dispute the plan of services

Property owners may petition the county in challenge of the plan of services. Such a petition must be entered in the 60 days following the plan's approval. If the county decides to file suit against the plan of service, it must enter the complaint in the 90 days following the plan's approval.

• Restrictions

Municipalities with populations greater than 10,000 cannot increase their land area through annexation by more than 25% during any two year period. This does not include municipalities with populations under 12,000 and charters by private acts of the General Assembly.

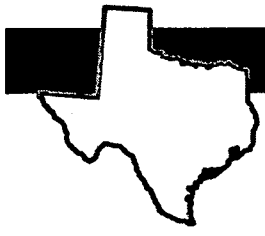
A municipality may not initiate the annexation of a territory located in a county that has a different time zone than the county in which the municipality is located.

• Remonstrance

Any owner of property contiguous to or within the proposed territory may challenge the annexation and file a suit in the nature of a quo warranto. The complaint must be filed before the ordinance enters into effect. The owner shall question the necessity of annexation and dispute that such action is not necessary for the public well-being. If the court determines the ordinance to be invalid, the municipality may not seek further annexation of the territory for at least two years. If the court finds no fault with the ordinance, the document shall enter into effect 31 days after the court's decision except in the case of an appeal. If the appeal results in

a decision against the ordinance, the document is void and the municipality may not seek further annexation of the territory for at least two years. If the court approves of the ordinance, the ordinance shall take effect immediately by court order. The decision of the appellate court is final.

The municipality shall inform the county mayor of all court rulings.



TEXAS

Local Government Code: Title 2, Chapter 43

• Annexation procedures

Plan of service

The annexing municipality must construct a plan to extend its services to the proposed territory. The plan shall outline the provision of all services within two and a half years from the effective date of annexation unless otherwise indicated. The following services, if already provided for within the municipality's incorporated limits, must be made available to the territory immediately upon annexation: police and fire protection, emergency medical services, solid waste collection, the upkeep of water and wastewater facilities, road and street maintenance, upkeep of public recreation facilities such as parks and swimming pools, and the maintenance of all public-owned buildings and services.

The plan shall outline the provision of municipal services to the territory at a level equal to that which is provided within the incorporated limits of the municipality. Service plans remain valid for ten years and need not be altered during that time.

Annexation hearings

The municipality shall hold two public hearings before it begins any proceeding on annexation. Notice of the hearing shall be placed on the municipality's website and in a newspaper distributed in both the municipality and the proposed territory. At least one hearing will be held in the proposed territory if a location is available and more than 20 residents file written protests against the proposal. Following the hearing, negotiations shall ensue as to the provision of services to the territory in the event of annexation.

Time limit on proceedings

Annexation must occur within 90 days from the initial date of proceedings. A municipality with a population of at least 1.6 million may decide to delay the effective date of annexation to another date that falls within 90 days after the date of the ordinance's adoption.

• Annexation procedures for general-law municipalities

Population of at least 1,000

Annexation of contiguous territory need not require consent of residents, voters, or landowners if the following conditions apply. The annexing municipality must have a population of at least 1,000 and be unqualified for a home-rule charter. The municipality must also be the territory's provider to either water or sewer services. The territory may not include more than one acre of unoccupied territory per service address for water and sewer service; or the territory must exist as an island within the limits of the municipality, in which case the municipality must be a Type A general-law municipality. The service plan must provide for police and fire protection at a level equal to that which is provided within the municipality; such service must be made available within ten days of the annexation. The municipality and territory must not have formed any agreement that forbids annexation. The municipality shall propose a development agreement with the owner of land that has been assessed as for agricultural or wildlife management use.

Population between 1,000 and 1,300

Annexation of contiguous territory need not require consent of residents, voters, or landowners if the following conditions apply. The municipality has a population between 1,000 and 1,300 and part of its boundary is formed by the shore of a lake that has a normal surface area of at least 75,000 acres and the whole of which is within the state. The service plan must provide for police and fire protection at a level equal to that which is provided within the municipality; such service must be made available within ten days of the annexation. The municipality and territory must not have formed any agreement that forbids annexation.

• Petition for annexation

General-law municipalities with more than 5,000

A general-law municipality with a population of more than 5,000 may annex contiguous territory that measures no more than one mile in width.

Residents of the territory may present the municipality with a petition for referendum on the question of annexation. The petition shall include a description of the territory, a plat of the territory, and signatures of at least 100 or a majority of the territory's voters. Upon receipt, the governing body of the municipality may pass an ordinance to hold such an election. Notice of the election must be published and placed in three public locations prior to the hearing date. If a majority votes in favor of

annexation, the municipality may then pass an annexation ordinance.

Any opposition to the annexation and its procedure must be written and submitted to the secretary or clerk of the municipality in the 60 days following the effective date of the ordinance. If no opposition is received in the 60 day period, the election results are termed final.

Type A general-law municipalities
A Type A general-law municipality may annex contiguous territory that measures no more than one mile in width. If a majority of the territory's voters favor annexation, three of such voters may prepare an affidavit to this result and turn it into the mayor of the municipality who shall then certify the document to the governing body of the municipality. The municipality may then adopt an annexation ordinance.

Certain Type A general law municipalities
A territory deprived of water or sewer service from a governmental entity may file a petition for annexation with a Type A municipality that is contiguous to the territory and has a population between 1,500 and 1,599. The petition must include a description of the territory and the signatures of all owners of property in the territory. The document shall be turned into the secretary or clerk of the municipality. Prior to the petition, the governing body and petitioners may form a development agreement which must accompany the petition upon its submission. Upon receipt of the petition, the governing body shall verify that the document includes the necessary information; it may then proceed to adopt an annexation ordinance. The municipality shall turn in a copy of the ordinance and a copy of the petition with any development agreement to the office of the clerk of the county in which the municipality is situated and all those party to the agreement. The municipality must also send a copy of the documents to each landowner in the annexed territory.

Type B general-law municipalities
A Type-B general-law municipality may annex contiguous territory if it receives an affidavit confirming that a majority of the territory's voters cast a vote in favor of annexation. The mayor shall certify the affidavit to the governing body of the municipality. The municipality may then adopt an annexation ordinance.

Sparsely occupied territories
Owners of territory that is at most one-half a mile in width and either uninhabited or the residence of less than three voters may submit a petition for annexation to a contiguous municipality. The petition shall include a description of the territory and acknowledged by each person having an interest in the territory. The governing body shall hear the petition and arguments for and against annexation; the body will then proceed to either approve of or reject the petition. Upon approval, the governing body may adopt an annexation ordinance. A copy of the ordinance and the petition shall be turned into the office of the clerk of the county in which the municipality is situated.

A municipality adhering to the requirement of a small municipality may annex territory upon receiving a petition for annexation filed by the board of trustees of a public school in the territory.

• Home-rule municipalities

A home-rule municipality may, if authorized by charter, initiate annexation by order for an election in the municipality. The charter may require its municipality to hold an election so that electors in both the municipality and proposed territory may vote on the question of annexation. Annexation fails unless both elections result in a majority vote of approval. This shall not conflict with annexation as provided for by a charter for home-rule municipalities with populations of more than 100,000.

Annexation of municipal utility district
A home-rule municipality may annex a municipal utility district that is situated in its extraterritorial jurisdiction and shares its boundary. The district's board of directors shall hold an election in the area constructed of both the district and the general-law municipality. All persons eligible to vote in either the municipality or the district are qualified to vote on the issue of annexation. Annexation of such a territory requires the whole district to be annexed by the municipality and a majority vote of approval. If the proposal gains a majority vote in favor of annexation, the board shall turn in a copy of the resolution in the deed records of every county in which the district is situated. Annexation proceedings must be final within one year to the date of the election.

Annexation for limited purposes
A municipality with a population greater than 225,000 may annex territory for the limited purposes of applying planning, zoning, health, and safety ordinances in the territory. The territory must be in the municipality's extraterritorial jurisdiction and contiguous to the municipality unless the owner approves the annexation. The municipality shall construct a report based on the findings of the planning study and include in it a regulatory plan for the territory.

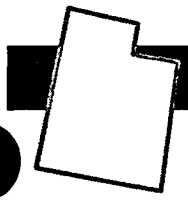
Two public hearings must be held at which persons may present their position on the topic of annexation. Notice of the hearings shall be published in a newspaper distributed in the municipality and the proposed territory. The governing body must adopt the regulatory plan

when it adopts an annexation ordinance. Annexation proceedings must be final within one year to the date that the proceedings began.

A municipality may annex any land that the landowner has requested, in writing, to be annexed for limited purposes. For bigger parcels of property, annexation requires the signatures of persons owning at least 51% of the territory.

• Restrictions

The accumulated amount of territories annexed by a municipality may not exceed over ten percent of the municipality's area as was measured on January 1 of that year. However, territory annexed in any of the following methods shall be excluded when computing the total are annexed in a year: annexation by request of a majority of the voters and owners of at least 50% of the territory; annexation of municipal, state or federally owned territory to be put to a public use; or annexation by request of the owners of the territory.



UTAH

Utah Code: 10-2-401 to 10-2-427

• Prerequisite

Territory proposed for annexation must be unincorporated and contiguous to the annexing municipality. The annexing municipality must be able to provide municipal services to the proposed territory. If the municipality wishes to annex territory in another county, it must obtain consent by resolution of the county in which the territory is situated. Annexation may not result in an unincorporated island.

• Annexation policy plan

An annexation policy plan is required for the annexation of unincorporated territory. The planning commission will develop such a plan and conduct a public meeting so that affected parties may view the proposal. Notice of the meeting shall be sent to all affected parties at least two weeks prior to the meeting date. The planning commission shall receive comments on the proposed plan at the public meeting and in the following ten days. It shall then conduct a public hearing for which a notice will be sent out at least two weeks prior to the hearing date. The planning commission may alter the proposed plan in light of any suggestions made at the meeting and/or hearing before it turns the plan into the municipal legislative body. The legislative body shall conduct a public hearing on the annexation policy plan and provide a notice of the hearing at least two weeks prior to the hearing date. It may make any suitable alterations and approve the annexation policy plan. Within 30 days, the municipal legislative body will send a copy of the adopted plan to the legislative body of each county in which the proposed territory is situated.

An annexation policy plan must contain: a map of the territory proposed for annexation; the conditions by which the municipality shall abide by in considering future annexation petitions; the rationale behind excluding urban development from the proposed annexation if such an area is within half a mile of the municipality's boundary; and comments made at or in the ten days following the public meeting.

• Annexation petition

Before submitting a petition, the petitioners shall send to the annexing municipality and all affected parties a notice of their intent to petition. The county in which the proposed territory is situated shall deliver a copy of the notice to the owners of property within 300 feet of and those owning property in the proposed territory. The mailing shall include a statement of notification and proper procedure and a map of the proposed territory. The county shall also send a copy of the notice and a certificate of confirmation that the said notice has been mailed to the necessary parties. The municipality shall then, upon request of those who entered in the notice of intent, provide an annexation petition. The petition must be signed by persons owning property that: is in the proposed territory; accounts for a majority of the private lands or, if the territory is designated under the Agriculture Protection Area, accounts for 100% of all private lands; and accounts for at least one-third of the territory's total assessed property value. If a non-governmental public entity owns all the territory's property, the petition must be signed by the owner of the public entity. The petition shall be submitted with a map of the proposed territory, a copy of the delivered notice, and a list of all recipients of the notice. The municipality may either approve of or reject the petition. However, the municipality must accept a petition for annexation of territory in a first class county if: the signatories account for a majority of the private lands within the territory that is equal to at least half of the total assessed property value; the population in the territory is no greater than 10% of the population in the municipality; the property tax rate for municipal services in the territory is higher than that in the municipality; and the municipality has not annexed so much territory so that its population has increased by more than 20%. If the legislative body approves of the petition, the city recorder or town clerk shall then obtain the necessary documents to determine the petition's validity. The city recorder or town clerk may dismiss the petition; however, the petition may be refilled after appropriate modifications have been made. If the petition is accepted by both the

legislative body and its recorder or clerk, a notice shall be published and mailed to the affected parties.

Remonstrance
Protest to an annexation petition may be entered by one of the following parties: the legislative body or governing board that shall be affected by annexation; or property owners of at least 25% of the land that accounts for at least 15% of all assessed property value of unincorporated land situated within half a mile from the proposed annexation. The county shall form a boundary commission in the 30 days of receiving a protest to the annexation petition. The commission shall oversee the procedures necessary to address all protests filed against annexation.

• Annexation without petition
No petition is necessary for annexation of an unincorporated island or peninsula adjacent to the municipality that has been serviced by the municipality for more than a year, and is composed primarily of residential or commercial areas.

No petition is necessary for annexation of unincorporated islands with less than 500 inhabitants and serviced by the municipality for at least one year.

Procedure
The legislative body shall pass a resolution of intent to annex and deliver a written notice to the board of each district and special service district in which a whole or portion of the proposed territory is situated. A date for a public hearing shall be set at least 60 days after the passage of the resolution. The legislative body shall publish a weekly notice for a period of three consecutive weeks notifying the reader of the resolution, proposed annexation, and the public hearing. Owners of property may file a protest against annexation before or at the hearing. If no complaint is entered, the municipality may proceed to pass an annexation ordinance.

VERMONT

Vermont does not have unincorporated territory.

VIRGINIA

Virginia Code: Article 1, Chapter 32, Title 15.2; Article 2, Chapter 31, Title 15.2

• Moratorium
Currently, a moratorium exists on all city annexations.

• Initiation by municipalities
Municipalities may initiate annexation of territories situated in contiguous counties. The municipality must inform the Commission on Local Government of its intent to annex. Following such notice, the Commission shall assemble with representatives of both the annexing municipality and the county in which the territory is located and review the proposal. As part of the review, a public hearing shall be held at which time any person may present his opinion of the proposed annexation. The Commission will send a copy of its report to the concerned local governments and the court that shall deliberate on the question of annexation. It shall submit its report within six months of its receipt of notice. The report is not obligatory; however, it shall include recommendations to the proposed annexation.

Following the review, the municipality may petition the circuit court of the county in which the annexation is to take place. It shall request, by ordinance, that the court review the proposed annexation. the local circuit court judge shall petition the Virginia Supreme Court to form a special three-judge court to review the proposal. The court may approve the proposal by an order that shall set out the necessary proceedings for annexation. The special court shall preside for a period of ten years to ensure that the proper procedure is followed. During that time, the court may assemble by its own call or at the request of the county, municipality, or petition.

Rejection of proposal by municipality
The municipality may pass an ordinance to refuse annexation as proposed by the three-judge court.

Restrictions
A municipality may not, unless by agreement, annex from the same county for a period of ten years after the initial proposal of annexation. Nor may a municipality initiate annexation against a county that has been annexed by another municipality until a period of ten years from the initial annexation or by the county government's approval.

• Initiation by citizens
County voters or property owners may submit a petition for annexation by a contiguous municipality. The

petition shall be turned into the circuit court and signed by either a majority of the territory's voters or a majority of property owners who also account for a majority of the land in the proposed territory. The petition must state the need for annexation and include a description of the territory. The petition shall be turned in to the governing body of the municipality and notice shall be published.

The Commission on Local Government and the special three-judge court will play a similar role in citizen-initiated annexations. The county and municipality shall play the role of defendants in such annexation proceedings. The court shall order in consent of the petition if it concludes on the necessity of annexation. The court may not extend the territory's limits past those which are described in the petition.

• Boundary line adjustments

A municipality and county may agree to a voluntary boundary line adjustment, and each shall make public its intention to adjust its boundary. Advertisements shall describe the agreement and the proposed alteration of the boundary. The public will have access to a copy of the proposal in the offices of the clerks of the municipality and the county. At least one public hearing must be held at each location. The municipality and county shall then pass the agreement and enter a petition for consent into one of the circuit courts. A judge shall review the petition and submit an order granting the boundary adjustment.

Agreements between the municipality and the county are limited to boundary changes. The Commission on local Government and the special three-judge court shall have authority of review if the agreement addresses revenue sharing or refers to annexation, immunity, or jurisdiction rights,.

• Annexation agreements

Town and county

A town may form an agreement with its county on its future annexation. The agreement shall include the following provisions: the town shall abandon its rights to become a city; the county and town will continue in their development with both benefiting from resources and assuming liabilities; and that, periodically, the town may annex by ordinance. The Commission on Local Government shall receive the agreement for review. The Commission will conduct a hearing on the proposed agreement, following which, it will submit its report to the two parties involved. The town and county may then, individually, adopt the agreement.

The town may petition the Commission to assign its rights if the county and town are unable to agree on its future annexation rights. The petition must have been approved by ordinance before its submission to the Commission. The county shall also receive a copy of the petition and has 60 days to submit its own case to the Commission. The Commission shall conduct hearings in both locations before it issues its order. The Commission may enter an order in either support of the town's right to annex by ordinance on a regular basis or limit the town's ability to future annexations. In case of the latter, the town shall be limited to no more than one annexation per five years. An appeal to the Commission's order may be filed by the town, the county, or five percent of the voters in either location. The petition must be entered in the 30 days following the order. A special three-judge court shall be formed to evaluate the Commission's order.

• Voluntary settlements

Cities, counties, and towns may form agreements with one another in regards to boundary adjustments, the subject of governmental transitions, and other interlocal issues. Once the provisions of the document have been settled between the parties, the Commission on Local Government shall review the agreement. The Commission will conduct a public hearing before turning in its report to the concerned local governments and the special three-judge court. The court shall also evaluate the contents of the agreement. After a public hearing, the governing bodies may pass an ordinance to adopt the agreement. The adopted agreement may be an altered version of the original that was submitted to the Commission. If significant changes are made to the document, the agreement may be, once again, reviewed by the Commission. Once the agreement is approved by all governing bodies involved, a petition shall be entered to the circuit court for an order granting the provisions as set by the agreement. The circuit court will petition the Virginia Supreme Court to form a special three-judge panel. This special court shall decide on the question of the agreement and either consent or decline the provisions of the document.

WASHINGTON

Revised Code of Washington: 35.13 et seq.

• Prerequisite

Territory proposed for annexation must be contiguous to the municipality. Annexation requires majority approval from the board of county commissioners if the proposed territory is owned by the county and serves an agricultural use.

• Annexation by election

Petition for election

A petition for an election on the question of annexation may be submitted by the territory's voters. The number of petitioners must equal at least 20% of votes cast in the last election. The petition must first be entered into and certified by a prosecuting attorney. The document shall then be submitted to the legislative body of the annexing municipality. Within 60 days, the legislative body will pass a resolution of consent or rejection of the petition. Legislative approval is necessary for the annexation to proceed. If the petition is approved by the review board, the county commissions will set a date for a hearing. The commission shall hear the petition and consent to annexation. The municipality will conduct an election in which only registered voters residing in the proposed territory may be allowed to vote. Notice of the election must be placed in at least four public locations within the proposed territory. A similar notice must be published in a newspaper distributed in the proposed territory. Annexation requires a majority vote of approval. Adoption of the comprehensive land use plan may be attached to the annexation vote; and, if a majority votes in favor of annexation, they shall simultaneously approve the plan. If a majority consents to annexation, the legislative body shall pass an ordinance for annexation. Annexation enters into effect on the date designated by the ordinance.

Annexation initiated by municipality

The municipality shall adopt a resolution for annexation and submit a certified copy of the document to the county commissions of the county in which the proposed territory is situated. The resolution shall contain a description of the territory, an estimate of the area's voter population, and request for an election on the question of annexation. The municipality shall prepare, in the manner prescribed, a comprehensive land use plan for the proposed territory. Within 30 days of the resolution, a review board shall be formed in order to evaluate the proposed annexation. Continuation of annexation proceedings requires the approval of the review board. The county commissions may then set a date for an election.

Remonstrance

Annexation proceedings shall be abandoned upon the submission of written protests signed by: owners of at least 60% of the territory's assessed property value or 60% of the owners of property in the proposed territory.

No petition for annexation of the same territory may be submitted for a period of five years.

• Annexation by direct petition

Annexation by this method requires a number of petitioners who either account for at least ten percent of the territory's residents or own at least ten percent of the territory's assessed property value. The petitioners shall send the legislative body of the municipality a written notice of their intent to petition for annexation. In the next 60 days, the legislative body shall hold a meeting with the petitioners to decide on the action of the municipality.

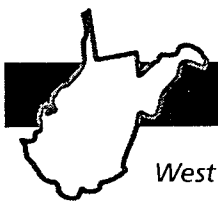
The petition must be signed by owners of at least 75% of the territory's assessed property value and include a description of the territory. The legislative body shall receive a plat of the territory along with the petition. The municipality will then set a date for a hearing and publish a notice in a distributed newspaper. Notice of the hearing must also be placed in three public locations within the territory. The council or commission of the municipality must pass an ordinance of its decision on annexation. A copy of the ordinance shall be turned in to the county commissioners of the county in which the territory is situated. If the municipality adopts an ordinance in consent of the petition, a review board will evaluate the proposed annexation and deliver its assessment to the county commissioners. Annexation requires the approval of the review board.

• Annexation for municipal use

Second class cities and towns may annex unincorporated territory for municipal use by a majority vote of the municipal council. Such annexation requires the territory to be either owned by the municipality or for the action to be approved in writing by all owners of property in the proposed area. The territory need not be contiguous to the municipality.

• Annexation by interlocal agreement

Annexation may occur through an interlocal agreement between any city, town, or county so long as the proposed territory is within an urban growth area and shares at least 60% of its boundary with the municipality. Prior to the agreement, each legislative body shall call for a public hearing and publish a copy of the agreement in a newspaper distributed within the proposed territory. Each legislative body shall pass an annexation ordinance regarding the territory in the agreement.



WEST VIRGINIA

West Virginia Code: Chapter 8, article 6

• Annexation by election

A petition to extend the municipality's limits may be submitted by five percent or more of the municipality's freeholders. The petition shall request for a vote on an annexation proposal. The governing body shall receive

a map of the proposed territory along with the petition. Two elections will be held: one in the municipality and the other in the proposed territory. The order for the election shall be published at both sites; the first publication must date at least 14 days before the election. The order for the election shall include a description of the proposed territory and a plan to extend municipal services. The order may also include a popular description of the territory. Any qualified voter in the territory and all freeholders of the territory are eligible to vote in the election. The circuit court of the county in which the municipality or the greatest part of the proposed territory is situated shall examine the election's results if the county commissions orders for a review. If both elections result in a majority vote of approval, the governing body may adopt the annexation proposal. A certificate of annexation shall be turned into the county court of the county in which the municipality is situated. The court shall then enter an order confirming the annexation.

• Annexation without election

Annexation procedure does not require an election if the governing body receives a petition signed by a majority of the qualified voters of the proposed territory and a petition signed a majority of all freeholders of the territory. Upon verification, the governing body will enter a certificate to the county commission of the county in which the municipality or the greatest part of the proposed territory is situated. The commission shall pass an order confirming annexation.

• Annexation by minor boundary adjustment

A municipality may extend its limits through a minor boundary adjustment. It shall enter its request to the county commissions of the county in which the municipality or the greatest part of the additional territory is situated. The application must include the following: the number of businesses and residents in the territory; a map of the territory; a plan for the extension of municipal services; a statement of impact on any private solid waste collection service, public service district, fire protection and fire insurance rates in the territory; the effect of annexation on the municipality's finances and services; and written confirmation that the proposal for annexation meets the standards as set out by the state code. If the application is valid, the county commissions shall publish a notice of the proposal and schedule a hearing on the issue of annexation. Notifications must also be placed in three public locations within the proposed territory. The county commissions must either approve or reject the application. In its deliberation, the commissions shall take into account the following factors: if the territory is contiguous to the municipality; the division of highways right-of-way; public opinion of the proposal; the existence of streets or highways; if another application exists for annexation of the same territory; and the well-being of the public. The commission shall include the rationale behind its decision in its final order. The municipality may file an appeal to the decision in the circuit court.

WISCONSIN

Wisconsin Statutes: 66.0217 to 66.0225

• Voter, landowner initiated annexation

Direct annexation by unanimous consent

If a petition for annexation is signed by all voters in the proposed territory and the owners of all property in the territory, the municipality may adopt an annexation ordinance by a two-thirds vote by its governing body. The petition must contain the required signatures, a map, and legal description of the proposed territory. The petition and all its parts shall be submitted to the municipal clerk. Notice of annexation is not required if the proceedings are initiated by such a petition.

Direct annexation by 50%

Proceedings for annexation shall be initiated upon submission of a petition signed by a number of the territory's electors equal to at least a majority of the votes in the last gubernatorial election or the owners of 50% of the territory's assessed property value. If the territory has no registered voters, the petition may be signed by persons owning at least 50% of the territory's land or those who account for 50% of the territory's assessed property value.

Referendum

A petition for referendum may be submitted by a number of voters equal to at least 20% of the votes cast within the territory in the last gubernatorial election and owners of at least 50% of the territory's assessed property value.

Annexation procedure

A class one notice shall be published and distributed within the proposed territory. The notice shall acknowledge the intent to petition, describe the proposed territory, name the proposed annexing municipality and the town(s) from which the territory shall need to be detached, list the contact information of the publisher of this notice, include a map and notify the reader that a copy of the map shall be available to the public at the office of the municipal clerk. A copy of the notice shall be sent to all concerned municipalities, school districts, and affected landowners. The annexation petition shall include a statement of its purpose, a description of the territory, the population within the area proposed for annexation, and be accompanied by a map. A signa-

ture may not be withdrawn from the document, and no additional names may be added after the document's submission. The petition will be made available for signing within ten to twenty days of the first publication of the notice of intent and must be submitted within six months of the same notice or otherwise become invalid. Annexation proceedings within counties that have a population of at least 50,000 require department review.

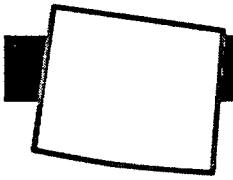
Upon receipt of the petition, the municipality may approve or dismiss the document. Continuation of annexation proceedings requires the consent of the municipality by passage of an ordinance. If such an ordinance is passed, the municipal clerk shall send notice of the petition to the clerk of the town in which the proposed territory is situated. The notice will acknowledge whether the petition is for direct annexation or a referendum. If the petition is for direct annexation, no referendum need take place unless a petition for referendum is submitted in the 30 days following receipt of the notice. If the petition requests a referendum, an election date shall be set 42 to 72 days from the receipt of such notice. All qualified electors within the territory may cast a vote. Notice of the election shall be placed in a distributed newspaper. If results favor annexation, the municipality may pass an annexation ordinance.

The annexing municipality may adopt an ordinance by a two-thirds vote of its governing body. The municipal clerk shall submit a copy of the ordinance, certificate, and plat to the Secretary of State and any service utility that provides for the annexed territory.

Remonstrance
Any opposition to annexation may be filed with the circuit court.

• Initiation by municipalities
The governing body of the municipality may pass a resolution of intent for annexation by referendum. The resolution and scaled map will be delivered to the clerk of the town(s) in which the proposed territory is located. The municipality shall then petition the circuit court for an order of referendum. Annexation requires a majority vote in favor of annexation.

• Remonstrance
A circuit court may receive a petition in protest of annexation signed by a number of voters equal to the majority of votes cast for governor within the proposed territory. As an alternative, the petition may be signed by persons owning a majority of the territory's assessed property value. Such a petition must be received before any hearing date is decided. Annexation shall be abandoned upon receipt of the petition.



WYOMING

Wyoming Code:
Title 15, chapter1, article 4

• Preceding annexation
Hearing on territory eligibility
The governing body of the municipality shall hold a hearing to ensure that the proposed territory complies with the following criteria: proposed territory must be contiguous to the annexing municipality; the municipality shall be able to extend its services into the territory upon annexation; annexation must serve the public interest of those residing in the territory and the municipality; and, if necessary, the municipality shall provide electric utility to the territory upon annexation. The annexing municipality shall mail a copy of its annexation report and information of the hearing to landowners and public utilities within the territory at least 20 business days before the hearing date.

Annexation report
The annexation report shall include: a map of the proposed territory and all area that, upon annexation, will be situated half a mile from the adjusted municipal boundary; an estimated cost in upgrading related infrastructures; the services to be provided by the municipality and a timetable for the extension; an estimated cost for the services; present and proposed property tax mill levies enforced by the municipality; and the cost of upgrading infrastructures within the municipality in order to adequately provide for the annexation.

• Annexation proceedings
Petition by landowners
A majority of the territory's landowners in both number and property may submit a petition for annexation to the clerk of the proposed annexing municipality. The petition shall include a description of the proposed territory, request for annexation, acknowledge that each signature represents a landowner, describe of the land of each signatory, and include a map of the proposed territory. Signatures must date within 180 days of the petition's entry. Signatures may not be removed after the document's submission.

Initiation by municipality
The governing body of a municipality may initiate annexation of territory that satisfies the general requirements. It shall prepare a legal description of the territory, including a list of the landowners and map of the area and pass a resolution certifying that the territory is eligible for annexation.

General annexation procedure
The municipality shall set a date for a public hearing on the question of annexation. Notice of the hearing must be published in a newspaper distributed within the proposed territory. The notice shall include a brief account of the annexation report and a map of the territory and its surrounding area. If all prior conditions and procedures have been met and followed, the municipality may pass an annexation ordinance. Annexation enters into effect on the date designated by the ordinance.

No notice and public hearing required
Notice and public hearing are not required for annexation of territory that is owned by the municipality. No annexation report or estimates are necessary. Annexation ordinances of such territory shall acknowledge within the text that the territory is owned by the municipality.

• Remonstrance
A landowner, owner of property, or a utility in the territory may file an appeal with the district court for an evaluation of the annexation. Appeals must be submitted within 60 days of the annexation ordinance.

Filing after public hearing
Annexation proceedings shall be abandoned if, following the public hearing, the municipal clerk receives written opposition from a majority of the territory's landowners or the owner(s) of a majority of the territory's lands. However, annexation may proceed if the proposed territory shares at least 75% of its boundary with the municipality.

The documents listed are the primary source for state annexation laws

Alabama
Code of Alabama: 11-42-1 to 11-42-6; 11-42-20 to 11-42-24; 11-42-40 to 11-42-88;11-42-120 to 11-42-126; 11-42-150 to 11-42-167

Alaska
Alaska Statutes: 29.06.040-29.06.055; 29.06.090-29-.06.170

Arizona
Arizona Revised Statutes: 9-121 to 9-131; 9-471 to 9-472; 11-269.07

Arkansas
Arkansas Code: 14-40-201 to 14-40-601

California
Government Code: 56000 et seq.

Colorado
Colorado Revised Statutes: 31-12-104 to 31-12-120

Connecticut
Connecticut has no county governments.

Delaware
Delaware Code: Title 22, sections 101; 101.A; 105

Florida
Florida Code: Title 12, 171.041- 171.046

Georgia
Georgia Code: 36-36-2 to 36-36-59

Hawaii
No annexation procedures are available.

Idaho
Idaho Statues: Title 50, chapter 2, 50-222 to 50-223

Illinois
Illinois Compiled Statues: Illinois Municipal Code, 65 ILCS 5, Art.7, Div.1

Indiana
Indiana Code, Title 36 Article 4 Chapter

Iowa*Iowa Code: 368.7*

Kansas
Kansas Statutes: 12-520 to 12-521

Kentucky
Kentucky Revised Statutes: Chapter 81A

Louisiana
Louisiana Statutes, 33:151-33:180

Maine
Maine Revised Statues Annotated: Title 30A, 2171

Maryland
Maryland Code: Article 23A, section 19

Massachusetts
Massachusetts does not have unincorporated territory.

Michigan
Home Rule City Act, MCL 117.9

Minnesota
Minnesota Statutes: Chapter 414

Mississippi
Mississippi Code: 21-1-22; 21-1-27 to 21-1-65

Missouri
Missouri Revised Statutes: Section 71-012; 71.015; 71.860 to 71.920

Montana
Montana Code Annotated 2005: 7-2-4303 to 7-2-4625

Nebraska
Nebraska Revised Statutes

Nevada
Nevada Revised Statutes: 268.570 to 268.670

New Hampshire
New Hampshire has little unincorporated territory.

New Jersey
New Jersey has very little unincorporated territory.

New Mexico
New Mexico Statutes 3-7-1 to 3-7-18, 3-57-1 to 3-57-9

New York
Municipal Annexation Law

North Carolina
North Carolina Statutes Chapter 160A, Article 4A et seq.

North Dakota
North Dakota Century Code: 40-51.2

Ohio
Ohio Revised Code: 709.01

Oklahoma
Oklahoma Statutes: 11-21-101 et. seq.

Oregon
Oregon Revised Statutes: 222.111 to 222.183

Pennsylvania
Pennsylvania does not have unincorporated territory.

Rhode Island
Rhode Island has no county governments.

South Carolina
South Carolina Code of Laws: Title 5, chapter 3

South Dakota
Dakota Code: Title 9-4

Tennessee
Tennessee Statutes: Title 6 chapter 51

Texas
Local Government Code: Title 2, Chapter 43

Utah
Utah Code: 10-2-401 to 10-2-427

Vermont
Vermont does not have unincorporated territory.

Virginia
Virginia Code: Article 1, Chapter 32, Title 15.2; Article 2, Chapter 31, Title 15.2

Washington
Revised Code of Washington: 35.13 et seq.

West Virginia
West Virginia Code: Chapter 8, article 6

Wisconsin
Wisconsin Statutes: 66.0217 to 66.0225

Wyoming
Wyoming Code: Title 15, chapter1, article 4

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Name of Committee

January 30, 2008
Date

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Mary Dunn	N.C. citizen 964 Viewmont Dr. Asheboro NC 27205
Gloria McClendon	Randolph City resident 1847 Back Creek Ct Asheboro, N.C.
DARCY BAKST	John Locke Foundation
Keith Flamary	Self - 1613 Stonehurst Rd. Ral NC 27607
ELLIS HANKINS	NCLM
EARL MULLEN	413 WINDWARD DR WILMINGTON NC 28409
Ed Spencer	Self 322 Buccaneer Road Wilmington, NC 28409
Clint & MaryLou LeGette	110 Tomahawk Trail Lexington, N.C. 27295
Kenny Moore	Davidson County
DANIEL J. WATKINS	3624 S. POINTE DR. APEX, NC 27539

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Name of Committee — Date

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Allison Fowler	NC State Grange
Lisa Stifler	UNC Center for Civil Rights CB 3380 Chapel Hill, NC 27599
Diane Standaert	UNC Center for Civil Rights CB 3380 Chapel Hill NC 27599
Andy Romanet	NCLM
Patrick Buffkin	Nelson Mullins
Yvon Pike	STOP, Pinehurst, NC
Ron Cheney	Stop Pinewild NC
Jim McGillan	" " "
Charles Mardigian	Pinewild, NC
Ron VanHoover	Pinewild, NC STOP/FAC
Keith Junk	Pinewild, NC

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House Select Committee on Municipal Annexation — 01/30/08

Name of Committee — Date

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John Boesch	STOP THE TAKING OF PINEWILD (STOP) 35 McMICHAEL DR, PINEWILD 28374
Lydia Boesch	STOP The Taking Of Pinewild 35 McMichael Dr, Pinewild 28374
Keith Bost	Citizens United Against Lexington Annexations 115 Arrowhead Cir. Lexington, NC 27295
RENATA PIKE	STOP - PINEWILD 23 ABBOTSFORD DR PINEHURST NC 28374
Kathleen McGillan	STOP - Pinewild. 26 Abbotsford Dr. Pinehurst NC. 28374.
Dallas Woodhouse	Americans for Prosperity - NC Raleigh N.C.

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Linda Wooten	Good Neighbor United
DONALD WOOTEN	GNU
Bob Pleasants	Good Neighbors United
Larry Dupree	Good Neighbors United
KEN WADSWORTH	Good Neighbors United
Joe McClees	McClees Consulting
Mitch Kokai	John Locke Foundation
Becki Gray	John Locke Foundation

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NAME	FIRM OR AGENCY AND ADDRESS
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Bev Laabs	Stop NC Annexation
Geoff Lawrence	John Locke Foundation
Jeremy Dolle	Lexington NC
Nick Dolle	Lexington N.C.
CATHERINE HEATH	STOPNCANNEXATION
JERRY JENSEN	BCCAC - ASHEVILLE
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Mark Jeffreys	Newsbank publishing, Raleigh
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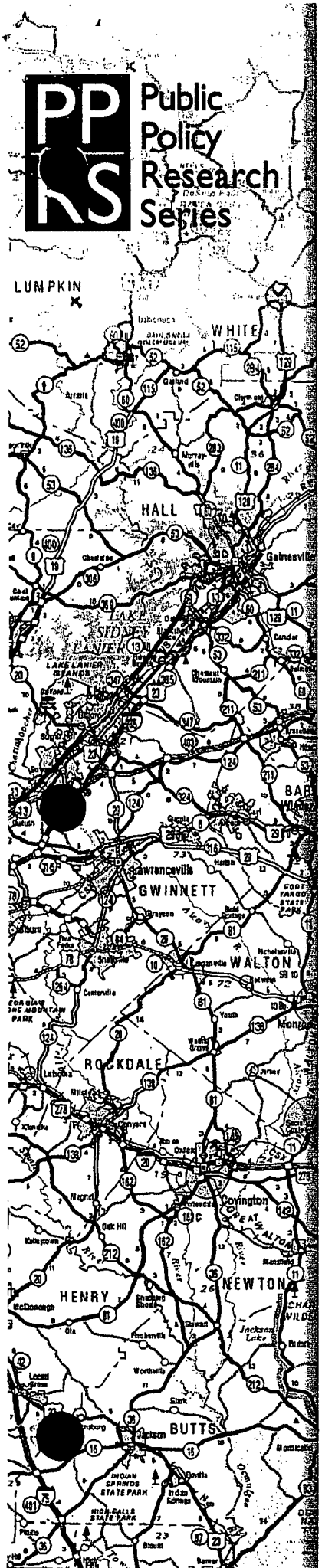

An Assessment of Municipal Annexation in Georgia and the United States

A Search for Policy Guidance

by Paula E. Steinbauer
Betty J. Hudson
Harry W. Hayes
Rex L. Facer II

Carl Vinson Institute of Government

Public Policy Research Series

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An Assessment of Municipal Annexation in Georgia and the United States: A Search for Policy Guidance

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Foreword

Annexation has been and continues to be a significant issue of local governance in Georgia. The state's recent rapid urbanization has intensified the political, economic, and social concerns that characterize annexation policy. Historically, annexations in Georgia were controlled by the General Assembly, which dealt with them on a case-by-case basis. Over the last few decades, the General Assembly has enacted general annexation laws that permit municipalities to annex property without special legislation, but only after specific conditions and processes have been met. Through these statutes, the legislature has resolved specific policy concerns that have arisen over time, resulting in a relatively comprehensive set of annexation laws.

This paper, *An Assessment of Municipal Annexation in Georgia and the United States: A Search for Policy Guidance*, examines annexation policies across the country, including recent efforts to improve annexation processes, and offers policy recommendations and tools that can assist Georgia public officials with annexation decisions. Based on a thorough review of state annexations laws, the authors formulate a stakeholder approach to classifying state laws. They conclude from their analysis that most of the states attempt to balance the interests of all annexation stakeholders through legislation and that balancing competing interests does not necessarily resolve all of the underlying conflicts inherent in annexation.

The policy recommendations offered in this paper range from specific ideas such as conducting an analysis of the financial impacts of a proposed annexation to a more broad-based goal of integrating annexation into smart-growth legislation. While recognizing the potential benefits of annexation (e.g., preserving municipal contiguity, implementing land management and environmental protection policies, promoting economic development, and helping to manage growth), the authors argue that these gains must be considered in light of the costs associated with particular annexation plans. Some of the recommendations will require state action; others can be accomplished through local resolutions, enabling local governments to design policies that fit their specific needs and circumstances.

The authors were affiliated with the Applied Research Division of the Carl Vinson Institute of Government when the research for this paper was conducted. Harry W. Hayes and Betty J. Hudson are now public service associates in the Governmental Services Division. Rex L. Facer II and Paula E. Steinbauer were doctoral students in public administration and are now assistant professors at Brigham Young University and Northern Illinois University, respectively.

The Public Policy Research Series, published by the Carl Vinson Institute of Government, presents the results of objective and systematic research on the complex policy problems and issues confronting the state of Georgia and its local governments. Undoubtedly, annexation policy will continue to evolve as Georgia continues to grow and the state and its local governments strive to wisely manage growth and effectively serve the public. We are pleased to offer this paper as part of our policy series.

James L. Ledbetter
Director
Carl Vinson Institute of Government

August 2002

Acknowledgments

This policy paper is an outgrowth of work completed in conjunction with the Association County Commissioners of Georgia and the Georgia Municipal Association Joint Task Force on Annexation, which originated in the fall of 1999. A number of the ideas and research findings discussed here were originally presented to the task force. The authors appreciate and are grateful for the task force's support of this project.

Several students contributed to this research while working at the Carl Vinson Institute of Government. Andy Welch and Kellie McDonough were graduate students in public administration, and Ellen W. Smith was a law student at the University of Georgia. Welch contributed significantly to the fiscal analysis section, and McDonough and Smith assisted with the collection and review of state annexation statutes.

The authors also wish to acknowledge the advice of three anonymous reviewers, who raised important questions and offered useful suggestions. Although the paper has benefitted from their comments, the authors alone are responsible for the findings presented here.

Finally, the authors are most grateful to the Georgia Municipal Association and the Association County Commissioners of Georgia for their historical and ongoing efforts to improve Georgia's annexation law and policy, which provided the inspiration for this study.

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Executive Summary

The benefits of a well-planned and judiciously considered annexation are manifold. Municipal governments use annexation as part of a long-term growth strategy and an ad hoc measure to accommodate or control urban sprawl. As an integral part of urban development, proponents of annexation justify the activity through several important arguments such as contiguity, land management, and environmental protection. Economic interests, such as diversifying the tax base and promoting economic development, also are important stimuli for annexation. In counties that provide few services or lower levels of service, annexation relieves public pressure to supply urban services that are already available from the city. For property owners, annexation may offer the opportunity to receive services not currently available from the county or to receive a higher level of service.

As with any public policy, concerns over annexation exist alongside benefits. Property owners living within the city may believe that annexation will result in an excessive financial burden, that the city may become too large, or that municipal leadership will neglect the older areas of the city. Property owners in unincorporated areas may consider the benefits accruing from the new services to be unequal to the increased tax burdens and may therefore oppose annexation proposals. County officials may resist annexation, perceiving the maneuver as a "land grab" by cities that causes hardships on the remaining unincorporated areas. Urban counties may face more complicated issues than rural counties, such as conflict over zoning regulations and changes in land use for land proposed for annexation.

To understand the effects of annexation law on annexation activity, researchers have categorized annexation methods but have ignored many other facets of annexation law. The classification schemes are often mutually exclusive in that a state is forced into one category, even if the state has multiple annexation methods that serve various stakeholders. The research presented in this policy paper expands on other work by developing a new stakeholder approach to classifying state annexation laws. Based on a survey of all state laws, we identified 19 important annexation legal provisions in 16 categories. We then classified the 19 provisions based on who is served—the state, city, county, property owner, or all groups.

The research presented in this policy paper offers a new stakeholder approach to classifying state annexation laws.

The research reveals the variety of law among states, but more important, it shows that states do seek to balance interests. Every state has

at least one annexation law that protects each interest.[1] Furthermore, no state has enacted all 19 provisions. States address the needs of various groups through basic provisions such as contiguity and public hearings, but the laws are also very different in their details. These details reflect the influence of various groups as well as the attitudes of the state's citizenry toward urbanization, property rights, and local authority.

In light of the population growth in Georgia over the past two decades—and policy concerns with managing that growth—we examine three states (Oregon, Washington, and Tennessee) that have integrated annexation into the larger land-use policy framework. Although the details of the planning laws vary, they share commonalities. In all cases, cities and counties must coordinate their comprehensive plans and consider factors such as economic development, rural land conservation, and fiscal impacts. Under the plans, cities designate urban growth areas, and annexation may occur only within these areas. State governments promote local compliance through incentives. The experiences of these states merit further study and can provide ideas about whether and how to integrate annexation into a comprehensive growth plan.

For the past several decades, the issue of annexation in Georgia has caused conflict and controversy between cities and counties. Revenues have been the major source of conflict in annexation, but other factors such as contiguity, cross-county annexation, and public input in the annexation process have also been subjects of debate in Georgia. These issues, arising from the political, economic, and social concerns inherent in annexation, have been exacerbated by rapid urbanization across the state.

Historically, the state legislature has enacted legislation designed to address specific annexation issues or problems. However, an incremental approach has not yielded a plan to address underlying conflicts. Traditionally, annexations in the state were accomplished by local act[2] of the General Assembly. In 1972, the state constitution was amended, granting municipalities limited self-government authority. Municipalities now have authority to annex under the 100 percent method, the 60 percent method, and the resolution and referendum method. To facilitate efficient delivery of services, the legislature has also granted municipalities special authority to unilaterally annex unincorporated islands. Counties have the authority to offer residents of unincorporated areas the same types and levels of services normally reserved for municipalities, thereby increasing infrastructure investments by many counties and raising the stakes of annexation disputes. However, municipalities are restricted through contiguity qualifications, limits on cross-county annexation, requirements for service plans and hearings under the resolution and ref-

erendum method, and procedural guidelines, including mapping and surveying annexed land and notifying the county governing authority prior to any annexation. These requirements are meant to protect property owners', counties', and the state's interests.

Because of continuous changes in the demographic and economic make-up of Georgia, the needs of property owners, municipalities, counties, and the state will undoubtedly continue to evolve, prompting additional legislative action. Task forces and commissions have worked to improve annexation policy and understanding among stakeholders by recommending legislation and developing educational materials. The 1997 Service Delivery Strategy Act (HB 489) is considered by many to be the state's most important effort at improving local government cooperation. Under this law, cities and counties must jointly decide service-delivery plans in order to reduce service duplication and improve efficiency. Through the act, local governments have the opportunity to address important land-use problems, such as who will serve incoming residents and businesses, and thereby resolve some of the issues that induce annexation. Incorporating annexation plans into service-delivery agreements would make the negotiating process more complex but should diminish disputes by forcing local governments to confront the political, social, and economic issues associated with boundary changes. The flexibility inherent in these agreements should permit counties and municipalities to address annexation issues that may arise in their community.

One valuable tool that Georgia municipalities should consider when making annexation decisions is fiscal impact analysis. Fiscal impact analysis seeks to introduce a measure of rationality into the annexation process. It is a projection of the direct costs and revenues associated with residential or nonresidential growth (Burchell, Listokin, and Dolphin 1985). We discuss three broad approaches that outline the potential revenues and expenditures associated with annexation: the per capita multiplier method, the proportional valuation method, and the case study method.

One valuable tool that Georgia municipalities should consider when making annexation decisions is fiscal impact analysis, which introduces a measure of rationality into the annexation process.

This policy paper analyzes nine fiscal impact studies that the Carl Vinson Institute of Government completed on behalf of eight Georgia cities between 1981 and 1999. The major findings of this analysis are:

- Contrary to conventional wisdom that annexations always result in financial gains for cities, only three studies estimated that additional revenues would exceed new expenditures through the proposed annexation.

- Three of the studies indicated the opposite, and the remaining three studies had ambiguous results (i.e., revenues exceed expenditures or expenditures exceeded revenues, depending on the studies' assumptions).
- The property tax was the most important source of new revenues for cities, but other significant sources were franchise taxes, sanitation collection fees, insurance premium taxes, and alcohol beverage taxes.
- Interestingly, in six of the nine studies, revenues declined due to elimination of rate differentials for services between city customers and unincorporated customers.
- Although extending services to newly annexed areas may be accommodated using current capacity, in most cases, expenditures increased, with police protection being the largest new expense.

Although these studies examined only fiscal impact for cities, similar analyses of how annexation affects counties would also be beneficial by establishing decision criteria from which officials could support or oppose an annexation.

Many of the recommendations do not require state legislation and can be accomplished through local resolutions, enabling local governments to design policies that fit their specific needs and circumstances.

Recommendations for improving annexation policy in Georgia and reducing conflict or misperceptions about annexation among affected stakeholders are included throughout the paper. Many of the recommendations do not require state legislation and can be accomplished through local resolutions, enabling local governments to design policies that fit their specific needs and circumstances. In those communities in which annexation is not a cause of controversy, these recommendations may not be perceived as immediately practical; however, their implementation offers the opportunity to increase the public's knowledge about local governments' resources and municipal growth and may serve to prevent future problems. Furthermore, implementation of the following recommendations will undoubtedly differ between rural and urban counties, reflecting their respective circumstances:

- Fiscal impact studies should be required of both municipalities and counties for annexations that reach a predetermined threshold of size.
- For annexations that reach a predetermined threshold of size, the city council should evaluate the impact of the annexations during a public hearing.
- When considering new annexation legislation, representatives from as many types of stakeholders as possible should be included.

- Cities and counties should develop an annexation plan when negotiating their service-delivery agreement in order to link future service-delivery needs with growth.
- To promote annexation planning between cities and counties, the General Assembly should develop incentives, such as streamlined annexation procedures, for communities that develop and implement those plans as part of their service-delivery agreements.
- The General Assembly, in coordination with other affected stakeholders, should seriously research and consider integrating Georgia's current annexation laws into comprehensive, smart-growth legislation.

Introduction

If cities desire to reduce outlying problem areas, to bring in desirable residential and commercial developments, and to straighten irregular city boundaries, they can no longer depend upon haphazard or incomplete annexation programs. Plans formulated for annexation of surrounding areas constitute an extremely important factor in the general annexation picture.

—John C. Bollens, "Elements of Successful Annexations," 1949

Annexation is frequently the natural result of urban development and reflects the needs of communities to establish municipal services over an expanded land area. However, the act of annexation, though at times necessary, has caused conflict and controversy between cities and counties in Georgia and elsewhere over the past several decades. The political, economic, and social concerns inherent in annexations have been compounded by rapid urbanization across the state. This urbanization spurred the amendment to the state constitution in 1972, enabling counties to offer residents of unincorporated areas the same types and levels of services normally provided by municipalities, such as water and sewer services.

As populations in the unincorporated areas of Georgia have increased, many counties have chosen to provide municipal-type services, thereby increasing the infrastructure investments by those counties and raising the stakes of annexation disputes. From the perspective of some counties, municipal annexation deprives them of customers, reduces their tax bases, and assumes control over development. Exacerbating the municipal-county conflict, some property owners and developers seek annexation to procure a more favorable zoning and development status for their property.

The state, historically, has addressed these controversies by enacting legislation to correct specific problems or issues, such as defining specific terms for annexation or modifying annexation processes. Although this incremental approach has been effective in resolving some issues, invariably new disputes have arisen as populations have grown and counties' economies have evolved. As a result of this policy-making process, Georgia's annexation law has developed without an overall plan to address all the underlying causes of conflict. However, statewide organizations—including the Association County Commissioners of Georgia (ACCG) and the Georgia Municipal Association (GMA)—have made

continuing efforts to address these conflicts. In addtion, the General Assembly created the Future Communities Commission to examine the underlying issues, and that body produced recommendations that resulted in legislation such as the Service Delivery Strategy Act (HB 489) to make local government service delivery more efficient and the tax structure more equitable. Moreover, Georgia may be able to learn from other states (including Oregon, Washington, and Tennessee) that have adopted comprehensive strategies requiring local governments to develop growth plans.

At the behest of ACCG and GMA, researchers at the Carl Vinson Institute of Government analyzed annexation policy in Georgia and across the United States. This policy paper discusses the diversity of annexation approaches and the effects of annexation. It is hoped that, through increased understanding of the fiscal impacts and legal constructs of annexation, fundamental issues may be addressed and potential conflict among competing interests minimized.

Context of Annexation

Annexations involve changing a municipality's physical boundaries. This seemingly benign action can have profound effects on the community involved. Some technical annexation issues include the process used, the actual land chosen, and the land's proximity to municipal boundaries. Other issues are broader, such as the economic impact on all affected local governments and property owners as well as the political and social effects of growth on communities. Although difficult to resolve, these issues necessarily underlie any discussion of annexation policy. This overview introduces many of the general topics surrounding annexation; considers why annexation occurs, who benefits, and who does not; and briefly examines annexation within the legal context.

Governments use annexation both as part of a long-term growth strategy and as an ad hoc measure to accommodate or control urban sprawl.

Municipal governments use annexation both as part of a long-term growth strategy and as an ad hoc measure to accommodate or control urban sprawl (Sentell 1967, 49). It is often asserted that one of the primary purposes of annexation is to regulate urban development (Gregory 1995). Furthermore, economic and social concerns drive (or block) annexation movements. Research spanning the last five decades has assessed changes in political influence, population, and the tax base as perennial reasons why annexations occur (Bollens 1949; Fleischmann 1986a and 1986b; Gregory 1995).

Annexation Activity

An analysis of annexation reveals its frequency and magnitude. Klaff and Fuguitt (1978) indicate that annexations remained the principal means of municipal population growth during 1950s and 1960s. Activity reached its high point in the 1980s, with 75,337 annexations nationwide. In the 1990s there was less activity in terms of number of annexations and square miles and population annexed, but the overall level remained higher than what had occurred in the 1970s (see Appendix A).

Explanations for the decrease in annexation activity are equivocal. Counties nationwide have begun to provide services that formerly were the exclusive responsibility of municipalities. Thus, residents of unincorporated areas may perceive annexation as offering fewer benefits. In Georgia, however, counties were authorized to provide urban services as early as 1972, and yet municipalities regularly annex unincorporated land. In the 1990s, more stringent annexation requirements and mandatory growth plans may have been adopted nationally in response to earlier high levels of annexation activity. Other research, however, finds that state laws,

which were generally considered to constrain annexation activity by requiring service plans for property owners, for example, were actually found to facilitate it (Carr and Feiock 2001; Facer et al. 2000a). In other words, states with supposedly restrictive laws did not have significantly lower levels of annexation. Indeed, in some cases, those states actually had higher levels of annexation than did states without stringent annexation requirements. Boundary changes in the 1980s may have permitted sufficient room for municipal growth, but again little national research exists to explain the extent to which this hypothesis may be correct.

Technical and Social Issues Associated with Annexation

An integral part of urban development, annexation is often justified technically by contiguity, land management, and environmental protection, all of which affect communities' quality of life. Contiguity refers to annexed property that is adjacent to the city's boundaries. Some annexations propose to remove unincorporated "islands" and to create unbroken service areas. Without contiguous annexation, service provision can be particularly complicated and inefficient as cities and counties attempt to serve isolated areas. Zoning and building regulations and transportation planning are included in land management. These issues are addressed broadly in countywide growth plans and specifically, when city officials attempt to balance competing interests in deciding the zoning status of newly annexed property, for instance. In terms of the environment, annexation may be beneficial. It is not uncommon for a suburb that is moving to a higher density level to "hook up" to the city's water and sewer system to ensure safe and sufficient drinking water.

In addition to these technical issues, economic interests often stimulate annexations. The primary economic concerns are fiscal viability and economic development. City officials often balance projected tax revenue with service expenses when deciding to annex property. This forecasting is particularly important for undeveloped land that may be zoned for business and industrial uses and that will have significant service demands. Counties that are experiencing a financial loss from annexation will likely resist it.

Social benefits may accrue from annexation. Annexation can increase a city's population, and a city that is growing is often favorably perceived as a vibrant area. Furthermore, city officials have been known to support annexation as a means of broadening their political base, particularly when residents in the proposed area share the same political party affiliation as a majority of the council members (Fleischmann 1986b).

Because annexation has implications for a city's demographics, it may be resisted. Through redlining (Fleischmann 1986) and other such

discriminatory practices, boundaries are drawn to exclude particular groups based on race, ethnicity, or economic status. To prevent such discrimination, and to ensure that voting districts remain proportional in population, the U.S. Department of Justice reviews boundary changes for those states (including Georgia) that are affected by Section 5 of the federal Voting Rights Act. The courts also provide a final outlet for appeal in cases of discriminatory annexation.

Groups Affected by Annexation

Understanding which groups benefit or lose from annexation helps explain not only why some annexation efforts are successful and others are not but also the possible motivations of these groups. Those directly involved in annexations include municipal officials, county officials, the residents of the city, and property owners. Property owners comprise those with land to be annexed, those with adjoining property who may remain in the unincorporated area, and those who may already be located within municipal boundaries (Bollens 1949; Fleischmann 1986a; 1986b; Gregory 1995).

The benefits gained from a well-planned and judiciously considered annexation can be manifold.

The benefits gained from a well-planned and judiciously considered annexation can be manifold. Public officials, residents, and businesses within a municipality may support annexation for political, social, and economic reasons. Common examples of the latter are to expand and diversify the tax base and to stimulate economic development. Similarly, cities annex property to increase and broaden the population base. Annexation may be part of a larger growth plan that permits the city to appropriately control the economic, geographic, and environmental development patterns (Gregory 1995). The additional land can facilitate the efficient delivery of services by permitting greater economies of scale. Moreover, a larger population may increase the city's prestige, permit citizens greater political influence, or garner more federal or state aid (Bollens 1946, Fleischmann 1986b).

In many instances, county governments also directly benefit from annexations. Development resulting from annexation can create opportunities for economic expansion, benefiting the county tax base and generating employment opportunities for unincorporated areas. Annexations that eliminate "unincorporated islands" can improve service-delivery patterns by constructing rational municipal boundaries. For counties that provide few services or lower service levels, annexation relieves public pressure to supply urban services that are already available from the city.

From the property owner's perspective, annexation may offer the opportunity to receive services not currently available from the county

or higher levels of service. Expanded services may reduce household expenses, such as fire insurance. Property owners may advocate city annexation to exempt themselves from certain county regulations or services. For example, the city may impose a less stringent land-use regulation that enables development not permissible under county zoning regulations. Or, residents may favor annexation that results in their children attending a different school. It is assumed that because property owners are major stakeholders in the process, they rationally consider both the benefits and costs of annexation (Fleischmann 1986a). Often, though, the new services and opportunities are realized at the expense of higher property taxes.

Concerns over Annexation

The groups of people who are affected by annexation have various concerns. Municipal property owners who reside in the incorporated area may believe that annexation will result in an excessive financial burden for themselves, especially if the annexed land requires extensive infrastructure expansion. They may fear that the increase in size could make the city too large for efficient and responsive governmental administration. Furthermore, property owners may fear that expansion could result in a municipal leadership that neglects the older areas of the city.

Property owners in unincorporated areas may fear a loss of social identity, insufficient attention from the annexing city government, or diminished political power as part of the municipality. From their perspective, the benefits accruing from the new services may be unequal to the increased tax burdens. This issue is particularly relevant in Georgia, where the state permits counties to provide urban services. Unincorporated property owners tend to resist accepting the increased tax burden and bonded indebtedness of the city.

County officials may resist annexations, perceiving them as "land grabs" by cities, and have legitimate concerns regarding the adverse impacts of annexation on the fiscal and environmental health of the county. The forfeiture of tax revenue and the funding of services from an eroding tax base can be especially troublesome. In areas in which there are special taxing districts, county officials may see the tax base as a zero-sum game: an addition to the city is a loss to the tax district. Similarly, counties may be uneasy about reducing the customer base upon which officials have established service-delivery levels. This loss can be particularly burdensome for suburban areas with revenue bonds, such as those issued for water systems. The county may also lose revenue from other sources such as user fees, business licenses, and alcoholic beverage taxes. The county may sense a loss of control over its land-use plan and development

patterns from aggressive annexation activity. Annexations may create a less effective service-delivery pattern. In Georgia, annexations can alter the balance of intergovernmental agreements and trigger renegotiation of service-delivery agreements.

Utility costs, the ability of a municipality to impose price differentials on unincorporated areas, and service duplication by counties and cities are other concerns associated with annexation, particularly in Georgia. In several states, courts have been grappling with the impact of annexation on electric cooperatives and investor-owned utilities resulting from lost service territory and a shrinking customer base (Burkhardt 1991). The courts have generally sided with municipalities' rights to serve these new customers:

> An argument made on behalf of municipally owned utility service is that power is often available at wholesale rates lower than those charged by rural cooperatives or investor-owned electric utilities. . . . Another argument is that municipal power means more local control in the sense that municipal utilities will be more responsive to community needs. (Burkhardt 1991, 49)

Georgia is one of the leading states in annexation activity—with 5,636 annexations in the 1980s and 3,398 in the 1990s.

Higher utility costs in unincorporated areas—which may be the result of price discrimination (i.e., when a city charges residents of unincorporated areas higher rates for services than residents within city limits)—act as an incentive for property owners in outlying areas to be annexed. The expense of expanding utility services to unincorporated areas may be the same reason why a city resists the annexation. When cities and counties provide the same services, competition for customers is inevitable, unless the jurisdictions agree on planning and service arrangements. If a county supplies a "standard" municipal service such as water and has an infrastructure to accommodate customers, officials will rationally resist annexation to avoid excess service capacity and increasing rates on the remaining residents in order to meet fixed costs.

To resolve problems and maximize the positive outcomes of annexation, several states have undertaken comprehensive annexation studies (e.g., Indiana [see Lindsey and Palmer 1998]) or have enacted comprehensive urban growth management legislation (e.g., Tennessee). In Georgia, through state-mandated county service-delivery strategies, processes have been established for resolving land-use classification disputes when a county objects to the proposed land use of an area to be annexed.

The Scenario in Georgia

Georgia's annexation activity reflects the national pattern (see Appendix A). Georgia municipalities annexed 5,636 times during the 1980s and only

3,398 in the 1990s (1990–98). Even with these decreases, Georgia remained one of the leading states in annexation activity during the 1990s. Of the 536 active municipalities in Georgia, 239 annexed at least once during the 1990–98 period (Facer et al. 2000b). However, obvious factors such as the large number of municipalities or the high population density of the Atlanta metropolitan area do not appear to be the primary causes of annexation (Facer et al 2000a). More significant is that the average population density per annexation declined from 10.3 in the 1980s to 3.9 persons per square mile in the following decade.

Like other states, Georgia confronts the social, political, and economic issues associated with annexation, but comprehensive solutions to annexation continue to elude the state. Georgia county and municipal associations have periodically created joint annexation committees since the mid-1980s and have sponsored studies that have yielded insights into governance, revenue base, service delivery, and administrative procedures. The most recent joint ACCG–GMA task force (established in 1999) developed and supported amendments to annexation law that were approved during the 2000 Georgia legislative session.

A Stakeholder Approach to Classifying State Annexation Laws

A state's annexation laws significantly affect the level of annexation activity. To better understand this activity, we reviewed annexation statutes in all states and systematically assessed various annexation provisions. States differ greatly in the comprehensiveness of their statutes, reflecting the importance of annexation and the level of competition among stakeholders. Several New England states have only one or two laws addressing annexation by a municipality of unincorporated land, whereas others, like Georgia, have many. The breadth of issues reflects (1) the impact annexation has on communities and (2) the number of different stakeholders that may be affected in annexation. The authors developed a new approach to classification to better understand whose interests are served by particular annexation laws and how state legislatures work to ensure appropriate growth while balancing the interests and the needs of affected parties.

States differ greatly in the comprehensiveness of their statutes, reflecting the importance of annexation and the level of competition among stakeholders.

Previous Research on State Annexation Laws

There have been very few systematic reviews of state annexation legislation (e.g., ACIR 1993; NACo 1999; Palmer and Lindsey 2001). Hill (ACIR 1993), for example, reviewed state laws that affect local government structure and administration. Hill assessed annexation statutes based on six different aspects of annexation laws:

1. initiation by a petition of property owners in the area to be annexed (percentage of property owners required)
2. initiation by city ordinance or resolution
3. public hearing required
4. referendum and majority approval in city required
5. referendum and majority approval (or majority written consent) in area to be annexed required
6. county governing authority approval required

Additionally, states have typically been classified using the Sengstock (1960) typology. This typology focuses on the method used to determine whether or not a boundary change will take place. The typology classifies states into one of five mutually exclusive categories based on the dominant procedure in their annexation law:

1. Popular Determination: the affected electorate or property owners determine if a boundary change will take place (according to Sengstock, most states are popular determination states)

2. Municipal Determination: the municipality may unilaterally extend its boundaries
3. Legislative Determination: annexations are made through special acts of the legislature
4. Quasi-legislative Determination: An independent, nonjudicial agency or board determines whether or not annexations take place
5. Judicial Determination: the court determines whether or not annexations take place, generally using guidelines established by the legislature

These categories have been used to classify states and explain annexation activity (e.g., McManus and Thomas 1979; Galloway and Landis 1986; Liner 1990; 1993). Unfortunately, the Sengstock typology and its subsequent applications do not sufficiently explain the complexity of annexation statutes or accurately distinguish among states: the typology is mutually exclusive and does not account for states that have several significant annexation procedures and therefore belong in multiple categories. Recently, scholars (e.g., Palmer and Lindsey 2001) have tried to build on the Sengstock typology by allowing states to be listed in more than one category, but even this approach fails to integrate the broad range of issues covered by annexation law. A uniform model is unlikely because there is no systematic standard for reviewing and coding statutes. However, NACo and other researchers have attempted to impose consistency by identifying the different aspects of annexation law that should be examined.

In our study, we examined municipal annexation of unincorporated county land and identified 19 important annexation legal provisions. Connecticut, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Rhode Island, and Vermont have laws addressing boundary changes only between municipalities and consolidation of towns because little or no unincorporated lands exist. Hawaii has only two levels of government (state and county) and therefore does not have statutes that fit the research criteria. According to our research criteria, none of these states have laws addressing annexation (see the first column of the table in Appendix B). Maine's annexation law is not specifically limited to boundary changes between municipalities and is therefore included in the analysis. The classification does not distinguish between laws that apply to all municipalities and those that are limited to specific types of municipalities (examples of classifications are size and home rule authority). In other words, if the state has a statute that enables a particular action, albeit limited, then the state is classified as having a legal provision addressing that annexation issue.

Most of the previous attempts to assess state annexation statutes have focused on the method used to accomplish the boundary change (e.g. Sengstock typology). However, it is clear that prior approaches have left significant holes in the ability of scholars and policy analysts to understand state annexation laws. Consequently, the following alternative approach has been adapted to classify the provisions of different states to identify their impact on the state, the county, the municipality, and the property owners/residents of the annexed territory. Through this classification, the link between annexation stakeholder and the statute can be better understood. Appendix C presents the definitions that were used for coding purposes.

Stakeholder Interests

Rather than focusing on how annexation laws affect the level of annexation activity, we sought to determine how annexation laws protect or benefit particular stakeholders. Five categories of beneficiaries were included: the state, the municipality, the county, property owners/residents of the area to be annexed, and a "universal" category that includes all of these stakeholders. We identified the primary beneficiary (or beneficiaries) of particular annexation provisions (see Table 1). Contiguity, unincorporated islands, and elections are all issues or factors in annexation; however, how they are addressed in the law will likely result in a different stakeholder being the primary beneficiary. For example, if the law permits municipal annexation of noncontiguous land, the municipality would be the primary beneficiary, whereas a law requiring that land be contiguous to the city would arguably provide the greatest benefit to the county. Obviously, annexation laws may benefit multiple groups. For example, laws that assert the state legislature's right to enact annexation provisions not only benefit the state by clarifying its authority in this area but also provide an outlet to various groups through lobbying the legislature and having their interests heard. Under our approach, however, the state is considered to be the primary beneficiary. For the following discussion, please refer to Appendix B, which provides a comprehensive overview of state laws regarding annexation.

State Interests

The state's interests are those that affect the general welfare of the population and its authority, which includes the legislature and governor. These interests can be identified as those that (1) maintain a measure of control over the process of annexation, (2) foster and regulate the orderly growth of municipalities, (3) maintain the balance of power between counties and municipalities in the arena of annexation, and (4) ensure the law has been properly executed.

Table 1. Provisions of Annexation Law, by Primary Beneficiary or Stakeholder

State	County	Municipality	Property Owner/ Resident of Area	Universal Benefit
Boundary Agencies (29 percent)	Contiguity Required (98 percent) *GA*	Noncontiguity Allowed (33 percent)	Service Plans (48 percent) *GA*	Abate Health and Safety Hazards (17 percent)
Annex by Legislature (14 percent) *GA*	Impact Plans (17 percent)	Municipal Land: Ease Annexation (52 percent) *GA*	Election in Area to be Annexed[c] (67 percent) *GA*	Public Hearing (88 percent) *GA*
Judial Review: Judicial Decision[a]	Islands: Forbid Creation[b] *GA*	Islands: Ease in Annexation[b] *GA*	Annex through Petition (93 percent) *GA*	Judical Review: Appeal Annexation[a] *GA*
	County Approval (48 percent) *GA*	Cross-county Annexation (40 percent) *GA*		
		Election in City[c] (40 percent)		
		Annex through Local Ordinance (93 percent) *GA*		

Notes: The 19 legal provisions included in this table are based on a review of 1999 state annexation laws. The percentages of states that have a provision are in parentheses. *GA* = the provision has been enacted in Georgia. Georgia has enacted 13 of these legal provisions.

[a] Provisions related to judicial review include judicial decision-making authority on proposed annexations and/or the right of an affected party to appeal an annexation. Eighty-five percent of states have at least one law pertaining to judicial review.

[b] Provisions pertaining to unincorporated islands include those that facilitate annexation of existing islands and/or those that prohibit the creation of new islands. Fifty-five percent of states have at least one law pertaining to unincorporated islands.

[c] Provisions related to elections include the holding of elections in the area to be annexed or elections in that area *and* in the existing city.

As previously mentioned, laws addressing legislative authority are classified as benefiting the state: A law permitting annexations solely by act of the state legislature (e.g., Maine) is perhaps the strongest example of state control. Laws specifying that the legislature's authority to annex cannot be abridged (e.g., Georgia) or that a state legislative act will always prevail over any annexation by local ordinance (e.g., Alaska) also are in the state's interests. Although all states maintain the right to enact annexation legislation, only six states have specific legislation in this area.

The state's interests in fostering orderly municipal growth, in maintaining the balance of power between municipalities and counties, and in ensuring the proper execution of the law are addressed through statutes creating independent boundary agencies. Currently, 12 states have boundary agencies.[3] Generally, a boundary agency is defined as an entity that is separate from the governments of the municipality seeking to annex and from the county where the property is located. The law authorizes the boundary agencies to make a binding determination whether an annexation should occur. A boundary agency may be either a perma-

nent, ongoing body or it may be a temporary entity created when an annexation controversy arises. Similarly, boundary agencies may be established at the state level and have the authority to make annexation determinations throughout a state, or they may be local in scope with limited authority to determine annexations within a county or a region. Depending on the membership and authority of boundary commissions —particularly if the commission has members appointed by or from the affected local governments—they may also be seen as secondarily protecting the interests of county and municipal governments by giving them a voice in the ultimate decision.

Boundary agencies reflect the historical compromises and needs of various stakeholders in each state. Eight states have state-level boundary agencies, and three states have local agencies. New Mexico has both, and the type employed depends on the annexation process: arbitration or petition. In a few states, the boundary agency decision is only advisory, as in Kansas, which requires local planning agencies to review the annexation plan, or Wisconsin, in which the state department of administration issues an opinion. California law establishes local boundary commissions in every county that is not consolidated. In other cases, the boundary commission has final authority but limited scope. For example, North Carolina's Local Government Commission reviews annexations as they relate to rural fire districts. Utah's boundary commission only makes final decisions on annexations that have been protested.

Seventy percent of states provide for some level of judicial involvement in the annexation process, ranging from exercising appellate review of annexations to executing actual decision-making authority. In the former and much more common type of law, the court's authority is limited to ensuring compliance with the procedural and substantive requirements of a state's statutes. This provision includes a property owner's right to appeal an annexation due to the failure of the municipality to implement service extension plans (e.g., South Dakota). Indiana law applies different qualifications for appeal depending on who (property owner, county, etc.) appeals the annexation. Appellate review of annexations can be said to be universally beneficial because it protects everyone's interests by ensuring compliance with legal requirements.

Significantly fewer states empower courts to make an independent determination on the annexation of property. In Louisiana, an interested person may file suit opposing an annexation not only on procedural grounds but also on the "reasonableness" of the annexation. Only two states, Virginia and Mississippi, require interested parties to directly petition the court for approval of an annexation. In Virginia, the Supreme Court may grant appeal of the special court's annexation ruling. Judicial

decision making in annexations primarily benefits the state's interest in maintaining the balance of power between municipalities and counties.

Municipality Interests

Annexation statutes that promote or facilitate the process of annexation are in the municipality's interests.

Annexation statutes that promote or facilitate the process of annexation are in the municipality's interests. Thus, laws that allow municipalities to initiate annexation, laws that permit annexation of noncontiguous property and/or municipal-owned land, laws that facilitate annexation of unincorporated islands, and laws that permit a municipality to annex across a county boundary benefit the municipality's goal of controlling its own growth.

While virtually all states require that land proposed for annexation be contiguous to the annexing city, 14 states permit annexation of noncontiguous property under certain circumstances. Even when the law permits annexation of noncontiguous land, the authority is often quite limited. Limitations on municipal annexation of noncontiguous property are (1) intended to ensure orderly and regulated growth, (2) affect the ability of municipalities to provide services in that area, and (3) address the municipality's ability to pick and choose developments with high tax revenue potential. If a city garners consent from 100 percent of the property owners or if it can guarantee services to an area, cities in Indiana, Kansas, North Carolina, and Nevada may annex noncontiguous land. Alabama and California require special acts of the state legislature to annex this type of property and therefore also ensure protection of the state's interests. California law does allow municipalities to annex their own property in addition to land annexed through local legislative acts. Six other states (Idaho, Kansas, Texas, Washington, Wisconsin, and Wyoming), limit annexation of noncontiguous land to municipal-owned property as well. Indiana combines the two exceptions: cities may annex noncontiguous municipal-owned, -operated, or -regulated facilities and land that will be used for industrial parks.

Statutes specifically addressing municipally owned property include those laws that grant cities special authority to annex contiguous land. Overall, 22 states have laws addressing municipal-owned property. Nearly all permit annexation of contiguous land through ordinance or resolution. Two strong arguments supporting this flexibility are (1) the governing body is acting on behalf of the citizenry and (2) like any owner, a city has a right to control its own property. Since the property would almost always be uninhabited and the city has de facto 100 percent consent from property owners, annexation by ordinance would appear to be extremely reasonable.

Governing authorities are able to gauge the level of popular support for an annexation through elections in the municipality or area to be annexed and/or through public hearings. Cities in Washington must hold an election at the request of electors to finalize an annexation of municipal land. Other states, such as North Carolina, permit annexation by ordinance, but only after holding a public hearing. However, four states (Colorado, Kansas, Louisiana, and Wyoming) permit annexation of municipal land without a public hearing.

Municipalities located near a county border may find growth hampered by laws prohibiting cross-county annexation. To address this problem, 17 states make specific provision for municipalities to expand their boundaries across county lines. Often, restrictions exist: Georgia, for example, imposed new limits on first-time cross-county annexations in 2000. In New York, a municipality may only annex territory that is located in a different county if the county where the city is situated also annexes that territory on the same date. Tennessee has a very minor restriction, permitting cross-county annexations unless the two counties are located in different time zones.

Unincorporated islands present unique service-delivery challenges to both municipalities and counties. Twelve states permit annexation of islands through ordinance, five impose limits by size of the islands, and Utah requires the annexation to terminate if property owners protest to the action. In states in which the creation of new islands is prohibited, municipalities may annex existing islands by ordinance (e.g., Georgia, Utah, and Wyoming). Louisiana and Oregon require voter approval by residents within the island before an annexation can occur.

Arguably, the most important annexation laws for municipalities are those that permit governing bodies to initiate annexation through local ordinance or those that empower councils to make the final decision on whether to annex property. Only two states with laws addressing municipal annexation of unincorporated land (Alaska and Maine) do not permit municipalities to annex through local ordinance. Colorado and Delaware are examples of states in which the city may not initiate annexation unless the land belongs to the municipality. Some states do require municipalities to annex property upon petition of property owners. In many states, including Georgia, however, the decision to annex territory is discretionary: that is, the municipality has no legal obligation to annex an area, even upon petition of property owners (Hill 1978). Several states permit municipalities to annex property by ordinance, unless property owners and/or residents of the area protest the action (e.g., California, Montana, Nevada, North Dakota, Kansas, West Virginia, and Wyoming). In states that utilize boundary agencies, the municipality may ini-

tiate and submit to the agency an annexation request. In Mississippi and Virginia, petitions must be submitted to the Chancery Court and Circuit Court, respectively.

Elections in the incorporated area are classified as being primarily in municipalities' interests because the election ensures citizen support of the action.[4] Of the 28 states that require elections as part of the annexation process,[5] 17 also require approval by voters in the municipality proposing the annexation. Any referendum ensures that those voting in the affirmative approve of the proposed action. Although a referendum in the territory to be annexed primarily benefits those property owners and residents, it also benefits the municipality by affirming that the annexation is, in fact, desired by the majority of those voting. Some may interpret elections as an obstacle to annexation; however, a city council acting in the best interests of the entire community would prefer a delay in annexing property over an action that most citizens oppose.

County Interests

County interests include ensuring orderly development and growth of communities and maintaining sufficient revenue sources to provide services countywide and in unincorporated areas.

As discussed previously, counties are affected significantly by annexation through the loss of jurisdiction over unincorporated land and possible reductions in fee and tax revenues. Generally, county interests can be stated as (1) ensuring orderly development and growth of communities and (2) maintaining sufficient revenue sources to provide services countywide and in unincorporated areas. Several types of requirements and restrictions imposed on annexation protect counties' interests, with the most prevalent and basic being the requirement of contiguity. Requiring annexed land be contiguous to a city directly addresses county concerns that municipal growth be regulated and orderly. Only the New England states and Hawaii do not have contiguity laws.[6] Definitions of contiguity vary but usually state that some minimum amount of land, either as a percent of the total or a set value, abut the municipality. For example, North Carolina requires at least one-eighth of the aggregate boundary of the area proposed for annexation be contiguous to the municipality; Missouri requires annexations be contiguous along at least 15 percent of the length of the perimeter (for certain cities).

Prohibiting annexations that result in new unincorporated islands benefits counties by ensuring their continued delivery of services to unincorporated areas. Service-delivery responsibilities become more complex, and therefore less efficient, when counties attempt to serve isolated areas. Twelve states explicitly prohibit the formation of unincorporated islands through annexation. Iowa law directs the City Development Board

to eliminate unincorporated islands, and Texas only permits the creation of islands if it is in the public interest.

By requiring annexing municipalities to prepare comprehensive impact plans, states address the concerns of counties regarding whether the county will suffer financially or incur significant environmental degradation as a result of the annexation. Impact reports normally include provisions to study the fiscal impacts from changes in revenues and taxation and the costs of service provision. Only seven states require municipalities to develop impact reports, although boundary commissions may (e.g., Washington), and in some states must (e.g., Oregon), consider the annexation's impact on the county as part of their review. A couple of states (e.g., Oregon, Texas) mandate comprehensive reports; others limit the scope of the study. For example, North Carolina's report requirement only considers rural fire stations. If a sufficient number of property owners consent to the annexation, the impact report requirement may be waived in South Dakota and Wyoming. Utah's Boundary Commission conducts feasibility studies when it receives protests about an annexation.

Less than half of the states provide counties with the power to approve or disapprove annexations. This authority ranges from the ability of a county governing authority or a county planning commission to file an advisory report on a proposed annexation to full authority of the county to grant or deny a petition for annexation. In six states, county authorization is needed only for county land or county rights-of-way, as in Idaho, where county authority is only required to annex fairgrounds. By contrast, a municipal annexation in Ohio can only proceed if the county grants the petition after holding a hearing: if approved, the petition is then submitted to the municipality. In Virginia, counties that meet density and population requirements can petition the court to become immune from annexation. The process is similar to the municipality petitioning the court to annex territory. As noted earlier, a handful of states require approval of an annexation by the voters in the county, thereby benefiting the county's interest in ensuring that its citizens are heard. Maryland and New York give counties the authority to petition for an election.

Property Owner and Resident Interests

Unlike counties and municipalities, property owners and individual residents do not normally lobby state legislatures directly about annexation laws; however, their interests are affected by these laws. Property owners and residents of unincorporated areas who want municipal-type services or higher levels of service would likely support annexation. These same stakeholders might oppose annexation to avoid higher taxes and greater levels of governmental regulation such as zoning and planning.

State that have laws requiring annexing cities to prepare service plans prior to a proposed annexation recognize the importance of both heightened service levels and the potential increases in property and other taxes to an area's residents. Twenty states require municipalities or boundary agencies to prepare service plans prior to annexation. Several states (e.g., Arkansas, Kansas, Nevada, North Carolina) require the service plans to include a timeline detailing when the service extensions will occur. Additionally, Nevada, Kansas, North Carolina, South Dakota, Tennessee, and Texas explicitly enable property owners and residents to appeal an annexation in court if the municipality fails to provide the services within the legal timeframe. In Tennessee, the court can enjoin the city from further annexations until the services called for in the plan have been provided to the court's satisfaction. Other states focus attention on costs by requiring a statement about tax increases and fiscal impact (e.g., Indiana and Missouri). These additional requirements strengthen the protections afforded residents and property owners in annexed territory. Other states, however, do not have such comprehensive legislation: in Georgia and Florida, the service plan requirement depends on the method of annexation.

The requirement of a referendum is another significant means of protecting the interests of residents and/or property owners of an area to be annexed. Fifty-eight percent of states provide for an election in the area to be annexed at some point during the process. In Delaware and Florida, the ability to vote on annexation extends to property owners, regardless of residence. Generally, only a simple majority supporting the annexation is needed for the action to proceed. In New Mexico, voters in the territory proposed for annexation do not decide whether the annexation should proceed but rather elect members of the arbitration board, which will make the final decision. Voters in annexed territory in Texas have the right to deannex from the city through referendum, thereby protecting their interests if the city does not supply promised services.

The interests of these stakeholders is further realized in those states (80 percent) that allow property owners and/or residents to petition for annexation into a city. Twenty-one states allow either group to petition for annexation—a provision that concedes that owners may not be residents and that residents may not own property. Only Delaware limits the petition to voters rather than to property owners. To expedite uncontroversial annexations, 27 states permit the city to annex by ordinance with the consent of 100 percent or an overwhelming majority of the property owners (i.e., residents).[7] This provision is particularly useful when the annexation includes only a few landowners.

Universal Interests

Certain annexation laws can be said to be universally beneficial because all parties significantly benefit from their implementation. The health and safety of citizens and of the environment is a significant interest for all levels of government and for all property owners and residents of an area. By providing municipalities special authority to annex areas with health and safety hazards as well as requirements to remedy those hazards, the state safeguards the health of the residents of the specified area and of the larger community. The cleanup of a hazardous area improves property values in both the municipality and the county in which the area is located—even though, in the short term, such efforts may result in increased costs to property owners and the affected governments. Only seven states have this type of legislation. In Arkansas, the legislation is limited to counties that meet population parameters; in Illinois, municipality authority is limited to areas contaminated by groundwater. In Minnesota and Oregon, the pollution control agency and local health agency, respectively, must verify that unsafe conditions exist before the municipality can annex by ordinance.

The health and safety of citizens and of the environment is a significant interest for all levels of government and for all property owners and residents of an area.

Perhaps most significant, the interests of the state, counties, municipalities, and property owners/residents are promoted by laws that require public hearings prior to annexations and that permit the right to appeal annexations. These fundamental requirements guarantee compliance with all of the other procedural and substantive requirements. Thirty-five states have some form of judicial review, and 37 states require a public hearing be held by some public body such as the municipality or boundary agency under at least one of the authorized annexation methods.

For the purposes of this study, we examine four principal stakeholders in the annexation process; however, this focus should not be construed to mean that no other groups are affected by annexation. For example, countywide school districts may not be affected by annexation, but annexation may significantly affect counties with independent school districts by changing their student populations and property tax bases from which they raise revenues. In addtion, annexation of a neighboring city may limit the ability of a city to expand through annexation in the future. We hope this analysis inspires research that both tests our approach in terms of legislative intent and perceived outcomes by the stakeholders themselves and further refines the typology to include additional stakeholders such as schools and special districts.

Implications for Georgia

State legislatures enact multiple provisions to address the diverse concerns of the parties directly affected in annexation. Table 2 summarizes the annexation laws of all 50 states using five stakeholder groups. Nearly every state provides protections to all parties, but the interests of no single stakeholder are unilaterally addressed. States address the needs of various groups through basic provisions such as contiguity and public hearings, but the details of the law reflect the influence of various groups as well as the culture of the individual state toward urbanization, property rights, and local authority. Nevertheless, there is a general pattern of balance in the law.

In this part of the paper, we examined the extent to which state legislatures have addressed municipal annexation and began exploring a new way of analyzing these laws. A logical next step would be to test the effects of these provisions on the number and frequency of annexation, similar to the Sengstock typology. Additionally, feedback from stakeholders themselves regarding which provisions benefit particular groups would help corroborate our classifications and provide a more comprehensive picture.

The typology presented here classifies 19 different annexation provisions in 16 categories by groups of stakeholders to offer a more comprehensive view of annexation across the United States. The annexation provisions that have universal benefits have strong normative and policy implications. By stating that all stakeholders benefit from the following three provisions, one is led to conclude that Georgia should consider adopting all of them: special laws for health and safety hazards, open meetings, and the right to appeal an annexation. However, that is not necessarily true. Georgia's local governments have sufficient authority to adopt joint resolutions that would permit cities to provide the services needed to eliminate health and safety hazards. In this particular case, a state law may simply add more complexity to the process rather than aiding the public good.

Current Georgia law requires public hearings for some annexations and permits interested parties the right to appeal an annexation. The legislature could advance the dissemination of information by expanding on the public hearing meeting requirement. However, not all annexations are controversial and many, including the authors, would likely consider a requirement that all proposed annexations be comprehensively evaluated during a public hearing to be a less than optimal use of municipal resources. Rather, the requirement could focus on those annexations that meet a threshold of size, by acres, number of parcels, or property

Table 2: Number of State Annexation Provisions, by State and Benefit to Stakeholder

State	Stakeholder					State	Stakeholder				
	State	Municipality	County	Property Owner/ Resident	Universal		State	Municipality	County	Property Owner/ Resident	Universal
Alabama	1	3	1	2	2	Montana	0	4	1	3	2
Alaska	2	1	1	2	2	Nebraska	0	4	1	2	2
Arizona	0	3	3	1	2	Nevada	1	3	3	2	2
Arkansas	0	3	1	3	1	New Hampshire[c]	0	0	0	0	0
California	2	5	2	3	1	New Jersey[c]	0	0	0	0	0
Colorado	0	3	1	3	2	New Mexico	1	1	2	2	2
Connecticut[a]	0	0	0	0	0	New York	0	4	2	2	3
Delaware	0	2	2	2	0	North Carolina	1	4	2	2	2
Florida	0	3	2	3	2	North Dakota	0	1	1	1	2
Georgia (13)	1	4	3	3	2	Ohio	0	3	2	3	2
Hawaii[b]	0	0	0	0	0	Oklahoma	0	1	3	3	2
Idaho	0	3	2	1	0	Oregon	2	4	2	2	3
Illinois	0	5	1	1	0	Pennsylvania[c]	0	0	0	0	0
Indiana	0	4	2	2	2	Rhode Island[a]	0	0	0	0	0
Iowa	1	3	2	2	2	South Carolina	0	4	2	2	1
Kansas	0	4	2	2	2	South Dakota	0	2	3	3	2
Kentucky	0	1	2	1	2	Tennessee	0	3	2	3	3
Louisiana	0	4	2	2	2	Texas[d]	0	4	3	3	2
Maine	1	0	0	0	0	Utah	1	2	4	1	2
Maryland	0	3	3	3	1	Vermont[c]	0	0	0	0	0
Massachusetts[c]	0	0	0	0	0	Virginia	2	2	2	2	1
Michigan	0	3	2	2	2	Washington	1	3	2	2	1
Minnesota	1	3	1	1	2	West Virginia	0	2	2	2	2
Mississippi	2	2	1	1	2	Wisconsin	0	5	2	2	2
Missouri	1	3	1	2	1	Wyoming	0	4	3	2	2

Note: The 19 legal provisions included in this table are based on a review of 1999 state annexation laws.

[a] Connecticut and Rhode Island do not have functioning county governments

[b] Hawaii has only two levels of government: state and county.

[c] Laws pertain to boundary adjustments between municipalities, not municipal annexation of unincorporated land.

[d] Texas law states that if a proposed annexation would create an unincorporated island, the municipal governing body must find that this is within the public interest. Due to the limitation, this law is seen to be in the counties' interests.

digest value. Furthermore, the threshold would consider each individual annexation and the cumulative effects of annexations over a set period of time. This requirement could work in conjunction with the fiscal impact requirement discussed in "Fiscal Impacts of Annexation in Georgia." If an annexation is deemed as having a potentially significant impact on the community, the city council would hold a public hearing in order to ensure that all pertinent issues are considered and that the entire community is allowed to comment on the benefits and costs associated with the boundary change. Cities and counties can initiate this recommendation themselves through a joint resolution, thereby enabling local offices to determine the threshold that best meets the needs of their communities. In sum, the authors make the following recommendations:

1. Cities and counties should develop interlocal agreements that require a comprehensive evaluation presented at a public hearing for all annexations that reach a threshold of size, either singularly or cumulatively. The evaluation and hearing should seek input from all affected parties. The evaluation would likely include the results of a financial impact analysis on the proposed annexation.
2. The General Assembly should work with affected stakeholders to research and consider adopting legislation requiring comprehensive evaluations and public comment for all annexations that reach a designated threshold of size, either singularly or cumulatively to ensure that all possible outcomes are considered.

Annexation and Land-Use Planning in Three States

Many states have annexation and planning laws, but Oregon, Washington, and Tennessee are interesting examples of states that have integrated annexation within a larger land-use policy framework that encourages and may legally require interlocal communication and cooperation. The range of experience among these states is considerable: Oregon implemented its initial planning law three decades ago, and Tennessee localities have only just formulated their initial plans. The laws reflect the priorities and cultures of each state's residents as well as the lessons learned from experience.

Oregon

Enacting the Land Use Act in 1973, Oregon has been and continues to be in the forefront of comprehensive planning (Mitchell 2001). The State Department of Land Conservation and Development and its appointed commission administer the system. Over the years, the commission has adopted 19 statewide planning goals for land use, development, housing, transportation, and conservation of natural resources. These goals serve as standards for city and county comprehensive plans. Using incentives, negotiation, and partnering in conjunction with traditional regulatory planning, the state considers its program to be a combination of "top-down" and "bottom-up" implementation approaches (Oregon Department of Land Conservation and Development 2001).

The Oregon Land Use Act requires local governments to adopt comprehensive plans that address land use, conservation efforts, economic development, and public service provision.

The Oregon Land Use Act requires local governments to adopt comprehensive plans that address land use, conservation efforts, economic development, and public service provision. Developing, amending, and approving local comprehensive plans occurs through a coordinated process involving affected cities, counties, and state agencies. The plans contain two parts: an inventory of factual information and a policy element that contains the community's long-range objectives and policies.

As part of their comprehensive plans, cities—in conjunction with counties—designate urban growth boundaries (UGBs) to accommodate growth over 20 years. The boundaries are based on forecasts for population and employment and a demonstrated need for land. The UGB separates urban from rural areas. To help improve efficient land use, the state has established minimum density requirements for development within UGBs. For example, Portland has a zoning requirement of 10

dwelling units per net acre.[8] Amending the UGB requires approval from all affected local governments. If the proposed amendment increases the UGB by more than 50 acres, the state, through local boundary commissions, must also authorize the amendment to ensure that the boundary change adheres to statewide goals.

The boundary commissions consider other planning issues as well. The commissions review all municipal annexation proposals to ensure that they conform to the respective comprehensive plans. The law permits limited development outside the UGB but only after approval from the boundary commission. Finally, the commissions settle disputes between local governments over issues like annexation and development.

Annexation is permitted under state planning law but only within the UGB. By limiting municipal boundary changes to the limits agreed upon by the city and county, annexation becomes inextricably linked with smart growth. The general consensus of officials and planning experts during adoption of the planning legislation was that if a proposed annexation went through the review process and adhered to the statewide goals and community land-use plan, the annexation should not be controversial and could proceed with minimal delays.

In recent years, perceptions about annexation have changed, however. Population growth in several areas (e.g., Portland) outpaced the originally projected 20-year land supply within the UGB, raising citizen concerns about additional growth (Mills 2002). Following local and state review, some cities now hold local elections for proposed annexations. In addition, Oregon law requires financial impact reports for proposed annexations. (See Appendix B for a review of annexation laws in Oregon.) At times, these procedural annexation requirements have made coordination between annexation and planning more difficult (Mills 2002).

The state maintains strong authority to promote local compliance with the law. The state can suspend local governments' authority to issue building permits or block distribution of selected state tax revenues such as those from cigarettes and liquor. In addition, the Department of Land Conservation and Development offers several types of grants to help localities maintain and improve their comprehensive plans.

Even though the law has been in place for three decades, residents have mixed reviews regarding its success (Johnson 1999). Building densities within the Portland metropolitan area's UGB have increased, and the system has slowed nonagricultural uses in areas outside UGBs. However, some counties have failed to prevent "hobby farms," which are not commercial operations but rather rural home sites using on-site septic systems (Johnson 1999). Moreover, UGBs allegedly have raised the costs

of housing. However, a recent study by the Brookings Institute (Nelson et al. 2002) found that strength of the housing market is the single most important influence on housing prices—not whether planning policies exist.

Not all landowners support the government's control over their property. In November 2000, the public voted 53 percent to 47 percent in support of a ballot measure that would have required local governments to repay landowners for most reductions in property values caused by government regulations. The measure was subsequently declared unconstitutional by an Oregon trial court (Johnson et al. 2002). Perhaps elections and impact statements will provide the information and consensus necessary to assuage concerns over municipal growth, but additional procedural requirements should be balanced against the ultimate goals of Oregon's planning legislation.

Washington

Concerns over unplanned growth led Washington to develop comprehensive growth management laws in 1990 and 1991. The primary statute, the Growth Management Act, includes 14 goals such as reducing urban sprawl, retaining open space and habitat areas, encouraging public participation, protecting the environment, and encouraging sustainable economic development. These goals steer county and city planning policies and regulatory processes (Johnson 1999). Based on these planning policies, local governments develop comprehensive plans.

The act requires all high-growth counties to approve comprehensive plans, write regulations consistent with those plans, and designate natural resource and environmentally sensitive areas. High-growth counties are those that 1) have a population of 50,000 and have experienced a population increase of over 10 percent in the previous decade or 2) have had a population increase of 20 percent or more in the last 10 years, irrespective of total population. Once a county reaches either of these criteria, it must adhere to the law's requirements, even if growth slows in the future (American Planning Association 2001). Counties may voluntarily adopt these requirements as well.

The law requires that each 20-year plan include elements addressing land use, housing, capital facilities, transportation, utilities, and fiscal impact. Land-use areas must designate the location and extent of proposed land uses, population densities, building intensities, and population growth estimates (American Planning Association 2001). Furthermore, counties and the cities within them must designate urban growth areas (UGAs) and adopt consistent comprehensive plans. Under the

Growth Management Act, each county must attempt to reach agreement with each city on the location of UGAs. If agreement is not reached, the county must justify in writing its decision on the location of the UGA. Cities may contact the State Office of Financial Management to formally object to the designated UGA. If necessary, the state will mediate these city-county disagreements. Land outside the UGA has a rural classification and its uses are limited to those activities that preserve the land's character. Once a county has designated UGAs under the act, no city or town within the county may annex territory beyond it.[9]

The plans must be consistent on several levels. First, the functional elements within a plan must work together. For example, a city comprehensive plan that expands its mass transit program should do so in areas that will link residents to commercial areas. The plans of each adjacent city or county should be compatible. To approve plans and develop regional consistency, the state created three regional growth management boards. These boards hear complaints about local jurisdictions' noncompliance with their plans and review petitions from cities and counties to change their population forecasts (Johnson 1999). Finally, the act mandates that counties and cities jointly evaluate the success of their growth policies and comprehensive plans every five years. Their evaluations are forwarded to the state.[10]

To ensure compliance from state agencies, cities, and counties, the governor may utilize several kinds of incentives. The governor can direct the Office of Financial Management to revise state agencies' allotments in appropriation levels and instruct the state treasurer to withhold city and county grants, liquor excise taxes, and sales-and-use taxes. For those local governments that comply, the state offers planning grants, with preferences to counties experiencing the highest growth rates.

Tennessee

Following the lead of Washington and Oregon, Tennessee passed smart growth legislation, entitled Chapter 1101, in 1998. The law establishes structures and processes for local governments to establish countywide growth plans. Chapter 1101 addresses several general areas of local development policies, including countywide planning, annexation and its impact on tax revenues, service provision, and incorporation (Green 2000).

Growth plans are cooperatively developed through coordinating committees and must be approved by every jurisdiction within each county. These plans designate where development surrounding each municipality will occur over the next 20 years. Expansion is divided into three distinct types of areas: urban growth boundaries (UGBs), planned

growth areas, and rural areas. Through the plans, cities and counties outline where future growth and annexations will occur, permitting each jurisdiction to prepare and allocate current and future resources effectively.

After each city and the county have approved the plan (the deadline for completion was July 1, 2001), a city may annex property within its UGB by any statutory method. To annex property outside the UGB, the city must gain approval through a referendum or amend the growth plan. When annexing property, the municipality must prepare a service plan that includes the type and levels of services to be provided and an implementation schedule for each service within the annexed area. Counties maintain the right to challenge the reasonableness of these plans. Furthermore, property owners have legal standing to enforce the plan. A municipality that does not comply with its service plan may not annex additional territory until it complies with previous service agreements (Green 2000).

Tennessee's growth management legislation mandates that cities and counties address those issues that cause controversy in annexation (such as the fiscal impact on governments, service provision, and conservation of rural areas).

Developing these plans was not an easy task and plan approval was contentious in some areas; however, the state's powerful incentives persuaded local governments to pass their plans by the July 1, 2001 deadline. For example, the plan for Williamson County was highly controversial because of municipalities' proposed expansion. Cities within Williamson, and in particular the City of Franklin, had proposed UGBs that some county officials believed were too large (Young 2001; East 2000a; 2000b). Ultimately, the county commissioners approved the growth plan to avoid paying expensive arbitration or losing preference points for state grants by not meeting the approval deadline.

The long-term consequences of inordinately large UGBs are serious. Because cities can easily annex land within the UGB, counties may be hesitant to invest in infrastructure within areas likely to be annexed and essentially lose their investment. Therefore, until the area is annexed, those residents may be underserved. Furthermore, creating excessively large UGBs will not encourage the higher density and controlled growth sought under Chapter 1101.

As the Williamson County example demonstrates, comprehensive growth plans are not created without disagreements. Nonetheless, addressing problems in a preventive rather than reactive manner does offer the promise of greatly reducing many of the conflicts inherent in traditional annexation policy. Chapter 1101 mandates that cities and counties address those issues that cause controversy in annexation (such as the fis-

cal impact on governments, service provision, and conservation of rural areas), thereby minimizing concerns over individual boundary changes. The objective is that through these designs, both cities and counties can effectively utilize resources. The success of Tennessee's efforts is worth emulating.

Implications for Georgia

Oregon, Washington, and Tennessee have created land-use programs that integrate annexation into a broad development strategy.

Oregon, Washington, and Tennessee have created land-use programs that integrate annexation into a broad development strategy. Although very different in specifics, these programs have several, important elements in common. Annexation is integrated with comprehensive planning and is limited to urban growth boundaries. As a result, annexation targets mutually agreed-upon urban growth areas. In developing these areas, cities and counties must coordinate their plans. In creating their comprehensive plans and designating urban growth areas, the states require localities to consider factors such economic development, rural land conservation, and fiscal impacts. Both Washington and Oregon have statewide goals to guide local plans. For all three, the state promotes local compliance through incentives, like planning grants, and disincentives, such as withholding funds.

A few outstanding issues appear to affect the success of the urban growth development programs: development density requirements within urban growth areas, fiscal impact, and infrastructure investment. If the state does not impose sufficient density requirements, the need to annex and expand growth boundaries will continue. Furthermore, the ability to expand will not encourage cities to redevelop land within their incorporated area. Through competent fiscal impact analysis, localities can fairly assess the effect their planning decisions have on current residents and businesses as well as on potential newcomers. Specific annexation procedural requirements, such as impact analysis and elections—though usually lauded as advantageous in the decision about whether to annex—may be used as obstacles to annexation as well. Annexation requirements should be integrated into the general land-use plan and not create incentives for cities and property owners to avoid reasonable municipal annexation. Further research is needed to learn whether urban boundaries inhibit counties from investing in infrastructure improvements. As was highlighted in Tennessee, if county officials believe cities will annex unincorporated land in the near future, they may not expend resources in those areas. Therefore, inordinately large growth areas (including land that is not likely be developed and, therefore, annexed) can leave citizens

underserved. These issues should be addressed when designing an annexation plan.

Several of the ideas presented here can be incorporated into Georgia's existing land-use laws and intergovernmental structure. Through HB 489, local governments currently negotiate service-delivery responsibilities. Local governments could include annexation as part of their agreement, thereby enhancing the planning and service coordination efforts of both cities and counties. Annexation plans can encourage development within municipalities, enhance infrastructure planning, and perhaps most important, permit cities and counties to decide the future look of their community rather than have growth occur in an ad hoc manner. However, under present annexation statutes, adopting a plan would not reduce any procedural requirements, creating a situation similar to Oregon. One option would be for the General Assembly to develop incentives, such as streamlined annexation procedures, for communities that develop and implement annexation plans as part of their service-delivery agreements. This concept should not be construed as an abandonment of our prior recommendations. Rather, those recommendations (fiscal impact analysis and public hearings for selected annexations) become particularly important for those communities deciding against developing an annexation plan. Ultimately, a primary land-use goal for the state should be to comprehensively review annexation laws and integrate them into an overall smart-growth strategy.

In summary, the authors offer the following recommendations:

1. Cities and counties should develop an annexation plan when negotiating service-delivery agreements in order to link future service-delivery needs with growth.
2. The General Assembly should promote annexation planning between cities and counties and consider developing incentives (such as a streamlined annexation process) for communities that develop and implement those plans as part of their service-delivery strategy agreements.
3. In cooperation with affected stakeholders, the General Assembly also should consider integrating Georgia's current annexation laws into comprehensive, smart-growth legislation.

Annexation Law and Annexation Methods in Georgia

The state legislature has historically responded to constituent demands by enacting legislation designed to address specific annexation issues or problems. This approach resolves the issue at hand but does not address the underlying conflicts. As a whole, Georgia's annexation law is fairly comprehensive but is best understood as a series of actions. The history of Georgia annexation law is reviewed here.

History of Annexation Law

Traditionally, annexations in Georgia have been accomplished by a local act of the General Assembly.[11] The legislation amends the charter of the city to extend the corporate limits and include territory adjacent to the city. Under common law, cities are public corporations created by and under the control of the state legislature with no inherent power of self-government. Thus, municipalities can exercise only those powers that the state specifically grants, and only if those powers are lawfully granted. This restriction is commonly referred to as Dillon's Rule.

To understand the history of annexation law in Georgia, it is critical to recognize the underlying legal premise that municipalities possess no inherent power to annex. Once the General Assembly established municipal boundaries, the municipal governing body could not extend or contract those boundaries. Rather, the change could only occur by a legislative amendment to the city's charter. The General Assembly made several attempts from the late 1800s through the 1950s to expressly grant annexation power to municipalities.[12] However, the Georgia Supreme Court consistently held that these laws were unconstitutional delegations of legislative authority, that delineating municipal boundaries was strictly legislative in nature, and that it was beyond the power of the General Assembly to delegate its exclusive power to municipalities.[13] For example, in *Phillips v. City of Atlanta*, the Chief Justice Duckworth of the Georgia Supreme Court wrote, "incorporating additional territory in a municipality was legislative in character and in fact, the Constitution clearly prohibited the exercise of legislative powers by other than the General Assembly.

Approaches to Annexation

In response to the court decisions in the 1950s, the General Assembly proposed and the people ratified an amendment to the 1945 Georgia Constitution specifically authorizing the General Assembly to provide for the self-government of municipalities. The 1954 amendment expressly gave the General Assembly the authority to delegate its powers to municipalities by general law.[14]

Annexations by local act of the General Assembly are a direct expression of legislative power. All other methods of annexation available to municipalities are the expression of this delegation of legislative authority.

The 100 Percent Method

Although voters ratified the constitutional amendment in 1954, the General Assembly did not pass enabling legislation until 1962. The 1962 legislation authorized municipal governments to annex adjacent unincorporated contiguous territory upon the written and signed applications of all owners of the property proposed to be annexed.[15] In other words, the city could annex qualified parcels if it received consent from all property owners in the annexed area. Typically referred to as the 100 percent method, this general law is the most common form of annexation.[16] The method is particularly useful when a single property owner or a small subdivision seeks annexation into the city. Originally, counties with populations of 100,000 or more were prohibited from using this method of annexation,[17] but with the continued growth of counties, the limitation was eventually repealed in 2000.[18]

The definition of contiguous as it pertains to annexation has changed over time. Originally, the term referred to areas touching existing corporate limits, which allowed cities to accomplish so-called "spoke" annexations along the length of a road, river, or right-of-way to reach a desirable piece of property distant from the boundary of the city. After 2000, a city could use the spoke method to annex only municipal-owned property if the county agrees.[19] As of 2000, either one-eighth of the area boundary or 50 feet of the area to be annexed must directly abut the municipality. The law also requires that the entire parcel of land owned by a single applicant be annexed. However, if both the municipality and the county agree, the 100 percent method can be used to annex property that does not comply with these restrictions.[20] A city cannot annex property using the 100 percent method unless the property complies with minimum size requirements imposed by the city for construction of a building or structure occupied by persons or property.[21]

The 60 Percent Method

In 1966, the General Assembly enacted a second law supplementing existing annexation methods.[22] Municipalities with populations of at least 200 are granted the power of annexation under the following requirements: (1) the application for annexation must be signed by the owners of not less than 60 percent of the property sought to be annexed, by acreage; (2) not less than 60 percent of the electors living in the area must sign the application for annexation; (3) the municipality must prepare a plan for extending municipal services to the area annexed; and (4) the city must hold a public hearing on the proposed annexation. The legislation also provided a procedure for property owners or electors to petition the superior court for a declaratory judgment on the validity of the annexation ordinance.[23]

As with the 100 percent method, the 60 percent method has been affected by changes in the definition of contiguous primarily intended to prevent spoke annexations. In 1971, the General Assembly restricted cities from annexing across a county boundary using the 60 percent method. In 1976, the law was amended to include property separated by the definite width of a street or right-of-way, creek or river, or the right-of-way of a railroad or other public-service corporation.[24] Municipalities continue to use both the 100 percent method and the 60 percent method.

The Resolution and Referendum Method

In 1970, the General Assembly provided municipalities with a third method of annexing property.[25] Annexation pursuant to the resolution and referendum method was originally restricted to municipalities with populations of 5,000 or more; however, this restriction was eliminated in 1971.[26] To utilize this method of annexation, municipalities must hold a public hearing and present the annexation and service plan to the residents of both the area and the city, adopt a resolution annexing the area, and hold a referendum in the area proposed to be annexed.[27] As with the 100 percent method and the 60 percent method, the resolution and referendum method is in use today, but the number and complexity of the requirements makes this the least popular method of annexation (GMA 1984).

Although the General Assembly first required a municipality to formulate a plan for expanding services to an annexed area under the 1966 law that created the 60 percent method, in 1971 it further declared that "any areas included within municipal boundaries . . . should receive all services provided by the annexing municipality as soon as possible after

coming within its boundaries."[28] The plan and the report for extending services to the annexed area were similar to that required under the 60 percent method with a few distinct differences. The law required the annexing municipality to create a basic plan for extending police and fire protection, garbage, water, sewer, and street maintenance services to the annexed area on substantially the same basis and in the same manner as they were provided to the rest of the city before annexation. In addition, the city was required to include a statement in its service report that (1) showed that the area meets the requirements imposed by the Act; (2) set dates for beginning trunk water main and sewer outfall line construction; and (3) detailed the financing methods the city intends to use to extend services.[29]

The General Assembly also imposed standards and requirements on the area proposed for annexation.[30] A municipality was permitted to extend its corporate limits to include any area if that entire area met the following general standards: (1) the area must be adjacent or contiguous to the city's boundaries; (2) at least one-eighth of the aggregate external boundaries of the area must coincide with the city's boundary; (3) no part of the area may be in another city or county; and (4) no part of the area may be receiving water, sewer, police, or fire protection from any unit of government other than the annexing city, unless the other government agrees to waive this requirement.[31]

If the area meets these standards, every parcel within the proposed annexation must meet one of two additional requirements. First, the area must be developed for urban purposes. To be considered "urban," the total resident population must equal at least two people per acre. Further, land must be subdivided into lots and tracts so that at least 60 percent of the total acreage consists of five acres or less and at least 60 percent of the total number of lots and tracts are no more than one acre in size. Alternatively, if the area does not meet the urban purposes requirement, the property may be included (1) if it lies between the city and an area developed for urban purposes such that the area developed for urban purposes is either not adjacent to the city boundary or cannot be served without extending services and water and sewer lines through the sparsely developed area and (2) if the area is adjacent on at least 60 percent of its boundary to any combination of the city and the area developed for urban purposes.[32]

This legislation was also significant because, for the first time, the General Assembly articulated a formal state policy on the use of annexation: "the orderly growth of municipalities, based on the need for municipal services and the ability of the municipality to serve, is essential to the economic progress of the State." Additionally, the extension of mu-

nicipal boundaries to accomplish orderly growth should be in accordance with the standards established by the General Assembly.[33] The General Assembly specified that this method of annexation was not intended to affect or restrict the existing authority of the General Assembly or its power to provide alternative methods of annexation.[34]

Unincorporated Islands

In 1992, the General Assembly enacted an additional method of annexation to address the issue of unincorporated islands. To improve service-provision efficiency, municipalities of at least 200 persons were permitted to annex unincorporated islands. Georgia cities were permitted to unilaterally annex property without the application of property owners or voters or the provision of a public hearing as long as the property met the definition of an unincorporated island and was contiguous to the annexing city. Cities were prohibited from creating new unincorporated islands by any future annexations or deannexations.[35]

At least 30 days prior to adoption of an ordinance, municipalities must give property owners written notice of their intent to annex. Cities must provide substantially similar municipal services to the annexed area as are provided to the remaining municipality. The law does not require the city to extend water and sewer services as a condition of annexation, but service extension should be based on existing municipal policy. This method grants municipalities total discretion in deciding whether to annex unincorporated islands.[36]

The law defined unincorporated islands as unincorporated areas in existence on January 1, 1991, consisting of 50 acres or less, with aggregate external boundaries abutting the annexing municipality or consisting of 50 acres or less, and with its aggregate external boundaries abutting a combination of the annexing municipality and one or more other cities.[37] In other words, the legislation permitted cities to annex small parcels that were completely surrounded by incorporated areas; however, annexation of unincorporated islands larger than 50 acres required the 60 percent method of annexation.[38] In 2000, the General Assembly repealed the 50-acre restriction, enabling a municipality to annex an unincorporated island of any size.[39]

County and State Interests

The General Assembly imposed certain procedural requirements on all annexations in 1992—the first time that procedures were made applicable to all types of annexations, including those accomplished by local act of the General Assembly.[40] The law establishes requirements and restric-

tions relative to when annexations become effective and requires the annexing municipality to provide maps and surveys of the annexed area to both the secretary of state and the county governing authority. Under the act, the municipality must acquire county-owned property or facilities within an annexed area if the property or facility is no longer usable for service to the county as a result of the annexation. Furthermore, the municipality must assume ownership, control, care, and maintenance of a county right-of-way when it annexes land on both sides of the right-of-way, unless the city and county agree otherwise.[41] Perhaps most significant, this 1992 enactment required cities to notify the county governing authority where the land is located in writing prior to any annexation, regardless of the method used.[42] An annexation by local act of the General Assembly requires that a copy of the proposed legislation be given to the county government at the time the notice of intent to introduce local legislation is published. Failure to comply with this requirement voids the annexation.[43]

In 2000 and again in 2001, the General Assembly substantially revised the reporting requirements imposed on annexing municipalities.[44] The city clerk must submit a report to the Georgia Department of Community Affairs within 30 days following the quarter in which an annexation becomes effective. The report must identify the annexed property and the state legal authority under which the annexation was accomplished and include a copy of the city's transmittal letter to the U.S. Department of Justice under the federal Voting Rights Act. The initial requirement in 2000 for a map and survey showing the boundaries of the area being annexed and where those boundaries touch the existing city was repealed in 2001. Cities are now required to report only the name of the county in which the annexation occurred and the enactment and effective dates of the annexation ordinance, resolution, or local act. An annexed area will not be added to the state map until the report has been properly submitted. The Department of Community Affairs will not certify an annexation to the U.S. census bureau until the city has filed the required report. The 2001 legislation provides that a city is to add annexed areas to U.S. census bureau maps during the next regularly scheduled boundary and annexation survey.[45] After two years, the reports are transferred to the Department of Archives and History for permanent retention.[46]

In 2000, the General Assembly created a mandatory process for initial annexations across county lines using the 100 percent method. It also granted county governments the right to object to these first-time annexations. In the event of a county objection, municipalities may challenge the rejection in superior court.[47]

Procedural Restrictions

The General Assembly imposed an additional procedure in 1996 requiring a referendum on an annexation by local act if the number of residents in the area to be annexed exceeds 3 percent of the population of the municipality or 500 people, whichever is less.[48] This legislation only applies to annexed areas where more than 50 percent of the acreage is devoted to residential purposes. In addition, the law now specifically authorizes a referendum on any annexation by local act.[49]

In a 1997 statement of legislative intent, the General Assembly declared that by enacting general laws, it was only providing alternative methods for annexation and deannexation. These laws were not intended and should not be construed in any way to restrict, limit, or otherwise impair the authority of the General Assembly to annex or deannex by local act.[50]

Land-Use Conflicts

In 1998, the General Assembly addressed county governments' concerns by providing that any bona fide land-use classification objections raised by the county relative to an annexation must be resolved before the annexation can become effective. Under HB 489, the Service Delivery Strategy Act, cities and counties must establish a dispute resolution process.[51] There have been at least two cases involving municipalities challenging the constitutionality of these provisions. In one case, the court held that there was no justifiable controversy on which it could rule and declined to address the constitutional challenge. In the second case, the court found the dispute process to be constitutional.[52]

Deannexation

Legislation enacted in 1992 prohibits cities from annexing property that has been deannexed by local act of the General Assembly for three years after the deannexation.[53] The General Assembly extended to municipalities the power to determine their own corporate boundaries in a 1994 law authorizing municipalities to deannex by ordinance. Cities may deannex areas upon prior approval of 100 percent of the property owners in the proposed area (except owners of public streets or rights-of-way) and upon the consent of the county government.[54]

The Service Delivery Strategy Act

In 1997, the Georgia General Assembly passed the Service Delivery Strategy Act to improve service delivery: "The intent of the legislation is that local governments take a careful look at the services they provide in order to identify overlap or gaps in service provision and develop a

more rational approach to allocating delivery and funding of these services among the various local governments and authorities in each county" (Georgia Department of Community Affairs 1998, 1). The legislation addresses service duplication and double taxation, price differentials for utilities in incorporated and unincorporated areas, and the resolution of land-use disputes between local jurisdictions.

When adopted, these agreements are considered legally binding contracts, and the state may impose sanctions for noncompliance. The agreements must (1) identify current service-delivery agreements among the municipalities and county, (2) determine future service-delivery arrangements, (3) specify funding sources for each service, and (4) clarify the legal mechanisms utilized to implement the strategy. Reinforcing the legislative goals, the compliance criteria include: (1) elimination of unnecessary service duplication, (2) elimination of any arbitrary water or sewer rate differentials, (3) elimination of double taxation, (4) compatible land-use plans among local governments in the same county, (5) extension of water and sewer lines that are consistent with the land-use plan, and (6) development of a process for resolving annexation disputes over land use. Overall, these agreements should encourage greater local cooperation and cost effectiveness.

The service-delivery strategy legislation provides a framework whereby the long-standing issues of service jurisdiction and funding equity can be resolved at the local level. A county and its municipalities may have a functional service-delivery strategy that provides funding equity solutions and a dispute resolution process that addresses incompatible land uses. Nevertheless, if major annexations are proposed, conflict over the erosion of the tax base that funds the unincorporated services will most likely arise. Thus, legislation that is more comprehensive even than the Service Delivery Strategy Act is still needed.

The Service Delivery Strategy Act does not mandate agreements on annexation but could prompt city-county cooperation in this area. Once local governments determine their service-delivery needs, they could develop a comprehensive growth plan. Incorporating annexation agreements into the service-delivery agreements might make the negotiation process more complex but diminish the possibility of future disputes by encouraging local governments to confront the political, social, and economic issues associated with boundary changes before they arise.

Summary

The history of Georgia annexation law documents the legislature's efforts to accommodate various interests in Georgia (see Table 3). Through passage of the 100 percent and 60 percent methods, the legislature has given property owners significant authority to choose whether to annex into a city. Municipalities have been granted significant authority to annex, but their capabilities are restricted through contiguity requirements, limits on cross-county annexation, and requirements for service plans and hearings under the resolution and referendum method. Even with the adoption of these three separate annexation processes, the legislature has reiterated its authority to enact annexation legislation. As Georgia's demographic and economic makeup changes, the needs of property owners, municipalities, counties, and the state will undoubtedly further evolve, possibly prompting additional legislative action. The future challenge for the state's leaders will be whether they can craft legislation that not only addresses the specific issue before them but also integrates methods for resolving conflict into the annexation law.

Table 3. A Timeline of Changes in Georgia's Annexation Laws 1962–2001

1962: Established the 100 percent method of annexation. (§§36-36-20, 36-36-21)

1966: Established the 60 percent method of annexation. (§§36-36-30–36-36-40)

1969: Amended the100 percent method to provide that no application is required from the owners of any public street, road, highway, or right-of-way. (§36-36-21)

1970: Established the resolution referendum method of annexation. (§§36-36-50–36-36-61) Adoption of this method of annexation does not limit the General Assembly's authority to enact additional annexation legislation. (§36-36-50) Applies only to municipalities with populations of 5,000 and above. (§36-36-53) Imposed additional requirements on the area a municipality may annex, such as population and urban growth considerations. (§36-36-54) Added requirement for municipal report detailing expansion of services. (§36-36-56)

1971: Amended the 60 percent method to prohibit annexations across county lines by this method. (§36-36-33)

Amended the resolution referendum method by deleting the population restrictions. (§36-36-53)

1976: Amended the 100 percent method definition of contiguous to provide that property separated from the municipal boundary only by the definite width of a street, river, right-of-way, etc., was considered contiguous to the city but that municipal-owned property separated from the municipality by the definite width *or length* of a street, river, or right-of-way was considered contiguous. (§36-36-20)

Amended the 60 percent method definition of contiguous to provide that property separated from the municipal boundary only by the definite width of a street, river, right of way, etc., was considered contiguous to the city. (§36-36-31)

1992: Established the effective date of annexations. (§36-36-2) Required the municipality to provide an identification of the area annexed to the secretary of state and the county government within 30 days of the annexation. (§36-36-3) Provided that utility service agreements were not invalidated by annexation unless there was mutual consent.

Amended the 60 percent method, imposing additional requirements for application. Required that the necessary number of signatures be obtained within one calendar year following the date of the first signature obtained. Required reports regarding extension of services to be made available to the public two weeks prior to any public hearing. (§36-36-35) Required the ordinance be adopted within 60 days following validation of signatures. (§36-36-37) Required an identification of the property be filed both with the secretary of state and the county in which the property is located. (§36-36-38) Changed requirements for posting notice of municipal hearing on annexation. (§36-36-57)

Enacted Article 6–Annexation of Unincorporated Islands.

Table 3. A Timeline of Changes in Georgia's Annexation Laws 1962–2001 (*continued*)

1995: Amended the annexation of unincorporated islands method to provide that a city annexing an unincorporated island must submit to the U.S. Department of Justice within 90 days following the adoption of the annexation ordinance. (§36-36-92)

1996: Amended effective dates for ad valorem tax purposes and for other purposes. (§36-36-2)

Enacted Article 1A–Annexation by Local Act of General Assembly, which imposed different notice and referendum requirements based on the percentage of property used for residential purposes and the number of residents.

1997: Clarified intent to provide alternative methods for annexation but also provided that such alternative methods do not limit the General Assembly's authority. (§36-36-10)

1998: Provided that annexations after July 1, 1998, are ineffective until county bona fide land-use classification objections are resolved by dispute resolution process. (§36-36-11)

2000: Amended the 100 percent method to remove the prohibition against its use by cities located in counties with populations of 100,000 or more. (§36-36-21) Revised definition of contiguous requiring either one-eighth of the property boundary or 50 feet of the property boundary to touch the municipal boundary. Required property annexed to comply with any city restrictions regarding the minimum parcel size necessary to construct a building or structure that can be occupied. (§36-36-20) Provided that property that does not meet the above requirements can still be annexed, by agreement of city and county. Allowed county to object to cross-county boundary annexations; provided a process for city to appeal in court. (§36-36-23)

Amended the unincorporated islands method to remove the 50-acre limit on the size of unincorporated islands that may be annexed by a municipality. (§36-36-5)

Required an identification of land annexed by reference to the state coordinate map, with the information sent to the Georgia Department of Community Affairs (DCA). Allowed cities the option of filing the report in electronic format. Provided for technical assistance on mapping from DCA. (§36-36-3)

2001: Revised the reporting requirements. Eliminated the requirement for maps and surveys. The report must name the county in which the property is located and enactment and effective dates of the ordinance, resolution, or local act of the General Assembly. The municipality must provide notice that it intends to add the property to U.S. census bureau maps at the regularly scheduled boundary and annexation survey. Provides that mapping technical assistance from DCA will be voluntary, not mandatory. (§36-36-3)

Fiscal Impacts of Annexation in Georgia

Fiscal impact analysis seeks to introduce a measure of rationality into the annexation process. When completed in a comprehensive manner and fully explained, fiscal impact analysis can be an important decision tool for local officials. Although annexations are undertaken for a variety of reasons and accomplish a number of goals, often the foremost issue in a city's decision to annex is the impact a proposed annexation might have on its budget (Herzik 1984). Many people believe, often without any evidence, that annexation has a positive financial benefit for municipalities. A survey from the early 1980s asked mayors of southern cities with populations over 50,000 their motives behind decisions to annex (Dusenbury 1980). Seventy-eight percent of respondents believed that fiscal factors played an important role in annexation decisions.

When completed in a comprehensive manner and fully explained, fiscal impact analysis can be an important decision tool for local officials.

We examine the fiscal impact models used by municipalities to evaluate the feasibility of annexation, addresses the benefits and limitations of research on the fiscal impact of annexation, assesses the fiscal impact of municipal annexations on counties according to Georgia's local revenues, and summarizes findings from nine Georgia annexation studies. As a critical decision tool for local officials, fiscal impact analysis can and should play a greater role not only for individual annexation decisions but also in service-delivery and urbanization planning. Both cities and counties can integrate fiscal impact estimates into the planning process. Furthermore, through shared knowledge of the revenues and costs associated with annexation, acrimony may be avoided. With mutual understanding, local officials can begin a dialogue on whether an annexation is appropriate.

Fiscal Impact Models

When deciding whether or not to annex property, a municipality faces political, social, economic, and environmental considerations. Although annexation participants believe fiscal impacts are particularly important, not all perform a fiscal impact study. In a survey of southern cities with populations over 50,000 (Herzik 1984), 24.4 percent used only "rough estimates of costs and revenues" and had "no regular procedure" for evaluating proposed annexations. Twenty-one percent failed to include capital costs in their analysis. Only 22 percent performed a detailed revenue-cost analysis using comparative revenue and cost expenditure totals, capital costs, discounting, and payback schedules (Herzik 1984, 48). Based on this study, it appears that only a fraction of cities with populations over 50,000—which are more likely than smaller cities to have the capacity to conduct the

analysis—perform an extensive fiscal impact analysis. The findings lead one to question the extent to which smaller municipalities undertake fiscal impact analysis to assist with their annexation decisions.

Burchell, Listokin, and Dolphin define fiscal impact analysis as "a projection of the direct, current, public costs and revenues associated with residential or nonresidential growth to the local jurisdiction(s) in which growth is taking place" (1985, 3). There are three broad models, or approaches, to fiscal impact analysis: the per capita multiplier method, the proportional valuation method, and the case study method. Understanding the assumptions of each method is critical when performing the analysis because they affect the findings and, ultimately, may influence annexation decisions.

Per Capita Multiplier Method

This method requires information on per capita public service costs and revenues and estimates of the population gain due to annexation. Per capita revenue and expenditure amounts from the city are applied to the population in the area to be annexed. Fairly simple to apply, this method provides a good estimate if the area to be annexed is similar in composition to the current city, such as a developed suburb.

Proportional Valuation Method

The proportional valuation method requires information on public service costs and revenues per acre by land-use type. In other words, revenues and expenditures are separated according to land-use (e.g., residential, commercial, industrial, open space) in the current city and then applied to the property being annexed. This method is more difficult to calculate than the per capita method because separating out revenues (especially expenditures) by land use requires rigorous data collection.

To estimate the cost of annexation, the per capita and proportional valuation methods apply average costing per unit of service by the number of units the annexation is estimated to require. A major drawback of the average cost method is the inability to account for excess or deficient capacity at the municipal level (Edwards 1999). For example, if a city is currently at maximum capacity for fire services, it may need to build a new fire station in the annexed area. The cost of the new facility and resulting service will likely be higher than the city's current cost.

Case Study Method

Case studies require interviews with local staff and officials that are synthesized to create an overall estimate of fiscal impact. Topics for discus-

sion would include the level and cost of service delivery to the annexed area as well the annexation's possible impact on the existing municipality. Supplementing the interviews are analyses of written information such as the property tax digest and audited financial statements of the affected local governments. Case studies can provide more in-depth information, enabling better analysis. The major drawbacks are the time required to perform such studies and interviewee bias.

Prior Fiscal Impact Research

Although fiscal impact analysis is a valuable tool, it alone does not answer the question of whether a municipality should annex. The fiscal impacts of annexation depend on the method of analysis, the state and local fiscal system, the fiscal position of the community at the time of annexation, and the particular facts of an annexation (Edwards 1999). Results of several studies using these models have shown that municipalities do not always benefit from annexation. More important, the method of analysis may influence whether the annexation has a positive or negative effect.

Knaap and Juelich (1992) used the per capita multiplier and proportional methods and found that loss of land was a fiscal gain to an unincorporated area because state revenue-sharing funds increased. Breen, Costa, and Hendon (1986) used the proportional valuation approach and found that a city either "wins" or "loses" depending on how land is used. Commercial land was shown to give the greatest return, and residential and open space showed a net loss to the city. Muller and Dawson (1973) applied the case study method to determine the additional costs to be incurred by the city and found a fiscal gain after one year. In one study by the Wisconsin Taxpayers Alliance (Edwards 1999) that employed various methods, including the per capita multiplier method, expenditures associated an additional 8,000 city residents would result in a 60 percent increase in the municipal property tax rate. In another study of an annexation encompassing 1,600 acres, there was a slight decrease in the city's property tax rate and a slight increase in the town's tax rate.

Coe (1983) analyzed three studies conducted by researchers at the Carl Vinson Institute of Government. The first study found that changing the water-sewer rate structure resulted in a net benefit for two areas being annexed and a net loss in the third area. The second study involved a city annexing six areas. All areas had a net positive impact on the city's finances. The third study estimated a net loss to the city. The Institute of Governmental Service at the University of Maryland–College Park conducted two annexation studies in 1993. The first employed the proportional valuation approach to measure the effect that annexing commercial property would have on the town of Landover, Maryland

(Thompson 1993). The second study used a mixed approach of a commercial-residential annexation. To estimate the impact from the commercial portion, the researchers applied the proportional valuation approach. For the residential, per capita techniques were used (Raab and Ellison 1993). In both studies, it was found that the annexations would have positive fiscal impacts on the cities.

One study by Breen, Costa, and Hendon (1986) of a village in Ohio found that residential and private open space resulted in a negative return on expenditures to the village. In other words, residential and open space did not generate sufficient revenues to cover the cost of providing services to the area. Commercial and industrial land had a positive return on expenditures, resulting in additional revenue sufficient to pay for the costs of providing services. Although this study was not representative of other cities, the general findings are consistent with other studies that suggest that the costs of providing services varies by land use.

Local Government Revenues

Although each annexation will have a unique fiscal outcome, the processes used in the analysis are fundamental. In particular, state legislation dictates how a revenue stream will change after annexation. In some instances, such as the property tax, counties and cities can concurrently collect the revenue; with other revenue, only one jurisdiction may collect it. Determining which locality has the right to the funds is normally based on whether the residence or business is located within or outside the city's corporate boundaries. We examine how annexation affects Georgia local governments' ability to collect particular revenues according to state statutes.

Annexations generally lead to elevated general fund revenues for cities and decreased general fund revenues for counties; however, a revenue increase for a municipality does not necessarily mean a loss for the county.

Annexations generally lead to elevated general fund revenues for cities and decreased general fund revenues for counties; however, a revenue increase for a municipality does not necessarily lead to a loss to a county. Table 4 lists the major general fund revenue sources in Georgia that are impacted by annexation. The most important sources of revenue for local governments are the property tax and local option sales taxes. (Please note that not all cities or counties collect all of these revenues. The following analysis assumes that a government collects the respective revenue source.)

Property Taxes

Generally, property tax collections (including real, personal, intangible, and franchise) increase in cities after annexation. An exception occurs

Table 4: Impact of Annexation on City and County Revenues in Georgia

	Impact on					
	City Revenues			County Revenues		
Revenue Sources	None	Varies	Increases	None	Varies	Decreases
TAXES						
Property Taxes						
Real and Personal			X		X	
Real Property: Public Utilities			X		X	
Personal Property: Motor Vehicle			X		X	
Personal Property: Mobile Home			X		X	
Intangible Property Tax			X	X		
Franchise: Electric			X	X		
Franchise: Water			X	X		
Franchise: Gas			X	X		
Franchise: Sewage			X	X		
Franchise: Television Cable			X			X
Franchise: Telephone			X	X		
General Sales and Use Tax						
Local Option Sales		X			X	
Special Purpose Local Option Sales		X			X	
Selective Sales and Use Tax						
Hotel–Motel			X			X
Alcoholic Beverage			X			X
Business Taxes						
Business and Occupational			X		X	
Insurance Premium			X			X
LICENSES AND PERMITS						
Business and Licenses and Permits						
Alcoholic Beverage License			X			X
Non-business Licenses and Permits						
Building Permits			X		X	
INTERGOVERNMENTAL REVENUES						
Federal Intergovernmental Grants		X			X	
State Intergovernmental Grants		X			X	
Local Intergovernmental Grants		X			X	
CHARGES FOR SERVICES						
General Government						
Commissions on Tax Collections		X			X	
Public Safety						
Police Services		X			X	
Fire Protection Services		X			X	
Ambulance Fees		X			X	

Table 4: Impact of Annexation on City and County Revenues in Georgia (*continued*)

	Impact on					
	City Revenues			County Revenues		
Revenue Sources	None	Varies	Increases	None	Varies	Decreases
CHARGES FOR SERVICES (*continued*)						
Utilities						
Sanitation: Refuse Collection Charges			X			X
Sanitation: Landfill Fees		X			X	
Water–Sewerage: Water Charges		X			X	
Water–Sewerage: Sewerage Charges			X			X
Electricity Charges	X			X		
Gas Charges		X		X		
Airport Charges	X			X		
Parking Charges		X			X	
Health and Family Services						
Hospital Fees	X			X		
Culture and Recreation						
Parks and Recreation Charges		X			X	
Other Charges for Services						
Cemetery Fees		X			X	
FINES AND FORFEITURES						
All Fines and Forfeitures		X			X	
MISCELLANEOUS						
Rents and Royalties	X				X	
All Other Financing Sources			X		X	

Notes: The table is constructed based on the assumption that both the city and county collect the revenue source. Revenue categories are based on the *Uniform Chart of Accounts for Local Governments in Georgia*.

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

when a city annexes parcels that are exempt from property taxes such as federal, state, or religious properties. The impact on counties varies. Because annexed land is still subject to county property taxation, real and personal property tax revenue to the county would increase if the land were to be developed after annexation, decrease if the land was in a special county taxing district, or remain the same if the county had the same tax rate throughout the county.[55] Intangibles[56] taxes would decrease slightly for counties after the annexation because the tax is allocated in proportion to the millage rates of the locality where the transaction occurs.[57]

Franchise tax collections would increase for cities, but most franchise tax collections by the county (except television cable) would remain

unaffected because counties do not have statutory authority to collect those revenues. Franchise tax revenues on cable television would decrease in the county because the revenue shifts to the city upon annexation.

General Sales and Use Taxes

Currently, 154 counties impose a local option sales tax (LOST); 131 impose the special purpose local option sales tax (SPLOST). The allocations of general purpose LOST revenue (used for general fund expenditures) and SPLOST revenue (used for capital projects) are based on formal distribution agreements between the city and the county. Therefore, an annexation would only change the revenue distribution if the governments were to amend their agreement. In a few cases, the agreement includes a provision mandating renegotiation of the agreement after municipal boundaries have been adjusted beyond a set threshold.

Excise Taxes

The city collects revenues from the hotel-motel tax if the establishment is located within the municipality; the county collects the revenue if the establishment lies outside city boundaries. Therefore, if a hotel or motel is annexed by the city, the city's revenue would increase, and county revenue would decrease. In cases in which both the city and county permit the sale of alcoholic beverages, an annexation would increase alcoholic beverage revenues in the city, with a corresponding decrease in the county. In a county in which the sale of alcoholic beverages is prohibited, annexation into a city that does permit alcoholic beverage sales would result in a revenue gain for the city, but the county would be unaffected.

Business and Insurance Premium Taxes

Upon annexation, business-occupational taxes would increase in the city and decrease in the county because the latter would no longer have the authority to collect this revenue in the annexed area. Because the insurance premium tax distribution is based on the population in the unincorporated areas, the tax revenue would accrue in the municipalities and decline in the county.

Licenses and Permits

Both alcoholic beverage licenses and building permits would expand city revenues after annexation. Revenue from alcoholic beverage licenses would decline in the county. Building permit revenue would decrease in the county if the city assumed that function; however, if the county continued to provide the services countywide, the county would continue to collect the revenue.

Intergovernmental Grants

Revenue from federal, state, and local intergovernmental grants varies for both cities and counties following annexation. Some states have created revenue-sharing programs that compensate counties for losses incurred as a result of annexation. However, Georgia has not adopted such a program.

Charges for Services

An annexation's impact on revenues from charges for services varies among cities and counties. The effect depends in part on the service-delivery agreements that exist under HB 489. City revenues would increase if the jurisdiction began providing the service; revenues would remain unchanged if the service provision remained with the county. Commissions on tax collections would vary depending on city and county agreements. Cities are the sole providers of certain services, such as electricity. If the city extended service to unincorporated areas, annexation would not affect the service area. Cities that provide municipal gas may receive additional revenues by extending gas service to an annexed area. Annexation does not affect air traffic and therefore does not alter airport charges.

Fines and Forfeitures, Miscellaneous, Other Financing Sources

The impact on city and county revenues regarding fines, forfeitures, and miscellaneous financing sources varies with annexation. Examples of these revenues include court fines, parking violations, and other code violations.

Revenues and Expenditure Impacts of Annexation

Researchers at the Carl Vinson Institute of Government have performed nine annexation studies for eight different cities in Georgia since 1981. Appendix D presents a list of the studies. (The city of Statesboro was studied twice, in 1992 and 1996; see Table 5.) These studies generally used the case study and per capita models for estimating revenues and expenditures for proposed annexations. At the time of the study, the populations of these cities ranged from 813 to 22,824, with an average of 11,799. The land use of the areas to be annexed varied from 4 percent to 90 percent residential, 9 percent to 92 percent commercial and industrial, and included up to 17 percent agricultural and exempt land. Additional revenues were estimated to exceed new expenditures in the cities of Pine Lake and Madison. Expenditures were estimated to exceed revenues in Covington, Statesboro (1996), and Canton. Results were ambiguous for Tifton, Americus, Moultrie, and Statesboro (1992); revenues were expected to exceed expenditures or expenditures were expected to exceed revenues, depending on the studies' assumptions.

Table 5. Estimates of Financial Impact of Proposed Annexations in Georgia

Municipality	Year of Study	Population at Time of Study (*N*)	Projected Net Revenue Increase[a] ($)	Projected Expenditures[b] ($)	Net Revenue Gain/Loss ($)
Pine Lake	1999	813	305,498	266,277	79,221
Covington	1998	10,500	611,916	2,059,044	(1,447,128)
Statesboro	1996	22,824	648,362	2,180,719	(1,532,357)
Tifton	1995	14,466	1,633,045	2,425,987	(792,942)
Americus	1995	16,512	546,785	801,520	(254,735)
Moultrie	1994	14,865	391,041	469,493	(78,452)
Statesboro[c] (large)	1992	15,854	1,570,204	1,461,181	109,023
Stateboro (small)	1992	15,854	847,111	801,576	45,535
Madison[d]	1986	3,463	144,862	34,000	110,862
Canton	1981	3,601	104,256	169,448	(65,281)

[a] Net revenue is new revenue less deductions from price differentials for services. Assumes no changes in LOST revenue distribution between city and county

[b] Average expenditure increase among a range of high and low levels of services

[c] The 1992 Statesboro annexation study included two proposed annexations, one significantly larger than the other.

[d] Population estimate is from the 1990 U.S. census (http://www.census.gov/).

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

Revenues

Table 6 lists the sources of revenue generated from the annexations, according to importance. Because they were located within the same state, the municipalities in the studies faced similar legal constraints in terms of the types of revenues available to them. Nevertheless, each local government can decide whether or not to collect an authorized tax and the rate of taxation (the state does not impose property tax limits). These differences reflect each community's values well as the revenue opportunities unique to the respective municipality. Property taxes were the most important source of additional revenue to the cities, accounting for an average of 27.3 percent of revenues from the annexed areas. Other revenues included franchise taxes (11.9 percent), sanitation collection fees (8.9 percent), insurance premium taxes (8.4 percent), and alcohol beverage taxes (8.3 percent). Pine Lake was the only municipality that anticipated generating additional court fine revenue. The remaining revenue sources provided relatively little revenue to the cities' budgets. Property taxes, franchise taxes, business licenses, and insurance premium taxes were sources of revenue for all cities in the study; alcoholic beverage taxes, miscellaneous revenue, motor vehicle taxes, and building permits gen-

Table 6: Average Revenue Increases as a Result of an Annexation, by Source

Source of Revenue	Mean Percentage of Total Increased Revenue[a]	Range (percent)		Cities Collecting Revenue Source (N out of 9 studies)
		Low	High	
Property Tax	27.3	8.4	47.0	9
Franchise Tax	11.9	0.2	23.0	9
Sanitation Collection Fee	8.9	0.0	24.1	6
Insurance Premium Tax	8.4	0.0	16.2	8
Alcohol Beverage Tax	8.3	0.0	45.2	7
Court Fines	7.3	0.0	65.5	1
Local Option Sales tax	7.0	0.0	35.3	2
Miscellaneous	3.9	0.0	10.8	7
Business License	3.8	0.4	15.7	9
Other	3.8	0.0	15.4	4
Hotel–Motel Tax	3.0	0.0	26.7	1
Motor Vehicle Tax	2.9	0.0	8.1	7
Alcohol Beverages License	1.0	0.0	6.0	4
Building Permits	0.6	0.0	1.7	7
Penalties and Interest	0.6	0.0	5.1	2
Intangible Tax	0.5	0.0	2.5	2
Mobile Home Tax	0.5	0.0	1.5	5
Public Utility Tax	0.3	0.0	2.8	2
Plot Fees	0.1	0.0	0.9	1
Interest Income	0.0	0.0	0.1	1
Lot Cleaning and Trash	0.0	0.0	0.1	1
TOTAL	100.0			

[a]Average of revenue source as a percentage of total in each city (nine studies).

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

erated revenue in seven cities. Combining the major sources of revenues into broad categories illustrates that taxes were by far the most important source of revenue, accounting for 70.6 percent of total new revenues from annexation (see Table 7).

Annexation does not always lead to universal revenue gains for a city. Some revenue sources decreased because of rate adjustments due to annexation. Rate differentials occur when cities provide services to unincorporated areas and charge a rate that is higher than what is paid by municipal residents. Once an area is annexed, the city usually discontin-

ues this practice, which leads to decreased revenues for that city. Table 8 examines the cities that experienced decreased revenues due to rate equalizations. The 1995 study estimated that Tifton would lose $920,757 from rate equalization, significantly reducing the net revenue gain. In several cities, rate stabilization did not have a significant impact. Approximately one-quarter of the new revenues from annexation offset revenue losses.

Expenditures

Annexation also requires larger expenditures. Although extending services to newly annexed areas may be accommodated using current resources, in these studies, expenditures increased in all cities. Table 9 lists the expenditures that resulted from annexation and their relative importance in terms of total increased expenditures. Police service was the largest expenditure function, accounting for 39.9 percent of new expenditures. Fire protection accounted for additional spending of 13.2 percent, which when combined with police expenditures roughly approximates total public safety expenditures of 53.1 percent. Other expenditures included sanitation (12.6 percent), administration (11.7 percent), streets (10.5 percent), and public works (7.7 percent).

Recommendations

Fiscal impact analysis is an important decision-making tool for elected officials, but each model must be utilized within specific contexts. The outcome of an annexation study must be balanced against political, social, and environmental factors when stakeholders decide whether or not

Table 7: Average Revenue Increases as a Result of an Annexation, by Major Source

Major Revenue Source	Revenue Source as a Percentage of Total[a]	Range (percent)	
		Low	High
Taxes	70.6	21.4	86.6
Fines and Forfeitures	11.0	0.0	65.5
Charges for Services	9.0	0.0	24.1
Licenses and Permits	5.5	0.8	16.9
Miscellaneous	3.9	0.0	10.8
Interest Income	0.0	0.0	0.1

[a] Includes revenue sources in Table 2 collapsed into major categories.

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

Table 8: Revenue Changes Due to Rate Equalization, by City

Study	Revenue Increase ($)	Revenue Decrease ($)	Net Revenue Increase ($)	Revenue Decrease as a Percentage of Revenue Increase
Tifton	2,553,802	920,757	1,633,045	36.1
Statesboro	1,056,167	407,805	648,362	38.6
Statesboro[a]	1,035,729	188,218	847,511	18.2
Americus	668,431	121,646	546,785	18.2
Statesboro[b]	1,672,654	102,450	1,570,204	6.1
Moultrie	475,971	84,930	391,041	17.8
Madison	194,522	49,660	144,862	25.5
Canton	136,092	31,836	104,256	23.4
Average	974,171	238,413	735,758	24.5

[a] Based on 1992 study of 2,690 acre annexation.

[b] Based on 1992 study of 7,480 acre annexation.

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

Table 9: Average Expenditure Increases Due to Annexation, by Function

Function	Percentage of Total Projected Increased Expenditure[a]	Range (percent)		Cities Collecting Revenue Source (*N* out of 9 studies)
		Low	High	
Police	39.9	27.8	73.5	9
Fire	13.2	0.0	33.8	6
Sanitation	12.6	0.0	37.4	5
Administration	11.7	0.0	39.5	7
Street	10.5	0.0	26.5	5
Public Works	7.7	0.0	28.8	5
Engineering	1.3	0.0	3.2	4
Nondepartmental	1.1	0.0	3.4	4
Judicial	1.0	0.0	7.6	2
Housing and Development	0.7	0.0	4.2	3
Recreation	0.2	0.0	2.1	1

[a] Average of function as a percentage of total in each city.

Source: The data used in this analysis are derived from local impact studies conducted by researchers at the Carl Vinson Institute of Government at the request of and under contract with specific municipalities. See Appendix D for a list of the studies.

Not all annexations result in net gains for cities and net losses for counties.

to support an annexation proposal. Not all annexations result in net gains for cities and net losses for counties. The extent to which cities and counties are affected depends on the size of the annexation in terms of land parcels and/or population, the current and future uses of the unincorporated property, and the forms and levels of revenue the county receives from the businesses and residents that reside in the area.

In some states, including Georgia, municipalities are not required to conduct fiscal impact analysis for proposed annexations. However, because annexation can significantly affect the revenue structures of cities and counties, knowing the full financial effects an annexation will have on the community benefits all stakeholders. The authors, therefore, make the following recommendations:

1. Cities and counties should develop interlocal agreements that require financial impact analysis for all annexations (i.e., a single annexation or cumulative annexations) that reach a threshold of size. The study should include the annexation's projected financial impact on both the city and the county. After one party has completed the analysis, present it to the other for comment. Discuss the annexation and its projected financial impact during a public meeting.
2. The General Assembly should work with affected stakeholders to research and consider adopting legislation requiring financial impact analysis for all annexations that reach a designated threshold of size.

Conclusion

Municipalities annex land into their boundaries to accommodate growth, add to their population's diversity, and increase the economic and fiscal strength of the city. One issue may drive a particular annexation, such as providing utilities to a new industrial development, but several additional forces must combine to either promote or discourage the boundary change. The approaches to annexation are diverse and the motivations behind it are complex. In all cases, however, annexation has economic, political, and social ramifications, and competing interests have strong perceptions regarding "winners" and "losers" in an annexation "game."

To address the concerns of stakeholders, states have developed several annexation methods through authorizing legislation. The laws specify when a municipality may annex land, how the process will occur, and who will participate in the final decision. Most states provide municipalities and citizens with multiple means of annexation. Some annexation requirements can encourage annexation, such as providing the municipality with authority to unilaterally annex property. Alternatively, others may seek to inhibit annexation by mandating that municipalities undertake extensive impact studies or requiring approval by the affected county government. Generally, proponents of the boundary change will use the method that statutorily applies and requires the least effort.

Georgia uses several methods of annexation and has statutes that both empower and constrain municipalities and property owners. The General Assembly's efforts in this regard are reflected in the fact that Georgia has enacted 13 of the 19 provisions classified in this study. No other state has more of these annexation provisions. Municipalities can annex unincorporated islands and pass annexations through resolution; however, they must also hold public hearings and/or receive approval from the county governing authority in some cases. Under some processes, property owners may petition for annexation or a vote must be held in the annexed area. Georgia is one of the few states that also specifically permits annexation through state legislative action. In fact, the General Assembly has consistently reiterated its annexation authority, noting that granting home rule authority to local governments does not limit its own power. In sum, the history of Georgia annexation law reflects the complexity of crafting legislation that addresses the needs of many competing interests.

Georgia's annexation policy is relatively comprehensive—including more of the annexation legal provisions examined in this study than any other state.

Georgia annexation law may be viewed as evolutionary. In the mid-1980s, the General Assembly passed legislation requiring comprehensive

planning by local governments. The legislature approved the Service Delivery Strategy Act in 1997 to eliminate service duplication through binding agreements between counties and municipalities. The act offers Georgia's local governments an excellent opportunity to consider boundary changes in an integrated manner by linking annexation with service delivery, as has been done successfully in states such as Tennessee, Oregon, and Washington. Since the historical method of resolving annexation conflicts through incremental legislation has not addressed all of the underlying issues, Georgia should develop policies that address the sources of conflict, and let those decisions guide actual boundary changes. To understand the sources of conflict among stakeholders, public input is essential. The Georgia Municipal Association and Association County Commissioners of Georgia should continue to work with state leadership to craft solutions that not only address immediate concerns but also develop processes that maintain the high quality of life enjoyed in Georgia.

In other words, the view that counties will always experience a negative fiscal impact, and that cities will always have a positive one, is false.

One of the primary forces and considerations in annexation decisions is the fiscal impact on the city, county, and property owners. However, only a small fraction of cities undertake formal revenue and expenditure analyses prior to annexation, perhaps because they have preconceived ideas about how specific revenue streams will change. In fact, with many revenues such as the property tax, local sales taxes, charges, and intergovernmental grants, the impact varies by jurisdiction. In other words, the view that counties will always experience a negative fiscal impact, and that cities will always have a positive one, is false. The variability of fiscal impacts should encourage jurisdictions to carefully consider finances for each annexation, particularly when several developed parcels are involved. Through increased understanding of the fiscal impacts and legal constructs of annexation and a concerted effort to integrate annexation and service delivery, the chasm between competing interests may be bridged.

Notes

1. The New England states, Hawaii, and Pennsylvania do not have unincorporated land and therefore would not have laws addressing municipal annexation of unincorporated land.
2. Local acts are pieces of legislation that apply to one or more named counties and/or municipalities.
3. Vermont is not included in this figure for the reasons discussed previously; however, the law mandates that a county judge appoint a three-member boundary commission for each municipal boundary change.
4. We are assuming a positivist view toward municipal government in that the council seeks to make decisions that benefit the majority of its citizenry rather than the specialist interests of a few.
5. Several of these states permit multiple annexation methods.
6. New Jersey and Pennsylvania have contiguity requirements for municipal-municipal annexations.
7. Texas limits this method to vacant areas or property that has less than three qualified voters residing on it.
8. Net acres are defined by jurisdiction but typically are considered a gross acre less the land used for roads.
9. Revised Code of Washington 36.13.005, 36A.14.005.
10. Revised Code of Washington 36.70A.215.
11. A local act of the General Assembly is legislation that only affects a specific jurisdiction.
12. Ga. Laws 1872, 16; 1946, 130; 1947, 1122; 1951, 116; 1952, 46.
13. DuPre v. City of Marietta, 213 Ga. 403, 99 S.E.2d 156 (1957); Phillips v. City of Atlanta, 210 Ga 72, 77 S.E.2d 723 (1953).
14. Ga. Laws 1953 (Nov.–Dec. Sess.), 504; GA. CONST. art. XV, §1, ¶1 (1945).
15. Ga. Laws 1962, 119.
16. OFFICIAL CODE OF GEORGIA ANNOTATED (O.C.G.A.) tit. 36, ch. 36, art. 2; GMA 1984.
17. O.C.G.A. §36-36-21(b).
18. O.C.G.A. §36-36-21(b); Ga. Laws 2000, 164, §6, repeal effective July 1, 2000.
19. O.C.G.A. §36-36-20; Ga. L 1976, 1011, §1.
20. O.C.G.A. §36-36-20(b); Ga. Laws 2000, 164, §5.
21. O.C.G.A. §36-36-20; Ga. Laws 2000, 164, §5.
22. Ga. Laws 1966, 409.
23. O.C.G.A. tit. 36, ch. 36, art 3.
24. O.C.G.A. §36-36-33; Ga. Laws 1971, 399, §1; 1976, 1011, §2.
25. O.C.G.A. tit. 36, ch. 36, art. 4; Ga. Laws 1970, 426.
26. O.C.G.A. §36-36-53; Ga. Laws 1971, 398.
27. O.C.G.A. §§36-36-57, 36-36-58; Ga. Laws 1970, 426, §§5, 12.
28. O.C.G.A. §36-36-51(4); Ga. Laws 1970, 426, §1(d).
29. O.C.G.A. §36-36-56; Ga. Laws 1970, 426, §3.
30. O.C.G.A. §36-36-54; Ga. Laws 1970, 426, §4.

31. O.C.G.A. §§36-36-54(a)(1), 36-36-54(b); Ga. Laws 1970, 426, §4.
32. O.C.G.A. §§36-36-54(a)(2), 36-36-54(c), 36-36-54(d); Ga. Laws 1970, 426, §4.
33. O.C.G.A. §36-36-51; Ga. Laws 1970, 426, §1.
34. O.C.G.A. §36-36-50; Ga. Laws 1970, 426, §10.
35. O.C.G.A. §36-36-4; Ga. Laws 1992, 2592.
36. O.C.G.A. §36-36-92; Ga. Laws 1992, 2592.
37. O.C.G.A. tit. 36, ch. 36, art 6; Ga. Laws 1992, 2592.
38. O.C.G.A. §36-36-5; Ga. Laws 1992, 2592.
39. O.C.G.A. §36-36-5; Ga. Laws 2000, 164, §3, effective March 17, 2000.
40. O.C.G.A. tit. 36, ch. 36, art. 1; Ga. Laws 1992, 2592.
41. O.C.G.A. §36-36-7; Ga. Laws 1992, 2592.
42. O.C.G.A. §36-36-6; Ga. Laws 1992, 2592.
43. O.C.G.A. §§36-36-6, 28-1-14.1; Ga. Laws 1992, 2592.
44. O.C.G.A. §36-36-3; Ga. Laws 2000, 164; 2001, 811.
45. O.C.G.A. §36-36-3; Ga. Laws 2000, 164; 2001, 811.
46. O.C.G.A. §36-36-3; Ga. Laws 2000, 164, §1.
47. O.C.G.A. §36-36-23; Ga. Laws 2000, 164, §8.
48. O.C.G.A. tit. 36, ch. 36, art. 1A; Ga. Laws 1996, 192.
49. O.C.G.A. §§36-36-16; Ga. Laws 1996, 192.
50. O.C.G.A. §36-36-10; Ga. Laws 1997, 540.
51. O.C.G.A. §36-36-11; Ga. Laws 1998, 856; O.C.G.A. tit. 36, ch. 70, art. 2.
52. Baker v. City of Marietta, 271 Ga. 210 (1999); Higdon v. City of Senoia, 273 Ga. 83 (2000).
53. O.C.G.A. §36-35-2; Ga. Laws 1992, 2592.
54. O.C.G.A. §36-36-22; Ga. Laws 1994, 652.
55. Counties establish special taxing districts to fund services outside the county's general fund operations. Counties commonly utilize taxing districts to fund services such as fire protection, recreation, and hospital services. Special taxing districts may be located in any specified geographic area in the county and are frequently found in the unincorporated areas of counties.
56. Intangible personal property represents an ownership claim on something of value (e.g., stocks, bonds). See Mikesell 1991.
57. In the past, intangibles were a more significant revenue source. In 1996 the Georgia General Assembly repealed most intangibles taxes, with the exception of real estate intangibles.

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Appendix A. Historical Annexation Activity in the United States

State	1970–79[a]			1980–90[b]			1990–98[c]		
	Number	Square Miles	Estimated Population Annexed (thousands)	Number	Square Miles	Estimated Population Annexed (thousands)	Number	Square Miles	Estimated Population Annexed (thousands)
United States Total	61,356	8,770.6	3,168	75,337	9,196	2,575	66,578	8,567.6	2,017
Alabama	1,348	330.8	94	4,051	678	117	3,641	217.2	25
Alaska	54	474.0	42	95	148	3	22	138.5	1
Arizona	621	479.8	123	792	912	94	603	607.7	43
Arkansas	887	215.0	95	1,064	239	77	898	408.9	21
California	7,229	715.5	221	5,101	726	283	2,209	905.5	155
Colorado	2,105	251.5	103	2,616	429	44	1,671	176.8	32
Connecticut	0	0.0	0	1	0	0	0	0.0	0
Delaware	56	10.7	7	155	9	2	160	7.0	1
Florida	3,711	319.0	151	5,961	414	152	4,091	530.7	51
Georgia	2,311	188.4	76	5,636	282	58	3,398	210.4	34
Hawaii	0	0.0	0	0	0	0	0	0.0	0
Idaho	896	51.8	39	545	41	15	1,075	55.4	17
Illinois	11,415	375.9	210	9,560	289	88	9,855	431.0	97
Indiana	1,593	148.6	114	1,326	93	58	1,917	230.8	96
Iowa	887	138.8	17	757	63	9	1,178	91.6	8
Kansas	1,581	177.8	59	1,754	134	23	1,502	91.3	18
Kentucky	901	156.2	89	947	124	52	921	109.1	18
Louisiana	899	127.6	108	1,319	126	74	853	85.3	37
Maine	0	0.0	0	0	0	0	2	1.4	0
Maryland	177	18.9	3	485	44	9	322	19.6	4
Massachusetts	2	0.0	0	0	0	0	0	0.0	0
Michigan	599	46.7	6	709	64	25	754	40.5	5
Minnesota	1,033	425.1	37	1,003	56	12	1,480	248.9	25
Mississippi	126	166.3	83	132	111	50	86	99.4	70
Missouri	487	154.5	35	1,977	128	36	2,585	218.4	78
Montana	831	20.7	8	619	24	14	601	1,136.7	4
Nebraska	1,046	62.4	35	637	40	61	723	39.7	44
Nevada	341	33.8	13	490	81	4	451	93.5	5
New Hampshire	0	0.0	0	0	0	0	0	0.0	0
New Jersey	16	0.3	0	9	0	0	5	0.0	0
New Mexico	559	68.4	39	554	121	18	289	68.2	5
New York	149	17.8	4	202	18	2	185	8.2	3
North Carolina	1,959	248.1	233	4,577	460	313	4,709	540.1	316
North Dakota	502	44.3	6	288	21	4	301	14.9	2
Ohio	1,887	259.0	77	1,882	160	35	1,999	174.9	25

Appendix A. Historical Annexation Activity in the United States (*continued*)

State	1970–79[a]			1980–90[b]			1990–98[c]		
	Number	Square Miles	Estimated Population Annexed (thousands)	Number	Square Miles	Estimated Population Annexed (thousands)	Number	Square Miles	Estimated Population Annexed (thousands)
Oklahoma	1,321	361.8	38	1,546	342	34	732	139.4	11
Oregon	1,988	133.0	46	1,711	95	110	2,135	65.1	68
Pennsylvania	74	18.4	5	18	1	0	12	0.1	0
Rhode Island	0	0.0	0	0	0	0	0	0.0	0
South Carolina	1,289	127.5	88	3,343	193	66	3,598	138.4	44
South Dakota	312	43.1	13	340	31	9	427	41.7	4
Tennessee	833	340.2	220	1,770	318	91	2,656	249.2	67
Texas	3,964	1,472.2	456	5,730	1,515	360	2,869	127.7	316
Utah	1,100	127.7	20	966	211	21	1,029	29.8	21
Vermont	2	0.1	0	1	0	0	0	0.0	0
Virginia	45	123.6	71	79	118	45	86	49.2	8
Washington	1,284	96.3	33	1,355	134	67	1,420	478.6	221
West Virginia	187	22.7	13	250	36	9	179	17.8	4
Wisconsin	2,185	135.3	21	2,342	112	17	2,696	215.6	11
Wyoming	564	40.9	16	642	55	14	253	16.0	4
Average of State Totals	1,227	175.4	63.3	1,506.7	183.9	51.5	1,332	171.4	40.3

[a] *Source*: U.S. Bureau of the Census (1980).

[b] *Source*: Joel Miller, "Annexation Boundary Changes in the 1980s and 1990–1991," in The Municipal Yearbook 1993 (Washington D.C.: International City/County Management Association, 1993), 100–109.

[c] *Source*: U.S. Bureau of the Census (1999).

Appendix B. Categories of Annexation Law, by State

State	N	Required				Allowed					Addressed in State Law			Method of Annexation Allowed			Election by Voters
		Contiguity	Impact Report	Service Plan	Public Hearing	Noncontiguity	Cross-County Boundary Annexation	Annexation of Municipal-Owned Land	Annexation of Unincorporated Islands	Annexation Due to Health and/or Safety Hazards	Boundary Agencies	Judicial Review	County Governing Authority	State Legislature	Local Resolution/ Ordinance	Petition of Property Owners	
Alabama	9	✔				✔			✔	✔		✔		✔	✔	✔	✔
Alaska	9	✔			✔			✔			✔	✔		✔		✔	✔
Arizona	9	✔			✔		✔		✔			✔	✔		✔	✔	
Arkansas	10	✔		✔	✔		✔		✔	✔		✔			✔	✔	✔
California	12	✔		✔	✔	✔	✔	✔	✔		✔			✔	✔	✔	✔
Colorado	10	✔		✔	✔	✔	✔	✔	✔			✔				✔	✔
Connecticut	0																
Delaware	6	✔						✔					✔		✔	✔	✔
Florida	8	✔		✔	✔				✔			✔			✔	✔	✔
Georgia	12	✔		✔	✔		✔	✔	✔			✔	✔	✔	✔	✔	✔
Hawaii	0																
Idaho	6	✔				✔		✔					✔		✔	✔	
Illinois	10	✔			✔	✔		✔	✔	✔		✔			✔	✔	✔
Indiana	10	✔		✔	✔	✔	✔	✔				✔	✔		✔	✔	
Iowa	9	✔			✔		✔		✔		✔	✔			✔	✔	✔
Kansas	10	✔		✔	✔	✔		✔	✔			✔	✔		✔	✔	
Kentucky	6	✔	✔		✔							✔			✔		✔
Louisiana	9	✔			✔			✔	✔			✔	✔		✔	✔	✔
Maine	1													✔			
Maryland	8	✔		✔	✔				✔				✔		✔	✔	✔
Massachusetts	0																
Michigan	10	✔			✔		✔	✔			✔	✔	✔		✔	✔	✔
Minnesota	8	✔			✔			✔	✔	✔	✔				✔	✔	
Mississippi	6	✔		✔	✔		✔					✔			✔		
Missouri	7	✔		✔	✔				✔			✔			✔	✔	✔
Montana	9	✔		✔				✔	✔			✔			✔	✔	✔
Nebraska	9	✔		✔		✔	✔		✔			✔			✔	✔	
Nevada	11	✔		✔		✔		✔	✔		✔	✔	✔		✔	✔	
New Hampshire	0																
New Jersey	0																
New Mexico	9	✔								✔	✔	✔	✔		✔	✔	✔
New York	9	✔					✔	✔				✔	✔		✔	✔	✔

Appendix B. Categories of Annexation Law, by State (*continued*)

State	N	Required				Allowed					Addressed in State Law			Method of Annexation Allowed			Election by Voters
		Contiguity	Impact Report	Service Plan	Public Hearing	Noncontiguity	Cross-County Boundary Annexation	Annexation of Municipal-Owned Land	Annexation of Unincorporated Islands	Annexation Due to Health and/or Safety Hazards	Boundary Agencies	Judicial Review	County Governing Authority	State Legislature	Local Resolution/ Ordinance	Petition of Property Owners	
North Carolina	11	✔	✔	✔	✔	✔	✔	✔			✔	✔			✔	✔	
North Dakota	5	✔										✔			✔	✔	
Ohio	10	✔		✔			✔	✔				✔	✔		✔	✔	✔
Oklahoma	8	✔		✔					✔			✔			✔	✔	✔
Oregon	12	✔	✔		✔		✔		✔	✔	✔	✔		✔	✔	✔	✔
Pennsylvania	0																
Rhode Island	0																
South Carolina	8	✔					✔	✔				✔	✔		✔	✔	✔
South Dakota	9	✔	✔	✔	✔							✔	✔		✔	✔	✔
Tennessee	10	✔		✔			✔			✔		✔	✔		✔	✔	✔
Texas	11	✔	✔	✔	✔	✔		✔	✔			✔			✔	✔	✔
Utah	9	✔	✔		✔				✔		✔	✔	✔		✔	✔	
Vermont	0																
Virginia	9	✔					✔				✔	✔	✔		✔	✔	
Washington	9	✔				✔		✔			✔		✔		✔	✔	✔
West Virginia	7	✔										✔	✔		✔	✔	✔
Wisconsin	9	✔				✔		✔	✔			✔			✔	✔	✔
Wyoming	10	✔	✔	✔	✔	✔		✔	✔			✔			✔	✔	
Total		41	7	20	24	14	17	22	23	7	12	35	20	6	39	39	28

Notes: Based on a review of 1999 state annexation laws, we identified the 16 categories presented in this table. Three of the categories (unincorporated islands, judicial review, and elections) each encompass two options, resulting in a total of 19 legal provisions (see Table 1).

Appendix C. Definitions Used for Coding Purposes in the Stakeholder Analysis of State Annexation Laws

The Carl Vinson Institute of Government Annexation Studies

Research staff at the Vinson Institute of Government gathered all of the relevant code sections from the 50 states.

(It should be noted that several states do not address annexation statutorily [i.e., Connecticut, Hawaii, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont].) The staff then examined each of the statutes to determine the presence or absence and wrote a brief description of different aspects the state's annexation statutes. Each annexation statute was reviewed by at least two different coders. Any coding questions were discussed among members of the research team to reach a consensus. The following definitions were used for coding purposes:

Annexation Impact Report: If the state required impact reports to be prepared for the area to be annexed for any type of annexation, the state was classified as having annexation impact reports. These impact assessments may be required for all annexations or may only be required for annexations under certain annexation procedures.

Annexation Service Plan: If the state required a service plan to be prepared for the area to be annexed, the state was classified as having annexation service plans. These service plans may only be required for annexations under certain annexation procedures.

Boundary Agency: If a state has either state or local boundary agencies or commissions—even if these commissions do not cover the entire state—the state is classified as having boundary agencies or commissions. The presence of these agencies or commissions was determined independent of any other annexation requirement.

Contiguity Requirement: All of the states that allow for annexation have some type of requirement that the territory to be annexed be adjacent to the annexing city. Researchers examined these definitions to find any specific language that describes or defines contiguity.

County Governing Authority: If the annexation procedures provide that the county governing authority can approve or exercise a veto over the annexation—even if it is not required or permitted for all annexations—then the state is coded as having county governing authority approval.

Cross-County Annexation: If the state had specific language that allowed annexations across a county boundary, even if it were allowed under very limited circumstances, the state was coded as allowing cross-county annexations. A state's classification as not allowing cross-county annexations, could be possible under general annexation procedures.

Election by Registered Voters. If any of the annexation procedures required a vote by either the residents or property owners, then the state was coded as having an election annexation method. This vote could be in conjunction with one or more additional annexation methods.

Health and/or Safety Hazards. If the state had special procedures for annexing property for health and/or safety concerns, then the state was classified as having health and/or safety annexations.

Judicial Oversight and Review. If the annexation procedures provide in the statute for specific judicial oversight or review, then the state is coded as having judicial oversight or review of annexations. The judicial oversight or review may not apply to all annexation approaches.

Local Resolution or Ordinance. If any of the annexation procedures allow the municipality through either a resolution or ordinance to initiate an annexation, then the state was classified as having local resolution or ordinance annexations. The resolution or ordinance could be in addition to one or more other annexation requirements. Municipal Owned Land. If the state had specific language that addressed annexations of municipally owned land, then the state was coded as allowing municipal owned land. A state could be coded as not having specific procedures and a municipality could still annex land that it owned under the general annexation procedures of the state.

Noncontiguous Annexation. If the state had specific language that allowed non-contiguous annexations, even if it were only under very limited circumstances, the state was coded as allowing non-contiguous annexations.

Petition of Property Owners, Qualified Voters, and Residents. If any of the annexation procedures required or allowed the petition of property owners or qualified voters or residents to initiate an annexation, then the state was classified as having petition annexations. The petition requirement could be in addition to one or more other annexation requirements.

Public Hearings. If the annexation procedures require public hearings under any of the methods, even if not for all of the methods, then the state is coded as having public hearings.

State Legislature. If the state legislature is specifically authorized to make changes to municipal boundaries through annexations, then the state is classified as having state legislature annexations. These annexations may also involve one or more additional annexation requirements.

Unincorporated Islands. If the state had specific language that addressed annexing unincorporated islands, then the state was coded as having special unincorporated island procedures. Even if a state did not have special unincorporated island procedures, it could be possible to annex unincorporated islands under the general annexation procedures of the state.

Appendix D. Carl Vinson Institute of Government Annexation Studies

All of the following technical reports are published by and available from the Carl Vinson Institute of Government, The University of Georgia, 201 North Milledge Avenue, Athens, GA 30602.

Campbell, Richard, and Andy Welch. 1999. An analysis of the financial impacts of a proposed annexation by the City of Pine Lake. Prepared for the Pine Lake City Council. January.

Dan Durning. 1998. An analysis of the financial impacts of annexing large unincorporated areas into the City of Covington. July.

Durning, Dan, and Sally Coleman Selden. 1996. An analysis of the financial effects of annexing four large areas into the City of Statesboro. Prepared for the City of Statesboro. December.

Durning, Dan, and Sally Coleman Selden. 1995. The fiscal impacts of annexing five designated study areas to the City of Americus. January.

Durning, Dan, and Sally Coleman Selden. 1995. The fiscal impacts of annexing three proposed study areas to the City of Tifton. December.

Durning, Dan. 1994. The fiscal impacts of annexation: An assessment of six areas adjacent to the City of Moultrie. January.

Durning, Dan. 1992. An assessment of the fiscal impacts of annexation on the City of Statesboro. January.

Campbell, Richard. 1986. An annexation proposal: An assessment of its impact on the City of Madison, Georgia. April.

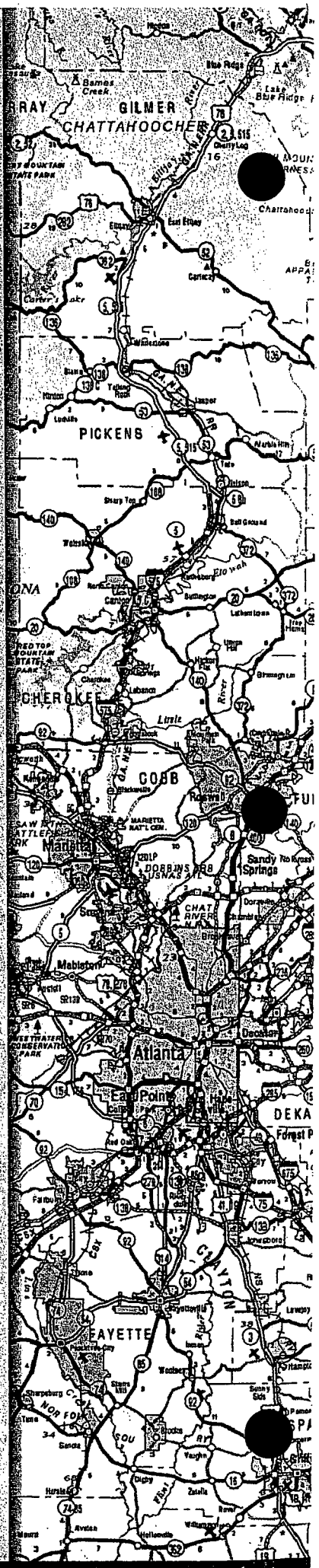
Institute of Government and Institute of Community and Area Development. 1981. Annexation study, City of Canton, Georgia. July.

The University of Georgia

The Carl Vinson Institute of Government has served as an integral part of the University of Georgia for 75 years. A public service and outreach unit of the university, the Institute has as its chief objective assisting public officials in achieving better government, particularly in Georgia. To this end, it draws upon the resources and expertise of the university to offer an extensive program of governmental instruction, research and policy analysis, technical assistance, and publications.

Collectively, Vinson Institute staff design and conduct more than 850 programs a year in which more than 25,000 public officials participate. Technical assistance takes many forms, including evaluation of existing facilities and methods, provision of information for decision makers, and assistance in establishing new programs.

Research with wide general application is made available through the publications program. Publications include handbooks for specific governmental offices, compilations of Georgia and federal laws in specific areas, research studies on significant issues, classroom teaching materials, and reports on practical methods for improving governmental operations.



Attach. No. 2

Service Plan Statutes

Types of Provisions

Considerations in whether to approve annexation

Specific services listed in law

Plan available before hearing on proposed annexation

Time frames to provide services

Special considerations for water and sewer services

Fiscal impact on city and property owners

Township's ability to continue to provide services

Rights of property owners if municipality does not provide service

Special tax considerations for property owners

When service plan is not required – exceptions

Annexation Plans and Growth Plans

Purpose

Annexation within predetermined territory

Time frame of plans

Approval – Who has the authority?

Attach. No. 3

Consent to Annexation by Property Owners and/or Residents

Review of Various Methods of Annexation

Petition by property owners and/or electors

100%

Less than 100%

Ordinance or Resolution of municipality

Requirements for referenda in the area annexed and/or in the annexing municipality

States with no referendum requirement

Unincorporated Islands

Legislative Annexation

Deannexation

County's authority to object to annexation

Attach. No. 4

ANNEXATION PRESENTATION

Annexation is important to Charlotte. It's important to every municipality in North Carolina and to North Carolina itself. But I'm here to talk about Charlotte and annexation—others can tell you of the impact of annexation on the State as a whole and her municipalities.

Before I get into specifics, let me paint 2 quick pictures of Charlotte. [As additional comments, you may be able include a revised map of Charlotte showing the history of annexation to point out Charlotte's geographic growth in rough 100 year increments from its incorporation in 1768 to 1855 and then from 1855 to 1959 (when city-initiated annexation authority was adopted) and from 1959 to the current City boundaries. I'm working with Jonathan on these points.]

In 1960, Charlotte's population was 201,564 and covered 64.3 square miles. That was a time just after the General Assembly adopted legislation that authorized North Carolina municipalities to annex areas that met strict, urban development standards and required that enforceable commitments be made to provide important municipal services by the annexing city or town. Today, Charlotte's population stands at 683,215 and covers 286.5 square miles, due in large part to the annexation authority so wisely granted by our state legislature. I can't tell you what Charlotte would look like without the city-initiated annexation authority enacted by the 1959 General Assembly. However, I am confident that the picture would be different and that it would not be better. I dare say that Charlotte might not be one of the premier financial centers in the country. I would be amazed if Charlotte were still the home to NFL and NBA teams and actively pursuing plans to bring the Triple-A Charlotte O's baseball team back home to an uptown stadium from the team's current location in Ft. Mill, South Carolina. I suspect that Charlotte's airport might not be the fastest growing, major airport in the country. I would be surprised if the Queen City would still be able to have maintained a triple-A bond rating for the last 34, consecutive years.

There are several significant policies that Charlotte follows in its annexation efforts—some being more formal and some being more practical. The Charlotte City Council has followed a number of practices and in 2003 adopted many of them as written policies. I'm including a copy of those formal policies along with copies of my comments for the Commission's consideration. Some of the more significant ones are:

- Identify, study and annex areas developed for urban purposes on a 2-year cycle.
- Minimize annexing large vacant tracts, especially at or near the exterior boundaries of annexation areas (include vacant property to connect 2 or more urbanized areas, avoid illogical boundaries or prevent future problems in annexing the vacant property or adjacent property.)
- Consider annexation without regard to whether revenues from an area will exceed the cost of annexation or to the identity of property owners or residents in the area.

- Provide reasonable, accurate and timely information to residents and property owners affected by annexation as well as to interested, Charlotte citizens.

Charlotte and the other 6 Mecklenburg municipalities secured a local bill authorizing them to enter into annexation agreements. That legislation ended disputes over annexation as well as "races" between municipalities to annex the same property. It also allowed Mecklenburg municipalities to plan and implement growth on a more orderly and logical basis. Affected property owners and residents also knew what to expect. Annexation agreements also set the stage for allowing Mecklenburg municipalities and Mecklenburg County to provide major services like law enforcement, land use regulation, parks and water and sewer services on a broader and more comprehensive basis. No longer were those services only provided as a consequence of annexation or under differing policies or costs or by a different local government entity. Needed municipal services could be provided by the local government entity in the best position to provide those services without waiting for annexation.

The local legislation authorizing annexation agreements was so successful that it was soon adopted on a statewide basis and remains an important planning tool today. Charlotte has annexation agreements in place with 12 other municipalities.

There are other, more informal policies that Charlotte follows. The City does not annex an area just because it meets urban development standards. Annexation is a difficult and time-consuming process, not to mention expensive. It often makes more sense to postpone annexation, especially if further development will produce an area with more logical boundaries and permit an annexation to be implemented on a more orderly and cost-effective basis.

When Charlotte does annex an area, it is not because the area barely qualifies. We recognize that we cannot afford to pursue marginal or questionable annexations. From a big picture perspective, annexation works best when it is done correctly and when affected property owners and residents ***know*** that when Charlotte undertakes an annexation, all the i's are dotted and the t's are crossed. Staff will not take an annexation to the City Council unless the area clearly qualifies. Council will not approve an annexation if there is a significant issue about compliance with annexation standards. The result has been that since 1993, Charlotte has undertaken 39, city-initiated annexations including over 75 square miles with a population of over 94,000 people without a single challenge in court. Between 1959 and 1993, Charlotte was involved in over a dozen legal challenges to various annexations in both state and federal court. I'm not claiming that Charlotte handles annexation perfectly, but over that time there has been only one court decision finding that an area proposed for annexation did not meet urban development standards. That was a trial court decision from 1980 in which Charlotte agreed to re-consider the area. The annexation resulting from the re-consideration was approved by the courts. No challenge has ever succeeded that Charlotte did not meet its financial or service commitments to annexed property owners and residents. No challenge has ever been made that Charlotte failed to extend the services required to annex an area.

As I said, annexation is very important to Charlotte. A corollary to that premise is that it is very important for Charlotte to pursue annexation correctly—both from a legal and policy perspective.

Annexation is also hard work! It takes a tremendous amount of planning and elbow grease.

I have here a draft of the calendar that Charlotte's planning and legal staffs have prepared for potential annexations that would take effect in 2009. It is ***6 pages long*** and lists the major actions to be taken, the due dates for each action and the department responsible for those actions. There are 109 major activities listed with dates ranging from May of 2007 to June 30, 2009 which is the usual effective date for Charlotte-initiated annexations. Over 60 staff members representing 20 City departments are involved actively in this process. I say it is a draft. The first draft was prepared in late spring of 2007, before the last Charlotte-initiated annexation took effect on June 30, 2009. It has been revised several times and will be reviewed and revised as needed.

This calendar clearly shows that annexation is a very technical, difficult and time-consuming process. There are very strict and tight time tables that must be followed. The process takes approximately 2 years beginning with identifying the areas to be considered for annexation and ending with the effective date. Could Charlotte compress this calendar? Probably, but not by much from a practical perspective.

There may be some opportunities to improve the city-initiated annexation process, and if you find such opportunities, I urge you to consider them seriously. However, the topic of city-initiated annexation has been studied long and hard on a number of occasions from a number of perspectives. Such occasions have produced some improvements to the annexation process. However, many changes have been made simply to cause the annexation process to be longer, more complicated and more difficult. Let me give you an example. Originally, affected property owners and residents were expected to find out about annexation by seeing one of 4 legal ads in a newspaper. That was changed to reduce number of legal ads to 2 and to require notice to be mailed to property owners, based on property tax records. That was a reasonable change and an improvement to the notice requirements. However, that same change provided that the mailed notice is sent registered or certified mail and required the annexing municipality to re-mail the notice by first class mail, if any of the first letters were returned undelivered. Here's where requirements are imposed simply to make the annexation unnecessarily complicated and difficult. The re-mailing requirement doesn't improve the chances of getting notice to the right people. It's simply sending another notice to the same people who didn't get the first notice using the same address that didn't work the first time.

I'm not here to ask you to change the annexation process. My request to you is to avoid change simply to make the annexation process more difficult or longer. It is already long and very difficult. Charlotte's approach to annexation has worked well and it will continue to work well as long as the annexation laws remain stable, and there is time to

study areas carefully and cities are allowed to decide whether to annex a developed area based on the ability to serve the area and not on annexing before authority to annex is curtailed or lost.

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

(Note: "Due Dates" listed below are firm dates that cannot be missed inasmuch as the calendar is extremely time-sensitive. Missing a due date or a deadline can jeopardize the overall timing of the annexation cycle.)

DUE DATE	ACTIVITY	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
05/07	Develop annexation study areas, including maps	Planning	(✓)
05/31/07	Submit RCA for Resolution of Consideration and draft Resolutions for study areas	Planning/Legal	(✓)
06/04/07	Present study areas at Council workshop	Planning/Legal	(✓)
06/11/07	Adopt Resolution of Consideration for 2009 study areas	City Council	(✓)
02/08/08	Finalize master schedule; forward to KBE's & Dep't. heads for their information & requesting names of their staff assigned to work on their dep't's behalf on the 2009 annexation	Planning/Legal	( )
02/18/08	Commence with fieldwork in study areas	Planning	( )
03/14/08	Complete fieldwork in study areas	Planning	( )
03/28/08	Calculate eligible areas; develop numbers and maps of same	Planning	( )
03/31/08	Present eligibility areas to appropriate Ass't City Manager	Planning/Legal/City Mgr.'s Ofc	( )
04/04/08	DEPARTMENTAL ANNEXATION KICK-OFF	Planning, affected dep'ts.	( )
04/04/08	Identify boundaries of candidate Annexation Area(s); submit shapefiles to Engineering to initiate metes and bounds descriptions	Planning/Engineering	( )
04/07/08	Identify VFD's currently serving annexation areas and send out impact statement questionnaires to VFD's	Fire	( )
04/07/08	Request following from Land Records for each annexation area: property tax values (both exempt and non-exempt), vehicle tax value, and business/personal property tax value. Request same for each VFD as identified by Fire Department (use template)	Planning/Fire/Land Records	( )
04/07/08 right after kick-off	Identify waste haulers affected by annexation and develop and send correspondence on waste hauler reporting requirements to waste haulers and their parent companies [Note 2006 change in statutory definition of eligible solid waste haulers]	Solid Waste/Planning/ Internal Audit	( )
04/14/08 week after step above	Request information from waste haulers (for April through June to determine initial potential economic loss determination and/or contract negotiations; give haulers a 5/15 reporting deadline for April data and a 7/14 deadline for May and June data	Solid Waste/Internal Audit	( )
04/14/08	Meet with 311 representatives to brief them on annexations	Planning/CorpComm/311	( )
05/09/08	Obtain property tax values for each annexation area and for each VFD affected by annexation; share w/Fire Dep't to be forwarded to VFD's; send property tax values for annexation areas and affected fire districts to affected VFD's. Share with Finance and Internal Audit	Land Records/Planning/Fire/ Internal Audit/Finance	( )
05/09/08	Request information from affected VFD's for impact statement and contract negotiations	Fire/Internal Audit	( )

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

(Note: "Due Dates" listed below are firm dates that cannot be missed inasmuch as the calendar is extremely time-sensitive. Missing a due date or a deadline can jeopardize the overall timing of the annexation cycle.)

DUE DATE	ACTIVITY	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
05/05-05/09/08	Initial Departmental Budget Review	Budget/affected departments	( )
05/12/08	Obtain initial metes & bounds descriptions from Engineering	Planning/Engineering	( )
05/12/08	Submit initial round of metes & bounds descriptions to Land Records Office for proofing	Planning/Land Records	( )
05/15/08	Obtain all necessary information for April to determine initial potential economic loss to waste haulers	Solid Waste/Internal Audit	( )
06/02-06/05/08	Final Departmental Budget Review	Budget/affected departments	( )
06/05/08	Obtain second round of metes & bounds descriptions from Engineering	Planning/Engineering	( )
06/05/08	Submit second round of metes & bounds descriptions to Land Records for proofing	Planning/Land Records	( )
06/19/08	Send annexation Service Plans ($'s) to Budget	Affected departments	( )
06/19/08	Obtain information from VFD's for impact statement and contact negotiations; Fire forwards to Internal Audit	Fire/Internal Audit	( )
/19-07/07/08	Incorporate service plans into preliminary annexation report and qualifying area reports	Budget/Planning	( )
06/30/08	Request from Land Records mailing lists of all affected properties/owners, and affidavit	Legal/Land Records	( )
06/30/08	Send 4 copies of large, engineer certified water and sewer maps to Planning (Planning then sends one each to Legal, CDOT, and City Clerk); also .jpg's of same for annexation reports	CMUD, Planning	( )
06/30/08	Complete Water/Sewer Construction Schedules for annexation Reports.	CMUD	( )
06/30/08	Complete maps for Annexation Reports, Planning Website, newspaper notices, and mailing notices	Planning	( )
06/30/08	Submit RCA to Land Development for agenda spot for presentation of Preliminary Annexation Report at 7/21/08 zoning meeting	Planning	( )
06/30/08	Obtain final round of metes & bounds descriptions	Planning/Engineering	( )
06/30/08	Submit final round of metes & bounds descriptions to Land Records for proofing	Planning/Land Records	( )
07/07/08	Complete audit to determine potential financial liability for VFD contract and debt assumption; send to Fire	Internal Audit/Fire	( )
07/07/08	Obtain complete and proof-read metes and bounds descriptions	Planning/Engineering	( )

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

(Note: "Due Dates" listed below are firm dates that cannot be missed inasmuch as the calendar is extremely time-sensitive. Missing a due date or a deadline can jeopardize the overall timing of the annexation cycle.)

DUE DATE	ACTIVITY from E&PM	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
07/07/08	Furnish metes & bounds descriptions to Corporate Communications for mailing & publishing	Planning	( )
07/07/08	Complete VFD Impact Statements	Fire	( )
07/07/08	Provide service plan narrative to Planning	All departments	( )
07/07/08	Provide economic analysis to Planning	Budget	( )
07/07-07/11/08	Conduct follow-up fieldwork (re-verify unit count) if necessary	Planning	( )
07/10/08	Complete Impact Statement on City finances and services	Planning/Finance	( )
07/10/08	Send audits to VFD's	Fire	( )
07/11/08	Complete Council item for dinner meeting & insert in packet	Planning	( )
07/11/08	Send out preliminary annexation report with Council packet	Planning	( )
07/14/08	Complete preliminary annexation report; send for printing	Planning	( )
07/14/08	Complete draft of resolution of intent	Legal	( )
07/17/08	Complete Request for Council Action (Resolution of Intent and annexation reports)	Planning	( )
07/17/08	Obtain all necessary information (for May and June) to determine initial potential economic loss liability to waste haulers	Solid Waste/Internal Audit	( )
07/14/08	Obtain from Land Records mailing list of all affected properties/owners; draft affidavit for execution by Land Records re. accuracy of info on affected properties/owners and Furnish to Land Records for signature	Legal/Land Records/ Planning	( )
07/14/08	Print rosters from mailing lists for affidavit and for City Clerk (Use prescribed format developed in 2006); Furnish electronic rosters to Corporate Communications	Planning	( )
07/21/08	Present Preliminary Annexation Report to City Council at Zoning dinner meeting	Planning	( )
07/21/08	Complete Annexation Reports for each area; send for printing	Planning	( )
07/28/08*	Adopt Resolution of Intent and Annexation Reports	City Council	( )
07/29/08*	File approved Annexation Report for each area with City Clerk	Planning	( )
07/29/08*	Notify Mecklenburg towns and other municipalities with whom Charlotte has annexation agreements of proposed annexations	Planning	( )
07/29/08 *	Mail Resolution of Intent to waste haulers	Solid Waste	( )

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

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DUE DATE	ACTIVITY	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
07/29/08 *	Deliver Impact Statement on City Finances and Services to County Clerk	Planning	( )
07/29/08 *	Post in City Clerk's Office legible maps of each area and lists of property owners	Planning/ City Clerk	( )
07/29/08	Post Annexation Reports on Planning website and Place Annexation Reports in selected public libraries	Planning	( )
07/29/08 *	Mail notice of public hearing/informational meeting	Corporate Communications	( )
08/29/08	Initiate field re-survey of select qualifying areas (if required)	Planning, Business Tax Collection Unit	( )
09/02/08 *	Publish first notice of public hearing/informational meeting	Corporate Communications	( )
09/08/08	Draft/execute Certificates of Compliance for mailing notices of Public hearing/informational meeting	Legal/Corporate Comm	( )
09/09/08 *	Certified mail of returned notice of public hearing/ informational meeting(s)	Corporate Communications	( )
/10/08	Schedule briefings with new Councilmember(s)	Legal/Planning	( )
09/12/08	Complete field surveys; determine if service plans must be changed	Planning	( )
09/12/08 *	Publish second notice of public hearing/informational meeting	Corporate Communications	( )
09/16/08	Hold Public Info. Meeting "dry run"	Planning; affected dep't's	( )
09/17/08	Complete audit to make final determination of potential economic loss liability to waste haulers	Internal Audit	( )
09/18/08 *	Hold Public Informational Meeting	Planning; affected dep't's	( )
09/18-09/24/08	Hold supplemental information briefings, if necessary	Planning; affected dep't's	( )
10/13/08 *	Deadline for receiving VFD request for contract	City Clerk	( )
10/14/08	Submit RCA for annexation public hearing	Planning	( )
10/17/08 *	Deadline for receiving waste hauler request for contract	City Clerk	( )
10/27/08	Complete all contract negotiations w/ VFD's	Legal/Fire	( )
10/27/08	Hold Public Hearing during regular Council meeting Oct 12-14, 2008: NC League of Municipalities conference [Last possible public hearing date, if resolution of intent adopted 7/28/08; no continuation/postponement of public hearing w/o going past 90 day deadline for holding public hearing]	City Council	( )

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

(Note: "Due Dates" listed below are firm dates that cannot be missed inasmuch as the calendar is extremely time-sensitive. Missing a due date or a deadline can jeopardize the overall timing of the annexation cycle.)

DUE DATE	ACTIVITY	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
11/03/08 *	Deadline for receiving requests for utility extensions	City Clerk	( )
11/10/08	Prepare revised water/sewer maps to reflect requested utility extensions	CMUD	( )
11/10/08	Draft Annexation Ordinance and Economic Loss Resolution	Legal/Budget	( )
11/10/08	Complete Request for Council Action (Annexation Ordinance/ Economic Loss/Contracts/Annexation Budget/report amendments)	Budget (lead)/Planning/ Legal/Fire/Solid Waste	( )
11/10/08	Prepare report amendments, as necessary	Planning, other dep'ts. as required	( )
11/24/08*	Approve any VFD contract(s) and /or economic loss payments to waste haulers	City Council	( )
11/24/08*	Amend annexation report to reflect any VFD contract(s) or economic loss payment(s), and utility extensions	City Council/Planning	( )
11/24/08*	Adopt annexation ordinance for each area, as well as changes to service plans (if required)	City Council	( )
11/25/08	Send out annexation notification letters to affected agencies	Planning	( )
11/25/08	Request from E&PM preliminary list of annexation area streets to be taken over from NCDOT for City maintenance	Planning, Engineering	( )
12/15/08	Include annexation areas on City and County (GIS) Websites	Planning, County GIS Application Development, Land Records Office	( )
01/12/09	Obtain from E&PM preliminary list of streets to be taken over from NCDOT for maintenance by City; furnish same to CMUD	Planning, Engineering, CMUD	( )
01/18/09	Hold annexation process review session (optional)	Planning/affected agencies	( )
01/23/09	Deadline for filing legal challenge to annexations		( )
02/02/09	Deadline to serve City with legal challenge(s)		( )
02/15/09	Request (and obtain) updated list pf properties/owners affected by annexation	Planning/Land Records	( )
02/16/09	Obtain digital mailing list of franchisees from NC Revenue Division	Planning	( )
02/16/09	Draft Payment Schedules and Agreements for VFD's eligible for debt assumption; review payments, schedules w Internal Audit	Legal	( )
02/20/09	Identify franchisees doing business in Mecklenburg County	Tax Administrator's Ofc (Business Personal Prop)	( )

CALENDAR FOR JUNE 30, 2009 (EFFECTIVE DATE) ANNEXATION

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DUE DATE	ACTIVITY	DEPARTMENT(S) REPSONSIBLE	DONE? (✓)
03/02/09	Mail notification/information packets to affected property owners	Planning, Corporate Communications	( )
03/02/09	Send Payment Schedules and Agreement to affected VFD's for approval	Legal	( )
03/03/09	Mail franchise tax letters to franchisees	Planning	( )
04/02/09	Convene parties to compare NCDOT street files with CMUD utility design to identify problems and/or opportunities (optional)	Planning/CMUD/CDOT E&PM	( )
04/02/09	File annexation maps & certified copies of annexation ordinances with Register of Deeds and Secretary of State (unless legal challenge has been filed)	City Clerk	( )
04/06/09	Send Payment Schedules and Agreements to Local Government Commission for approval at May LGC meeting; notify Fire of any VFD's who have not returned approved agreements	Legal	( )
05/11/09	Send transmission letters and releases to solid waste haulers	Legal	( )
05/15/09	Request following updated info from Land Records (if required): for each annexation area: property tax values (both exempt and non-exempt), vehicle tax value, and business/personal property tax value. Request same for each VFD affected by annexation. (use prepared template)	Planning/Fire/ Internal Audit/ Land Records ofc.	( )
06/01/09	Request economic loss payments to waste haulers and VFD's	Solid Waste/Fire	( )
06/22/09	Send payments for VFD/solid waste payments or make arrangements for getting payments to VFD's and solid waste haulers	Legal	( )
06/30/09*	Extend City services-Effective date of annexation	City Council	( )
06/30/09	Request that County GIS eliminate "2009 Annexation Qualifying Areas" from POLARIS and post new City boundary	Planning	( )

* Legal Requirements, as depicted below:

- Resolution of Intent must be approved at least 365 days after Resolution of Consideration
- Public informational meeting must be held between 45 and 55 days after adoption of Resolution of Intent
- Public hearing must be held between 60 and 90 days after adoption of Resolution of Intent
- Annexation report must be approved at least 30 days before holding public informational meeting.

POLICIES FOR CONSIDERING INVOLUNTARY ANNEXATION

The City of Charlotte's vision of the future includes the City as an economic engine driving a thriving Region. The City's Smart Growth Principles comprise the blue print for achieving a sustainable, built-out City at the center of the Region. Annexation is a key tool in the orderly development and maintenance of the City.

Annexation of Charlotte's Sphere of Influence enables the City to use its full resources to implement the Smart Growth Principles calling for building and maintaining sustainable neighborhoods, designing development for long term livability, safeguarding the environment and expanding transportation choices.

Residents and property owners in the City's Sphere of Influence receive the advantages of many services and benefits financed by City tax dollars, such as streets, public facilities, cultural events and museums. Annexation ensures greater equity for both the City and its taxpayers. When these residents and property owners are annexed, they share both the benefits and the responsibilities of living within the City. Furthermore, through annexation, the City can avoid some of the problems experienced by many American cities whose boundaries cannot be expanded to encompass developed areas on their edges.

North Carolina statutes give the City of Charlotte the authority to annex areas that meet specified development standards; provided that required procedures are followed and the City commits to extend basic City services into the areas. The City's annexation authority is exercised in a fair and consistent manner to annex areas within the City's Sphere of Influence that qualify for annexation.

These policies are for general guidance only, are not intended to be inflexible and may be varied under such circumstances and in such manner as the City determines to be appropriate.

STATEMENT OF POLICIES

1. **Areas should be considered for annexation typically on a 2-year cycle.**
   A resolution of consideration identifying areas for possible annexation will be adopted in odd-numbered years, with the formal annexation process (report for extending services, public hearing, ordinance adoption) in even-numbered years. The specific steps involved in annexation will be timed to facilitate planning, budgeting and extending services into annexed areas. This policy will allow all of the steps in the formal annexation process to be taken by the same Council.

2. **The annexation process should begin ordinarily by the adoption of a resolution of consideration at least one year before the adoption of a resolution of intent describing the specific boundaries of an area that qualifies for annexation.**
   The intent of this policy is to give one-year, advance notice to interested parties of possible annexation. The resolution of consideration identifies one or more areas

being studied by staff to determine if all or any portion of such area(s) qualifies for annexation.

3. **The effective date of annexation should occur on or about June 30th, when possible.**
An annexation effective date of June 30th, the last day of the City's fiscal year, assures that the area is in the City for the full fiscal year, beginning on July 1st. Affected property owners are entitled to receive a full, fiscal year of services and become obligated to pay property taxes for a full, fiscal year.

4. **Vacant property should not be annexed except when reasonably necessary to annex an urbanized area.**
The inclusion of large vacant tracts in an annexation area should be avoided, especially if such tracts are located at or near the exterior boundaries of the area. Such property may be included in an annexation area if reasonably necessary to connect urbanized areas or to avoid illogical boundaries or future problems in annexing the vacant or adjacent property.

5. **Annexed property owners and residents should receive City services in accordance with applicable policy.**
City services should be provided to annexed property owners and residents in accordance with City policies and in a manner that is consistent with how such services are provided throughout the City.

6. **An area will be considered for annexation without regard to:**
   - **City revenues or costs arising from annexation; and**
   - **The identity of property owners or residents of the area.**

An area will be considered for annexation solely on the basis of the area's development and the City's ability to extend services.

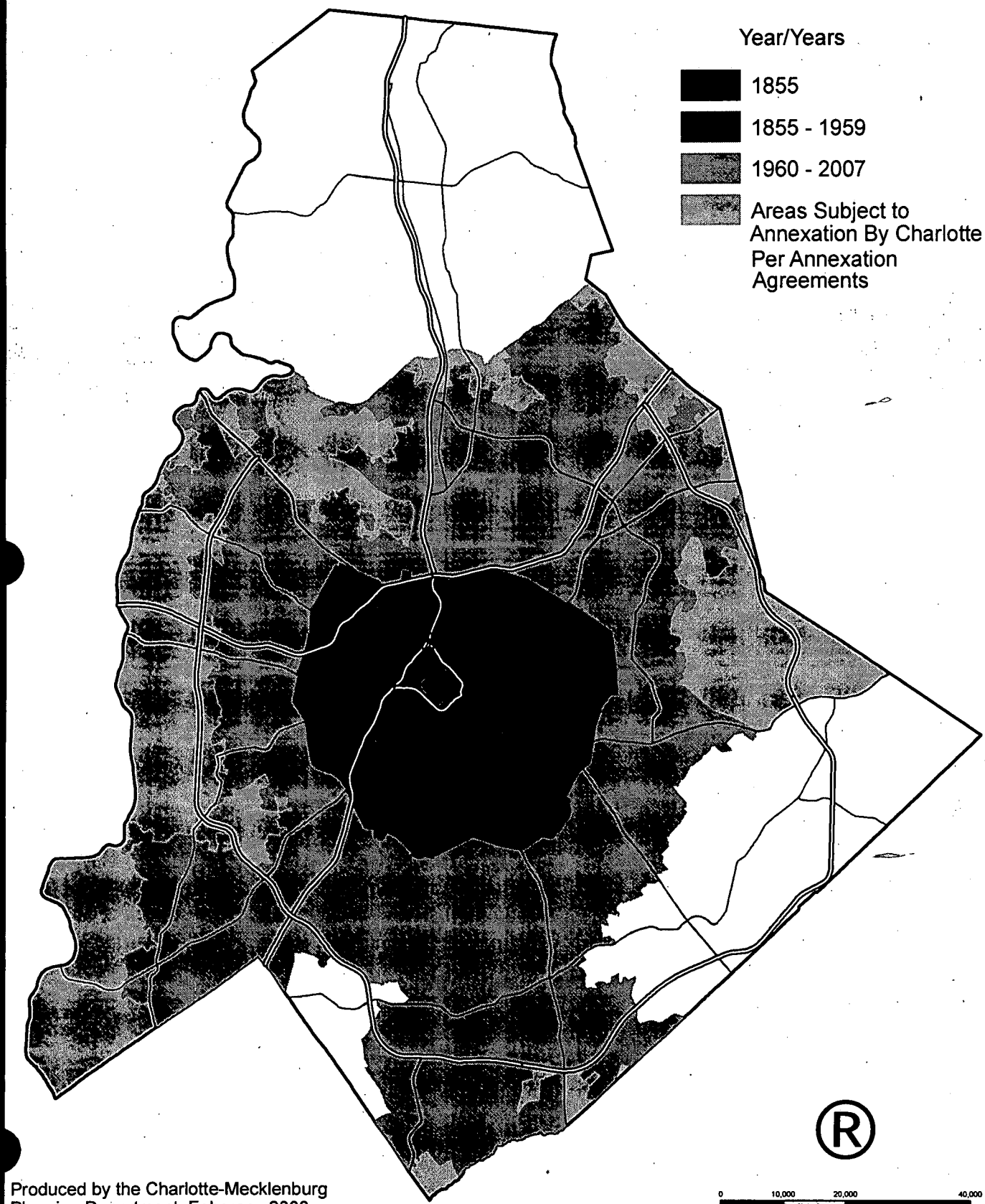
7. **The City will provide reasonable, accurate and timely information to affected residents and property owners in an annexation area and to interested citizens of the City.**
The report detailing plans for extending services into an area will not only be available for public inspection in the City Clerk's Office as required by law, but summary copies of the report will be distributed publicly in a variety of ways. Examples of the public distribution of the summary report include the internet and at annexation-related meetings. Copies will also be available for public inspection at branches of the public library near an annexation area. Inquiries will be answered by correspondence, email, and telephone. Staff will also meet with interested residents and property owners at mutually convenient locations (including within the annexation area) and times to respond to questions and concerns about annexation. Prior to the effective date of annexation, information about City services will be mailed to all property owners in the annexation area.

8. **The City will pay economic loss to all qualified solid waste collection firms.**

Opportunities for such firms to serve one or more portions of the City, including annexation areas, will be provided through a managed competition process and not as part of annexation.

Adopted by Charlotte City Council June 23, 2003

Charlotte, North Carolina
Annexation History Summary



Produced by the Charlotte-Mecklenburg Planning Department, February, 2008.

Attach. No. 5(a)

House Select Committee on Municipal Annexation

Comments by Ellis Hankins
Executive Director
NC League of Municipalities
February 13, 2008

Introduce myself

- The citizens who have been elected as mayors and council members in our 539 cities and towns strongly **support** the current municipal annexation statutes. These statutes have helped keep our cities and towns strong and able to support continued sound economic growth and development, in the overall public interest.

- I want to tell you **why** there has been such a strong consensus in support of these statutes among our municipal elected officials since 1959, and among much of the business community, and I want to make two promises. I said when I spoke at the House committee public hearing last June that our membership would not oppose a study, although we did not believe yet another study was necessary. I said that if a study committee were to be appointed, the League would work with the members in good faith.

- That is my Commitment #1. We will work with you in good faith on behalf of our membership on reasonable changes to improve the process and temper the effect on citizens who live in areas that have become eligible and appropriate for consideration for annexation. Last year we met w/ Mr. Aitken and Ms. Bosch, who spoke to you last time, and we have been considering some of the more reasonable suggestions they made. We will work with you all to address any real problems.

- Second, though, let me be clear so there is no misunderstanding. The League membership will **oppose** proposals to repeal the city-

initiated annexation statutes, or proposed changes that go too far and impair the sound and beneficial policies of the current statutes.

- The policy of these statutes makes good sense. The original study committee and the 1959 General Assembly got it right: when areas adjacent to our cities or towns are developed to urban densities and need urban services, it is fair and reasonable for them to become part of a municipality. What becomes urban eventually should become part of **a** municipality, and residents should expect that. Those areas should not become part of several different municipalities or several limited purpose taxing districts. The NC way prefers a smaller number of larger local government units, as opposed to a proliferation of wall to wall small towns and special purpose taxing districts. This allows better coordinated decision making, economies of scale and more cost effective delivery of services, resulting in lower property tax rates and water and sewer rates. They do it the other way in places like Florida and New Jersey, and our way works better.

- This policy has served the citizens of North Carolina well. The financial soundness and economic vitality of our cities is strong evidence. We have 5 AAA rated cities. No other state has more than 3. Our overall bond ratings are the highest and interest rates the lowest in the nation. The bond rating agencies point to the ability of our cities to add developing areas right outside their corporate limits as **one** big reason for the strong bond ratings. [Charlotte, Raleigh, Durham, Chapel Hill, W-S] Don't we want our cities and towns of all sizes to be strong vibrant economic engines, assets instead of liabilities?

- This statutory authority also helps keep our cities and towns strong politically and socially. Annexation of developing suburban areas gives everyone in the urban area a stake in the future of the city

center and all neighborhoods. Some neighborhoods in some of our cities need more attention and more help, but we do not have the level of inner city decline that you see in some cities in other states. I would not trade the situation of our North Carolina cities and towns with any other state, and I don't think you would either.

- Newspaper editorials from SC & VA and other states often point out that their cities are not as healthy and vibrant as ours, partly because of the difference in annexation statutes. Often we also see support from academic studies and non-ideological think tanks. More importantly: by and large the NC business community has supported the city-initiated annexation statutes. Two chamber of commerce executive directors spoke at the House committee public hearing in June in favor of the municipal annexation statutes. They represented the Greater W-S and Shelby Chambers of Commerce, and both explained how and why their city councils had made wise, sound and fair use of this important statutory authority to keep their cities sound financially and in other ways, and in a position to be regional economic engines and support existing and expanding businesses and attract new ones.

- I won't bother you with a bunch of newspaper editorials, but let me read a paragraph from one printed last week in the Columbia, SC newspaper, The State. It is an opinion editorial column by the chair of the **SC Council on Competitiveness**. Their council includes the South Carolina Chamber of Commerce and many business organizations.

  Quote: "South Carolina's outdated annexation laws present yet another challenge to our state when we look at how we compete regionally, nationally and internationally in the new economy. We see ourselves compared daily in the media to our neighbors in the southeast, especially Georgia and North Carolina. Both of those states have annexation laws that better reflect today's growth patterns and allows cities to grow and expand as their population

on the urban fringe grows. South Carolina's annexation laws give us just another reason to fall behind in our ability to attract businesses and workers of the new economy, because our cities are constrained by artificial boundaries that can't keep up with the pace of our neighboring states. Not that any of our cities aspire to be a New York or Atlanta, but we do need to give our cities increased flexibility to take in new residents when it makes good sense." The gentleman who wrote that, Edward Sellers, is the chair of that statewide business organization and the CEO of Blue Cross Blue Shield of South Carolina.

- They're right—the NC way is better.

- You've heard that annexation promotes sprawl. Not true--if anything it helps contain sprawl. Municipal officials, and none of you, want to deny an individual the right to make reasonable use of his or her property. We cannot stop development but we can try to make it reasonable and environmentally safe. Without municipal urban services, development, particularly residential, often is done at a lower density with private package treatment plants, wells or septic tanks. So more land is used to accommodate the same number of people and there may be long term environmental problems. When developers approach a city or town with a request to have property annexed, municipal officials look at the request in light of the balance between the property owner's rights and the good of the community.

- Why not let people vote? We don't vote on everything in North Carolina. The General Assembly decided that everyone needs county government services, and we don't vote on that.

- Before 1947, there was no statutory process for annexation -- all extensions of city limits required an act of the General Assembly.

That put legislators right in the middle of one local controversy after another, and it impaired their ability to focus on long range statewide issues. In an attempt to get out of those quagmires, the 1947 General Assembly authorized city-initiated annexation for the first time. But voter approval in the annexation area was required upon petition of 15% of the area's voters, and it didn't work. The referendum requirement amounted to a veto power, making boundary extensions unlikely, and municipalities still sought numerous local acts of the General Assembly to add territory or to allow modification of the statutory procedure for specific annexations. Many times they went straight to the General Assembly because trying to pass a referendum would have been futile, and the General Assembly remained in the middle of the local controversies. So the Municipal Government Study Commission was formed in 1957 to review the annexation laws, leading to enactment in 1959 of changes that included removal of the voter approval provision.

The 1959 General Assembly GA got this right, by setting out the objective standards under which it is fair and reasonable for developed urban areas to be included as part of the adjacent city and receive urban services. Think about how different our state would be if these statutes had not been in place to help deal with our rapid growth and development since 1959.

- We have suggested or agreed to reasonable changes to these statutes before, as Rep. Starnes will tell you, and we will again when someone makes a strong case. One example is agricultural land, which now is excluded from annexation areas unless and until the agricultural use value eligibility ends. No city council wanted to annex productive farm land anyway, and the 1998 amendment makes good sense.

- You've heard some incorrect information here, and you will hear more, which we will address in writing, and you will hear from some municipal officials. After the June public hearing every one of our cities and towns that were alleged to have violated some requirements of the annexation statutes sent a written response that showed clearly that the city had complied with every requirement of the statutes. Last time no one except for David Lawrence pointed out that every service that does not require significant capital investments and lengthy construction, like a higher level of police and fire protection and garbage collection, must be provided immediately on the effective date of annexation. Some of this is a convenient misunderstanding. The statutes do not require extension of water and sewer lines to serve every property within two years. They require construction of the major lines to provide that service within two years, and individual property owners can petition as part of the process to have the lines extended to their property within the two-year period, and they pay their share of the cost under the city's uniform policy.

  In several cases, the courts have just disagreed with the people making those statements. That specifically includes Fayetteville, which has done more than the statutes require, and has capped the cost of water and sewer assessments to property owners, at considerable cost to the City. If the property owner does not pay the entire cost, the other rate payers subsidize part of the capital cost. As you know, property owners do not pay for water and sewer service until their property is connected.

- Some mention user fees when non residents use city facilities, instead of annexation. But how would a city charge user fees to nearby residents who use city streets and add to the traffic congestion? You might not think this is a major problem, but municipal officials use millions of dollars of municipal taxpayers' money every year to fix and improve streets and roads, some of them even state-owned roads.

- We want you to know that these statutes contain extensive judicial and administrative remedies if any city fails to perform all of their obligations, and people's rights are protected. You heard David Lawrence discuss those remedies last time. One thing he did not mention is that if residents go to superior court to challenge an annexation ordinance and the judge rules that the city did not satisfy the standards, made mistakes in the process, or did not put forth an adequate written plan for provision of the required services, and orders injunctive relief, the court must award attorneys fees to the plaintiffs. That means that a lawyer will be more like to take on a case if he or she can show that the city violated some statutory provisions.

- We hear sometimes that most other states don't do it this way, and that is true. But often the NC way is just better, no matter what other states do. Some good examples of that are our Local Government Commission, which oversees local finances; our first in the nation statewide uniform judicial system; our centralized state-level funding of the public education system; and our state-administered prison system. These municipal annexation statutes, based on development criteria and the need for urban services, are another good example, and we don't need to throw them out any more than the other things.

- What changes would the League support? We might have some suggestions of our own, but those would be premature now. We want to hear the comments on both sides of this issue at the public hearing next month. But we want to work with you to temper the costs of water and sewer line extension to private properties, and maybe the procedure for owners to request service to their property.

J

- In summary: The statutory standards are stringent, and the process is detailed and rigorous, and provides clear notice to citizens. A city council cannot reach out and annexation just any area and not provide services, in spite of what you keep hearing from the opponents. The standards, the process and the service requirements were amended in 1998, in a package of legislation that the League negotiated with Rep. Starnes and others. We stand ready to work with you in this process.

Attach. No. 5(a)

Annexation laws key to smarter growth

The Columbia, S.C. State newspaper, Feb. 6, 2008

By M. EDWARD SELLERS AND GEORGE W. FLETCHER - Guest columnists

Annexation affects more than just our individual neighborhoods and communities. It involves more than turf battles among cities, counties and special-purpose districts. It's about more than preserving green space over building more affordable homes.

South Carolina's outdated annexation laws present yet another challenge to our state when we look at how we compete regionally, nationally and internationally in the new economy. We see ourselves compared daily in the media to our neighbors in the southeast, especially Georgia and North Carolina. Both of these states have annexation laws that better reflect today's growth patterns and allow cities to grow and expand as their population on the urban fringe grows.

South Carolina's annexation laws give us just another reason to fall behind in our ability to attract businesses and workers of the new economy, because our cities are constrained by artificial boundaries that can't keep up with the pace of our neighboring states. Not that any of our cities aspire to be a New York or Atlanta, but we do need to give our cities increased flexibility to take in new residents when it makes good sense.

New Carolina is in the business of increasing the state's competitiveness through changing the way we think about ourselves and our economy. Through strong partnerships with organizations around the state, we are working toward a new and better South Carolina — one that encourages its cities and towns to become bustling metropolitan areas through planned growth. The fact that our state's annexation laws can literally choke the positive growth in the hubs of regional economic growth — our cities and towns — is one of the major, yet often overlooked, challenges we face.

At New Carolina, we believe that developing clusters will help build our state's economy. Clusters are groups of businesses that traditionally might be competing with one another but now work together to build on their common interests. Strong cities are anchors for successful clusters. By supporting the development of clusters and regional collaborations, cities and towns become the foundation of the bridge we must cross to make ourselves able to compete regionally, nationally and internationally.

A progressive and proactive approach to reforming annexation laws is needed by our General Assembly. Fortunately, several members of our Legislature see this need for our cities and towns to propel our state to economic superiority and competitiveness. While annexation reform legislation isn't new — the state's Municipal Association has been supporting this for years — there seems to be some broad legislative interest in pushing it this session.

Sen. Jim Ritchie from Spartanburg introduced three bills last year that address the three major annexation problems — filling "doughnut holes" of unincorporated areas completely surrounded by a municipality, expanding cities based on the population and

degree of urban development, and reducing the number of property owners who must agree to an annexation.

Rep. Ben Hagood of Charleston is working on a comprehensive annexation reform package in conjunction with several unusual bedfellows including the state's municipalities and conservation interests. Both of these legislators understand that better annexation laws are the key to smart, planned growth in our state.

When we allow cities to grow to their natural boundaries where the population is growing, they are better able to show realistic evidence of local population numbers and growth patterns to potential investors in their city.

Certainly there are many issues to consider when updating these laws that no longer reflect today's growth patterns — density, services and taxes are just a few. But just the fact that this very important economic competitiveness issue is being discussed in our Legislature in a very good sign.

Mr. Sellers is chairman of New Carolina — South Carolina's Council on Competitiveness, and of BlueCross and BlueShield of South Carolina. Mr. Fletcher is executive director of New Carolina.

Attach. #16

Lincoln Heights Community Development Center, Inc.
PO Box 1151
34 Lincoln Street
Roanoke Rapids, 27870

North Carolina House Select Committee on Municipal Annexation

February 11, 2008

Dear Commission Members:

The members of the Lincoln Heights community believe it is important to communicate to you their concerns about the state's current annexation laws. This letter contains information about Lincoln Heights, a century-old African American community in Halifax County, North Carolina, how the current laws have affected it, and questions they would like the study commission to explore.

Lincoln Heights has existed for more than 100 years just a stone's throw away from Roanoke Rapids in Halifax County, NC. Yet, a small creek and the Roanoke Rapids city limits separate Lincoln Heights from the benefits of being inside the city. There are about 200 African American families in the community, many of whom are who are senior citizens, low-income, or on a fixed-income. The community wants to be annexed by Roanoke Rapids, but Roanoke Rapids refuses to do so because it says the area will not generate enough taxes. (See the article from the *Roanoke Daily Herald*, "Lincoln Heights annexation issue raised" from September 27, 2007) Lincoln Heights already has public water and sewer, but the community wants better police and fire protection, and access to the city public schools.

Right now students in Lincoln Heights have to attend Halifax County public schools, which are often further away than the Roanoke Rapids city schools. On average the children from Lincoln Heights are bused 10 to 15 miles away to the county schools as opposed to being allowed to attend the schools in Roanoke Rapids which are often just two to three miles away. If the community is annexed, they will be able to attend Roanoke Rapid city schools.

Everyday, residents of Roanoke Rapids use the main street in Lincoln Heights as a thoroughfare between Highway 158 and downtown Roanoke Rapids. Even worse, the Roanoke Rapids police use drive through the community on this main road, even though they have no jurisdiction to serve the Lincoln Heights community. The residents would like to know why the police can come through the community when they have no jurisdiction and they provide no protection. In addition, the police station is located less than 2 miles from the Lincoln Heights Community Development Center. They are five minutes away, yet they are unable to protect us. Whereas, it takes the Halifax County sheriff's office 30 minutes or more to respond, just like it took them more than forty minutes to respond to a call about a robbery of the Community Development Center on Friday, February 1, 2008. This is just one example of the response time that frequently

occurs in the Lincoln Heights community. The sheriff's office has to cover a very wide area and they have to come into the city of Roanoke Rapids before even getting to us.

The county fire department is three miles from the Community Development Center, where as the Roanoke Rapids fire department is located less than two miles from the Center. The problem is further exacerbated by the fact the William R. Davie Halifax County fire department is all volunteer.

The city of Roanoke Rapids released Lincoln Heights from its extra-territorial jurisdiction three years ago. This means, though, that when Lincoln Heights needs something, the city of Roanoke Rapids can more easily say "Go ask the county."

Please consider looking at whether that the majority of communities, such as Lincoln Heights, asking for voluntary annexation are African American and that these are the same communities that cities refuse to annex involuntarily. Are communities like ours being discriminated against? We would also like to know whether the legislature can require that in cases like these that Roanoke Rapids not be allowed to do additional annexation until they work to improve the quality of life by annexing communities Lincoln Heights. Can they come up with a law that makes them annex these communities that are stone's throw away in order to bring economic development in these underprivileged communities?

Lincoln Heights should not have to go through this process voluntarily when it has been sitting for more than one hundred years and basically in the same condition.

Please contact me at 252-537-9843 if you have any questions or need additional information.

Sincerely,

Florine Bell

Florine Bell
Lincoln Heights Community Development Center, Inc.

Precinct
Roanoke
Rapids 05
Precinct
Roanoke
Rapids 07
South Rosemary
Lincoln Heights
Coburn St
Miles St
Cleveland St
Burton St
Oakley Ave
Hurley St
Johnston St
Green St
Gray St
Ransome St
Ashton St
Forest St
Maplelon St
Woodlawn St
Oakland St
Creekside Ct
Craig St
Stimmons St
Jeffrey Ln
Tommy Ln
Suzanne Cir
Robinson Dr
Drillwood Ln
Mills St
Victory Ln
Carl St
Wendover Ln
Oak Grove Ln
Frog Level Dr
Stillwater Dr
Overton Rd
Johnson St
Amy Ln
Braeburn Ct
Faithana Dr
Wedgewood Dr
Mobley St
Ironwood Dr
Azalea Rd
Hargrave Dr
Justice Dr
Branch Ave
Flax Ln
Sibyans Dr
Key St
Walston St
Tanner St
Godley St
Lincoln St
Bowser St
Mailboxs St
Carver St
Melody Ln
Davis Smith St
Dickens Ave
Dave Smith St
Harrison St
Bridgman St
Sol Dr
Redwood St
Colevis Ln
Hamilton St
Rebecca S
Hawkins Dr
Easy St
Thomas St
Shell St
Gordon Dr
Adams Cir
Daniel St
Arthus St
Oak St
Jenkins Ct
Crumpler Ct
Brooks St
Hill St
Powell St
Medlin St
Ivey St
Ashland Ave
St Mootoo St
Fairbun Bus
Raiford St
Mt Tirah St
Thelen Branch Dr
Easton Rd
Ash C

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION – PUBLIC HEARING

Tuesday, March 18, 2008 – 5:00 P.M.
A. B. TECH – Asheville, N. C. – Ferguson Auditorium

Representative Bruce Goforth, Co-Chair, called the Hearing to order at 5:00 P.M. He thanked the members of the Committee for their attendance at this Hearing. He also thanked the following for their participation:

Members present: Representative Bruce Goforth, Co-Chair; Representative Larry Brown; Representative Louis Pate; Representative Edgar Starnes; Representative Fred Steen; Representative Trudi Walend; Mr. Doug Aitken and Ms. Judith Wegner.

Staff present: Steve Rose, Research Counsel and Giles Perry, Research Counsel
Committee Assistants: Rosa Kelley and Ann Jordan

Sergeant-At-Arms staff: Charles Williams, Fred Hine, Young Bae, John Brandon and Frank Prevo

The Chair asked for a motion to approve the minutes of the February 13, 2008 meeting and they were approved unanimously.

The Speakers "For" and "Against" Forced Annexation began registering to speak at this Hearing at 4:00 P.M. and those speakers are listed below in each category.

FOR ANNEXATION:

Bob Boyette, City Manager of the City of Marion, N. C. – Attachment No. 1
Larry Beck, City of Lexington Council – Attachment No. 2
Beth Stroud, Mayor of Weaverville, N. C., Attachment No. 3
City of Asheville – City Council Letter read – Attachment No. 4

Speakers for forced annexation who spoke without a handout were:

Freddie Killough, Marion Downtown Business Association
Rod Birdsong, McDowell Chamber of Commerce
Carl Bartlett, Town of Black Mountain
Barbara Volk, City of Hendersonville
Bonnie Vess, Swannanoa, N. C.

Jake Quinn, Asheville, N. C.
Jim Aycock, Asheville, N. C.

Speakers against forced annexation who spoke with a handout were:

Jim Sides, County Commissioner, Rowan County – Attachment No. 1
Philip McMillan, Tryon, N. C. – Attachment No. 2
Mimi (Margaret) Pospisil, Tryon, N. C. – Attachment No. 3
June Patterson, Arden, N. C. – Attachment No. 4
Steve Patocay – Attachment No. 5
Jerry Hardwall, Tryon, N. C. – Attachment No. 6
Mary Hardwall, Tryon, N. C. – Attachment No. 7
Mary Cochran, Citizens Against Forced Annexation – Attachment No. 8
Margaret Kell, Tryon, N. C. – Attachment No. 9
James Conner, Tryon, N. C. – Attachment No. 10
Jerome Jensen & Mike Thompson, Asheville, N. C. – Attachment No. 11
Nelson Sartoris, Asheville, N. C. – Attachment No. 12
Philip and Patricia Daniel, Tryon, N. C. – Attachment No. 13
Caroline Chapman, Tryon, N. C. – Attachment No. 14
Carl Kelcher, Biltmore Lake, N. C. – Attachment No. 15
Larry Wright, Rowan County – Attachment No. 16
William R. Burnette – Hendersonville, N. C. – Attachment No. 17
Lee Loy, Asheville, N. C. – Attachment No. 18
Dieter Burhler, Biltmore Lake, N. C. – Attachment No. 19
Jerry Jensen, Biltmore Lake Community Action, Attachment No. 20
Diann Jensen, Biltmore Lake, N. C. – Attachment No. 21
F. K. McFarland, III, Tryon, N. C. – Attachment No. 22
Katharine V. R. Smith, PhD, Polk County – Attachment No. 23

Speakers against forced annexation who spoke without a handout were:

Arnold Chamberlain, Rowan County
Mary Lou Sartoris, Biltmore Lake, N. C.
Fred Gerdes, Tryon, N. C.
Garland Rice, Tryon, N. C.
Melvin Marx, Lynn, N. C.
R. L. Clark, Asheville, N. C.
Tom Waldenfels, Tryon, N. C.
Marvin Tennefoss, Biltmore Lake, N. C.
Carolyn Teffefoss, Biltmore Lake, N. C.
Harry L. Verr, Swannanoa, N. C.
Ted Owens, Columbus, N. C.
Eric Gorny, Swannanoa, N. C.
Robert Quayle, 1 Boteny View Court
Joe Thompson, 259 Liberty Road
June Paterson, Arden, N. C.

Bill Reynolds, Black Mountain, N. C.
Chester Clark, Asheville, N. C.
Denise Frey, Biltmore Lake, N. C.
Keith Gibbons, Fairview, N. C.
Chuck Foley, 164 Quill Circle
Mike Fryae, 2 Lakeview Drive
Paul Perdue, Fairview, N. C.
Mike Bralkowski, Lorington, N. C.
Brett Vess, 519 Buckeye Cove Road
Jerry Rice, Candler, N. C.

Many of the speakers, both pro and con received enthusiastic rounds of applause and at times, standing ovations, following their comments and remarks.

Representative Goforth, Co-Chair, thanked all the participants at the Hearing and said he thought it was time well-spent to have this Hearing in Western North Carolina.

He announced that another Public Hearing on Forced Annexation would be held in Raleigh, N. C. on April 9, 2008 at 5:00 P. M. at the Legislative Office Building, Room 643, Raleigh, N. C. and the final meeting would be held at the Legislative Office Building, Room 544 in Raleigh, N. C. on April 23, 2008 at 10:00 A.M.

There being no further business, the Hearing adjourned at 8:15 P. M.

Respectfully Submitted,

Representative Bruce Goforth, Co-Chair

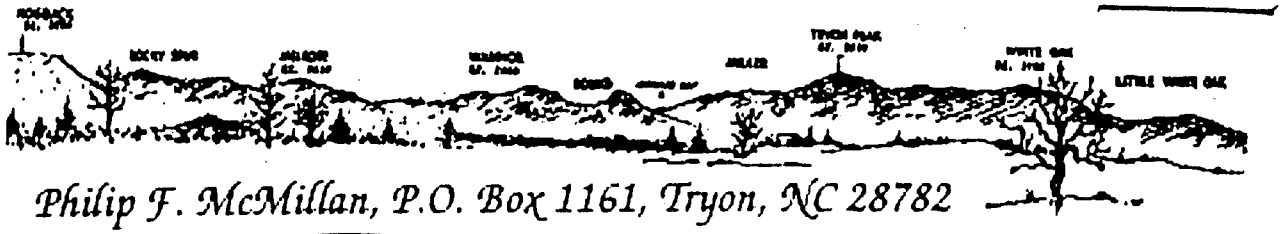
Representative Paul Luebke, Co-Chair

Rosa S. Kelley, Committee Assistant

Additional Attachments

Rules of the Public Hearing
Visitors Registration Sheets

No. 2



Philip F. McMillan, P.O. Box 1161, Tryon, NC 28782

3/18/08

Dear House Select Committee on Municipal Annexation,

There seems to be three main themes written and rewritten about "Forced Annexation" in the Tryon Daily Bulletin:

1: Taxation without representation
2: Misuse of power
3. Rural property being taken over by the town/city.

I believe the people being annexed should have a vote along with the town's people as to whether or not the annexation should be allowed.

I believe that the "forced annexation" laws should be eliminated or strengthened to prohibit the misuse of the laws.

I believe that annexation should only occur when the area around a town has become town like and not be used to force rural area to transform to urban area.

Here are some excerpts from some of the Letters to the Editor from the Tryon Daily Bulletin:

Tryon's Greatest Resource by Jim Cooper

".... forced annexation is undemocratic. It is taxation without representation, the very thing our founding fathers fought successfully against 230 years ago.

"Forced annexation is wrong. It should be implemented only as a last resort in those rare cases where a compelling public interest has been clearly proven to exist. Wanting more money and power over the lives of others is not a 'compelling public interest'."

.....

"Two questions for the Mayor/Town Council of Tryon: Wouldn't it be better to inspire these many good and talented people to work with you rather than against you?

"Why reject your greatest resource?

"One final thought, sir, before taking any further action, remember the Rotary 4-way test:

"1. Is it the truth?
"2. Is it fair to all concerned?
"3. Will it build good will and better friendships?
"4. Will it be beneficial to all concerned?"

Diatribe Against Opposition by Austin Chapman 3/16/07

"Have out councilmen openly discussed the problems the town is having that justify annexation? Have they ever discussed how annexation will solve those problems? Does the

council understand the long range issues that forced annexation could have? What kind of growth is our mayor trying to achieve? Do we really want highway 108 to become a strip mall from Tryon to Columbus? Tryon has been growing through voluntary annexations, such as the businesses near the South Carolina border, the Adams Mill and Cowan properties, and businesses to the west along US 176. What have been the benefits and liabilities of those annexations?"

Tail Wagging The Dog by Garland Rice 3/16/07

"I had a very interesting time protesting the annexation the other day. Nearly all feedback was a thumbs up or a cheerful honk. One fellow played the devil's advocate and had some good natured fun with me for a while. He finally revealed he was a city planner and former policeman for Charleston, S.C. I later wondered why he moved here and left the town he had helped plan?"

To Mayor Peoples, Tryon Councilmen by Janet Gray

"I was aware when I moved here 12 years ago that I was paying the 'double' tax. I wanted the many conveniences and services that came with living in Tryon. I told my realtor 'I want sidewalks. I want to live within walking distance of the town's wonderful arts, business services and amenities. I want to live in Tryon.' And for me it has been worth the higher tax.

"Now I hear this clever strategy to 'spread' the taxes to some who chose not to live in Tryon. My tax can be kept from rising by doubling theirs. How ingenious: 'subsidize' our expenses using unwilling, non voting neighbors."

Annexation Feels Like 'Hostile Takeover' by Neb Conner 3/30/07

"Involuntary servitude is the euphemism some people used to describe slavery in this country. Now the Tryon Town Council, TTC, is using 'involuntary annexation' in a similar manner to hide their true intentions of taxing the new residents without representing their interests. We won't be able to vote them out until 2009. But voting them out won't help us and it won't hurt them. If they were ever afraid of our votes, they wouldn't have embarked on the annexation proposal in the beginning."

Questions Without Answers by Bernice W. Culbreth 4/9/07

"I am not a resident of Tryon, but I am a resident of Tryon Township. I am opposed to forced annexation. Don't take away our rights. Let us vote. Why the rush?"

Grow Or Die by Hugh Anderson 6/14/07

"Over five years ago, South Trade Street volunteered to annex into Tryon with a sewer system included. The one time cost was to be $10,000 and the revenue was approximately $135,000 per year.

"In the past five years, Tryon has collected about $700,000 but South Trade does not enjoy sewer service. Where did all that money go?

"Even worse is the east side. There are approximately 150 residents who have not had sewer service for 20 years or more though they have asked repeatedly 'why?'

"Although there are two areas in Tryon that have not had sewer service for years, the present proposed forced annexation area is to be on a fast-track for sewer service."

More than 80% of the Letters to the Editor in the Tryon Daily Bulletin have been against the forced annexation.

Respectfully yours,

Shirley F McGuire

No. 3

To Whom It May Concern:

My name is Mimi (Margaret) Pospisil

115 Villa Barbara Lane
Tryon, N. C. 28782
Phone: 828 859-9275

I am opposed to the forced annexation of towns. My family has owned this land for more than 100 years. I am the fourth generation to live in the house my Grandfather built in 1910. We have all the necessary things for the area. We have our own trash pick up, The county Fire Dept, Police Dept. and our own septic tank. And We have water.

The town of Tryon Mayor and council proposes to force annex areas and promises more than they can deliver. The proposed sewer system will cost millions and they will not live long enough for it to be finished if it is able to get done. As yet they promised the last annexed people in 1978 they would have sewer and they still do not have it.

We will be forced to pay taxes and get nothing for our money and have to pay enormous amounts for less service. If they succeed with the annexation we will be forced to double the cost of sewer expense for us which we pay nothing now because of a septic tank that has worked for 100 years. With maintenance of course. We will have to pay $8 to $10 thousand dollars to hook up to the proposed sewer system. It will not be finished for many years yet we will have to pay double for sewer anyway.

There are promises of giving the new annexed area the same garbage services and police and fire that the town has, which will cost more than they figure. They are hiding or not doing their homework for the truthful cost of estimates.

Please change the laws to make it illegal to force annex land into a town. Thank you, Mimi Pospisil

Mimi Pospisil

3-18-03

June Patterson

No. 4

March 18, 2008

Plans for future annexation into the City of Asheville at the least frighten me, but mostly they anger me.

It angers me that, to my knowledge, not one council member lives south of I-40 and so they are little informed of our wants and needs. It angers me that we do not vote for council members who make these decisions and who DO NOT represent us. It angers me that council presumes to KNOW what we need in the south part of the county and that council thinks we need or even want city services. It frightens me that council presumes to know where we go. But, I guess someone has to follow us to keep a tab on all the services we are "using up." Please tell me about the many City amenities we have within even a five mile radius.

I believe the use of services is similar to one theory on light. That is that that light diminishes at the square of the distance from the source. While we could be eligible for annexation legally, I don't think we get the "services" of City Center because simply because it's too far away. There is one small park in my area. Ironically, it was annexed by the City. With gasoline over $3 a gallon, I only venture up to Planet Asheville when necessary.

Frankly, we go to the grocery store, post office and bank in Fletcher, I use a County swimming pool, we use the Park Ridge Medical and Hospital system and we go to church in Mills River. We take out recycling to Fletcher. My husband uses the airport for his commute; not city streets. I admit, we must tax city services twice weekly by our three mile drive to and on to airport property. I rarely go the Asheville Mall. I prefer Hendersonville where the streets are less congested and parking is free and plentiful. I do enjoy Shindig on the Green. However it is privately funded, although it does get some funding from the Asheville Parks and Rec. Besides, well.....when will the California company the City hired get the *green* be done???

I rarely go to a City Council meeting without there being some discussion about affordable housing. Simply, if I were to rent my house, I would have to raise the rent by $150 to cover the increase in taxes. Add that fact to the affordable housing discussions.

Any FORCED annexation is unwise, unwanted and unfair.

Rich & June Patterson
21 Glen Cove Drive
Arden, NC 28704
(828) 687-0273

STEVE PATOCAY

No. 5

The involuntary annexation law in North Carolina has been made obsolete by current technology. With GIS mapping and a computer, any high school student can map out areas meeting the current involuntary annexation standard for urban development adjacent to almost any town in North Carolina.

The law is no longer about flight to the suburbs but is being played like a video game with the prize being more tax revenue. Current law doesn't require urban blight. Neither does it require urban sprawl. Simply a desire for more tax dollars is all it takes.

Involuntary annexation is creating urban growth, not inhibiting it as originally designed. Lets update this antiquated law before we are a state with no rural areas, but just one town adjoining the next.

JERRY HARDNAGE No. 6

The intent of North Carolina's Involuntary Annexation law was to provide towns and cities with a way to deal with "urban flight" where more affluent citizens would move to the suburbs and the cities would decay.

Today we have created an industry of consultants who can find an annexable area adjoining most any town who would like more tax revenue. This has resulted in rampant abuse of the "Involuntary Annexation" law. The current standards used to determine "urban purposes" are too loose and hardly define true urban areas.

I believe the law should be updated to accommodate true "urban growth" while also protecting county residents from predatory town councils looking for taxes from current non-residents to fund unnecessary pet projects.

In Tryon, a sleepy little town that has seen little growth, but also no decay, the town council is attempting to annex an adjoining neighborhood that was developed in the 1920's and has changed little since. This neighborhood of homes on one to four acre lots still can qualify as "urban" under today's standards. After eighty years of coexistence the current town council wants to annex this area, not because of "urban flight", but to finance a recreation facility the town of 1800 residents cannot currently afford.

Being forced into the town simply to pay taxes is wrong and the law should be updated to stop this abuse.

MARY HARDWICK

The "Involuntary Annexation" law in North Carolina results in towns and cities having little incentive to make themselves an attractive entity that others would voluntarily become part of.

In South Carolina the annexation laws do not allow **involuntary** annexation and yet cities such as Charleston have grown rapidly using **voluntary** annexation. In order to do this they have made themselves into communities that offer new residents a "good value" for their tax dollars. This creates a win-win situation where current town residents also benefit from good stewardship by city government.

In North Carolina towns and cities seem to ignore providing good value for taxes paid and instead keep themselves solvent by constant involuntary annexation that brings in more and more tax dollars.

We need an update to our annexation law in North Carolina that will encourage "good stewardship" and provide "good value" to tax payers. This is missing in our current **involuntary** system. We are like a cable television system where one **must** subscribe and pay the required charge for **whatever** service is provided. We want a system where the services are worth the fee charged and people are willing to be annexed voluntarily.

Mary & Larry Cochran

No. 8

FORCED ANNEXATION

During the time we have belonged to CAFA (Citizens Against Forced Annexation) we have realized three facts.

1. The process of forced annexation is exactly like "Taxation Without Representation". It was wrong when the British did it and it is *still* **wrong!** The United States Government was founded on the concept that people control it.

2. Forced annexation gives all the power to local government and the people (affected by it) have **no control** and **no way to stop the process** (unless they have the time and money to sue). Without a system of "checks and balances" local government has too much power and becomes angry when the people affected try to communicate with it.

Annexation (if it occurs) **should be** a slow, methodical, and well-thought out process involving the people being annexed, the community and local government. Many minds working on the project may slow the process, but when it is finished---the people affected will understand, accept and support it. As a result the entire community will become united (not divided by conflict).

3. Forced annexation causes a huge conflict within the community that will take a very long time to repair.

For the reasons stated above (and many more) we believe that **Forced Annexation is WRONG!!!!!**

Sincerely,

MaryO. and Larry Cochran

MaryO and Larry Cochran

3/18/08

No. 9

A Little Story About the Little Town That *Could*

Tryon: Pop. 1770 (growth since 2000: 13)
Polk County Pop. 19,000 (growth since 2000: 756)

Submitted by Margaret Kell, Tryon ETJ resident

October 11, 2006, Judy & George Comparetto put an ad in Tryon's local paper about rumors of annexation. Two hundred-fifty+ (250+) people gathered at ICC. From these 250, twelve volunteers began to organize a grassroots effort to gather valid information about involuntary annexation.

October 17, 2006 Town Council Meetings. Asked if plans for annexation. Council & Mayor stated that they had No Information; No plans for annexation. Same question was asked at Council meetings on 11-06-06, 11-21, 12-19, 01-16-07. Still a "No Plans" answer.

Then on Feb. 27, 2007 Tryon Town Council adopted the **Resolution of Intent to Annex,** complete with maps, names, services costs, etc. With no explanation, no discussion among the Coouncil members, no nothing! (The Tryon Manager Fatland contracted a study of possible annexation areas in July 2006!)

When asked individually and in the local newspaper, what are annexees getting for our 75% increase in taxes? Why annexation? Mayor/Council's only responses were

1. It's legal under GS160A; Asheville does it! Charlotte does it! Tryon can do it! (Mayor Peoples)
2. Tryon needs to "Grow or Die" (Mayor Peoples)
3. Annexees want to "have the milk but not buy the cow". (Councilman Durham)
4. The ETJ people are "freeloaders" (Council candidate Perrenod)
5. Annexees are getting the "advantage of using the Tryon name" without paying for that privilege. (Councilman Scott)
6. Tryon will gain a net profit of $32,000 after the annexation; although Tryon does NOT NEED any money!

On **April 19**, Tryon Council held a ***Public Information Meeting*** as prescribed by law. Councilmen / Mayor refused to answer ANY questions from the public. Only IPDC, the contracted group creating the annexation services report, spoke to the 250 people in attendance; telling the particulars of the Plan. BUT, Council's action was correct under the Letter of the Law!

Believing that the Council could & would be influenced by their constituents, in April 2007, concerned citizens polled local businesses. Fifty (50) of the 70 local businesses signed Petitions Against Annexation. Both the Democrat and Republican parties in Polk County published Statements Against Forced Annexation. The Polk County Commissioners published a Resolution for Moratorium on Involuntary Annexation.

Attached is a Map of Tryon's Original Annexation Plan. Some photos of the affected areas.

On May 8, Tryon Council held a ***Public Hearing*** at which the Town Council, under advice of their town attorney, requested to not speak at all! IPDC spoke again telling all the particulars of the Annexation Plan. Questions were asked, but no responses were given. BUT, still ok under the Letter of the Law! After all, this was a "hearing", not an explaining!

Still believing in Voter Influence, in May, volunteers canvassed 510 registered Tryon voters. Petitions were printed with each voter's name, address, & then arranged by neighborhood. Volunteers walked door-to-door. **Three hundred, Fifty-One (351) were Against Forced Annexation and signed the petitions.* 351 is significant because a total of only 345 people voted in the 2005 election for Mayor & Council.**

In June, all the original petitions, the Commissioners' call for Moratorium, and the political statements against annexation were personally delivered to the Mayor and copies to each Councilman.

On **June 26, Tryon adopted** the Annexation Ordinance without any further discussion. Again, ok under GS160A.

August 26, CAFA along with 91 litigants filed a law suit against Tryon for errors in the Urban Test ; Use & Subdivision Test; etc.

In December 2007, after Tryon had spent $90,000+ in tax monies, Mr. Fox of "Dewey, Cheatam, & Howe Law Firm" in Charlotte told Tryon that their original Annexation Plan was indeed flawed; BUT, that Tryon could start a NEW PLAN immediately!

After a brief **Secret Session in December**, Tryon contracted with Benchmark to start the New Green Annexation Plan! The January Council meeting dumped the old annexation and proceeded with the BRAND NEW Green One BECAUSE THEY CAN under GS 160A!

The citizens of Tryon lost $90,000+ in tax dollars to this poorly conceived, poorly executed annexation plan due to greed and incompetence of the Mayor Peoples & the Town Council.

The Citizens Against Forced Annexation spent $30,000 to force Tryon, by threatening Court Action, to rescind their plan for annexation. Had we taken no action, 210 incorrectly annexed homes would be paying 75% more taxes to a local government that cannot even follow the "letter of GS160A", much less the "spirit" of that law.

This law needs to be repealed or , at a minimum, revised to allow for a Referendum by those being annexed!

*159 voters were not at home, refused to sign anything, or were in favor of annex.

Attached is a Map of Tryon's Original Annexation Plan. Some photos of the affected areas.

Tryon 1 Mile ET
Tryon
108
176
176 HWY
PAMPAS LN
WARRIOR DR
MERRYWOOD LN
HAWKS HAUNT LN
JUDGE RD
WHITE LN
PAGE FARM RD
OLD HOWARD GAP RD
HENSON RD
THERMAL HILL LN
SKYUKA RD
FORD RIDGE LN
THERMAL VIEW DR
LODGE LN
SKYLAR DR
PRAYER TREE LN
BRADSHAW RD
STORY RD
LYNN RD
FLAT ROCK HILL RD
MIMOSA INN LN
MILLER DR
VINEYARD LN
BAKER RD
CANEBRAKE RD
HOWARD GAP RD
IRWOOD RIDGE RD
WARRIOR MOUNTAIN RD
VINEYARD RD
HARMON FIELD DR
HARMON FIELD RD
LITTLE HOUSE RD
PACOLET RIDGE LN
WOODHAVEN RIDGE LN
WILDERNESS RD
CLARENCE RHO
ERSKINE RD
COUNTRY CLUB RD
EUIT SMITH RD
SCREVEN RD
STEVENS ST
BEAVER ST
MCDONALD ST
LAUREL DR
ADAM MILL RD
HIDDEN HILL RD
RECTOR ST
FOX TROT LN
WILCOX RD
ASPEN ST
YOUNG ST
TUCKAWAY LN
JACKSON ST
GRADY AVE
BERRY ST
PAYNE ST
ELM ST
E LIVINGSTON ST
SCHOOL PL
CHERRY ST
FREEMAN HILL RD
MARKHAM RD
PINE ST
CLEVELAND RD
PEAKE ST
HORSE SHOE CURVE RD
AURORA LN
LOCKHART RD
N TRADE ST
PALMER ST
OAK ST
MARION ST
EMBURY ST
HILLSIDE CT
LANIER ST
DOUBLEDAY RD
DOGWOOD DR
LAUREL AVE
DEPOT ST
FOREST LN
PINEY MOUNTAIN RD
HOGBACK MOUNTAIN RD
DARNALL LN
OVERLOOK CIR
WOODLAND RD
VISTA TER
FIRST ST
HYDE AVE
MELROSE AVE
MELROSE AVENUE EXT
MELROSE LN
MELROSE CIR
CHESTNUT ST
WHITNEY AVE
BROADWAY
SECOND ST
CARSON ST
BRAEWICK RD
GLENGARNOCK RD
LAUREL WAY
CAROLINA DR
HILLSWICK RD
EAST PARK DR
GLENWAL
VAUG

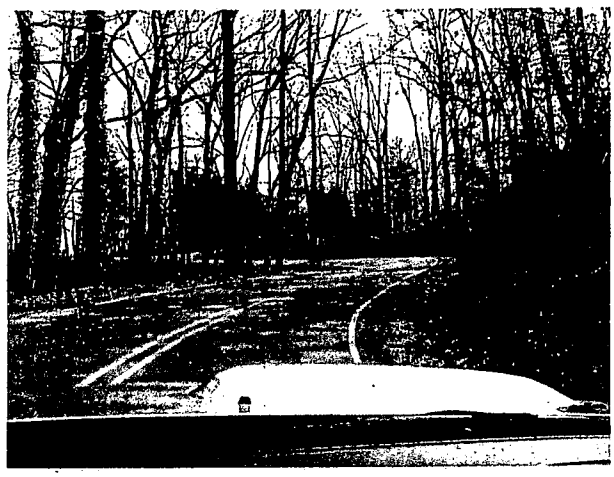
Overlook Circle

Aurora Lane

Carolina Drive

Tryon Country Club

NC Hwy 108



Erskine Road

James Conner

James N. Conner
486 Thermal View Dr.
Tryon, NC 28782-7685

No. 10

The NC Involuntary Annexation Law Stacks The Deck Against the Property Owner

As I understand the use of the phrase "stacked deck", it means to arrange cards secretly for cheating, or to manipulate circumstances, laws, policies, etc. to one's advantage. My comments address the last part of that definition.

In my comments I refer to cities, town, and municipalities as MUNYS. POS are property owners.

MUNIS already have access to basic legal advice, with the City Attorney who is paid for with tax dollars from the existing city residents.

POS are a very disparate group of individuals who are drawn together to fight a common foe: involuntary annexation. In order to achieve some measure of success in these efforts, they must band together and pool their resources in order to protect their rights. Often their efforts create economic and other hardships on those who must fight "city hall" in trying to protect their individual rights. Recent MUNI losses in Biltmore Village and Tryon are two local examples of how this can sometimes work. However it took an enormous amount of research of public records and other documents which came at great personal expense to many POS.

MUNIS receive professional guidance and advice from the NC League of Municipalities and in the case of Tryon, from Isothermal Planning and Development Commission, IPDC. Both organizations are supported by tax dollars.
POS aren't given equal access to these sources of professional advice and guidance. There are no corresponding organizations that look out for their interests. The property owner's interests are almost always in conflict with the municipalities'. But the municipalities almost always win whenever these conflicts are finally settled. Reasonably intelligent people know the Involuntary Annexation law stacks the deck against

property owners. That's why there have been so many lawsuits in NC and another reason the law needs to be revised.

MUNIS have at their disposal city/town administrative employees who are paid with tax dollars, to assist them with developing the involuntary annexation plans and ensure that all required forms and documents are submitted in accordance with NC's Involuntary Annexation Law.

POS however, must do all of this work themselves. No one is paid for their efforts. Many of us spend our spare time collating and stuffing envelopes, researching voter registration lists, calling our neighbors for both moral and financial support and holding "tag sales" with all that involves, in order to just pay expenses. Has anyone here ever seen or even heard of a municipality or the League holding a tag sale to pay their legal fees? How about lobbyists for property owners, ever seen or heard of them?

MUNIS must adhere to the NC General Statutes covered in Chapter 160-A, articles 33-38, but there's no oversight or enforcement that makes sure they meet the requirements of the statutes. When the legislature wrote G.S. 160A, it included provisions for its enforcement. However, even though the Local Government Commission, LGC, is responsible for enforcing a part of the law, the staff with whom I spoke on Feb. 28, 2008, had no knowledge of that agency's responsibilities. It isn't clear whether the enforcement aspect of this legislation is an oversight, a planned "loop-hole" in the law, incompetence, or what. What is clear is that those who write our state's laws, should ensure they are written in ways that more people understand them, than those who do not. Further, they must clearly indicate how they are to be implemented, as well as who is responsible for implementing them. The responsibilities of each agency must be clearly communicated to them in writing. I have attempted to read and understand both G.S 160A 33-38 and G.S. 159, the Local Government Finance Act, and neither meets the criteria I've described above.

To obtain their legal rights, POS must file a lawsuit and list all of the city's violations, and/or non-compliance with the statute, which requires the services of an attorney, for whom they must pay out of their pockets, not with tax dollars.

In general, the statutes relating to Involuntary Annexation are lenient with MUNIS, but strict on POS. For example: if the city doesn't provide the required services within the time frames required by law, the burden is on the property owner to "file a petition within 60 days after the effective date of the annexation, the owner of the property may

petition the Local Government Commission for abatement of taxes to be paid to the city for taxes that have been levied as of the end of the 60 day period, if the petition is filed not more than 90 days after the expiration of the 60 day period. If the Local Government Commission finds that services were not extended by the end of the 60 day period, it shall enter an order directing the city not to levy any further ad valorem taxes on the property until the fiscal year commencing after the extension of the municipal services". On Feb. 28, 2008, when I read this quote from the law to the lady in Raleigh who works for the LGC, she stated that she had never heard of it. Based on the way the law is written, the risk of loss lies entirely with the property owner, not the city. If the city fails to provide those services within the statutory required time frames, and the property owner doesn't have knowledge of the Involuntary Annexation law requirements on him/her, the city can get by for quite awhile, as Tryon has, before even attempting to provide some of the services required by the statute. And Tryon has suffered no loss for not adhering to the spirit and the letter of the law, while the annexed property owner has continued paying more taxes. The current statute is patently unfair to homeowners and should either be repealed or amended. However any legislative commission studying the repeal or amendment of this law, should have equal representation from property owners as it has from MUNYS and/or local government officials.

At the very least the Committee should revisit the statute and clarify some of the vagueness in it. "Urban" remains open to a wide interpretation that clouds, rather than clarifies the intent of the law. MUNIS usually ignore the spirit of the law. Instead of addressing the needs of the people and businesses to be annexed, they focus on how much revenue will be generated for their coffers and almost always, as again in the case of Tryon, delay the provision of services until the last minute, or longer without suffering any liability for nonconformance with the law. Even if the services aren't provided within the time-frames of the law, the burden is on the property owner to seek resolution of the dispute. And if the property owner wins he/she still only receives a portion of the taxes they've paid, not all of them. Government leaders have manipulated circumstances, laws, policies, etc. to the city's advantage, and the legislature appears to have been aiding in this effort by the way the law is written.

Jerome Jensen no. 11
+ Mike Thompson

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO. : 07 CVS 7CV 05373

J. JEROME JENSEN, JR., ET ALIA

Petitioners,

vs.

CITY OF ASHEVILLE, a municipal corporation

Respondent.

MEMORANDUM OF *AMICUS CURIAE* MIKE THOMPSON

NOW COMES *Amicus Curiae* Mike Thompson, chairman of STAT (Stop The Asheville Takeover), an association of Buncombe County residents, to petition the Court to support the pleadings of J. Jerome Jensen, Jr., *et alia,* against the City of Asheville, as undertaken through its governing board, the City Council, *in re* its annexation proceedings against the residential development known as Biltmore Lake.

BACKGROUND

Because *Amicus'* own residence at Biltmore Lake is in a developing section of the community which temporarily does not meet the population-density standard required by North Carolina's annexation law (but is expected to reach that standard in a year or two), *Amicus* has no legal standing at this time to be a plaintiff in the Jensen petition against the City of Asheville. However, because that petition fails to argue significantly against involuntary annexation on either state or federal constitutional grounds, or on the historic principles that underlie our nation and its profound heritage, *Amicus* raises those important issues in order to strengthen the entire community's case against involuntary annexation.

ARGUMENTS

I. PROPERTY IS THE BASIS FOR PERSONAL FREEDOM.

A. The struggle to gain "unalienable rights."

During the feudal period of England, all property belonged to the king, and his subjects were granted use of the property conditionally. In rebelling against King George III, American colonists spilled their blood and gambled their unborn children's future in order to acquire and enjoy property as one of the "unalienable rights" based on "the laws of Nature and Nature's God" (the latter phrase is used by Thomas Jefferson in the *Declaration of Independence* and at other times by historical legal scholars Hugo Grotius [Holland], Jean Jacques Burlamaqui [Switzerland], and William Blackstone [England]).

Jefferson characterized property rights as "the first principle of association, the guarantee to everyone [of] the free exercise of industry and the fruits acquired by it." Jefferson in his "fruits acquired by [work]" phrase is understood to mean that property rights belong to the working poor as well as to the wealthier citizens who may have inherited their property or acquired it with relative ease.

Likewise, the importance of property rights (and Jefferson's phrase, "fruits acquired by [work], or "fruits of their own labor," as it appears in the citation that follows) is underscored by the people of North Carolina in the *Preamble* **(Article I, Section 1. The equality and rights of persons.)** of their *Declaration of Rights,* to wit: "We hold it to be self-evident that all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the *enjoyment of the fruits of their own labor,* and the pursuit of happiness." (Emphasis added).

James Madison echoed Jefferson's recognition that the poor also have a right to be property-owners, writing in the *Federalist Papers,* "the first object of government" is the "protection of the diversity in the faculties [abilities] of men, from which the rights of property originate." In a brilliant use of irony, Abraham Lincoln also noted how slavery itself is a supreme example of the *denial* of *property* rights. In his debate with Stephen Douglas, Lincoln said: "It [slavery] is the same tyrannical principle that says, 'You work and toil and earn bread–and I'll eat it.' In some respects she [an enslaved woman] certainly is not my equal; but in her natural right to eat the bread she earns with her own hands without asking leave of anyone else, she is my equal, and the equal of all others."

While insisting that individual Americans had the *God-given right* to possess property, the Founding Fathers made it the function of *government* to protect that right, and they crafted the *Constitution* and its *Bill of Rights* to protect all kinds of property–from real property to intellectual property to private contracts. The Founders also equated the value of property with life and liberty, to the extent that, as is required in criminal cases, property may not be taken "without due process" (and, additionally, in the case of property, "without just compensation"). *(Fifth Amendment, U.S. Constitution)*

B. The struggle to maintain property rights.

The turn of the 20th Century ushered into American politics and culture a so-called "Progressive Era" of uncustomary, high-tension class warfare. Especially corrosive to the nation's freewheeling, free-enterprising and free-frontier spirit (although the frontier by then had moved literally from the ridges of the Appalachians in the East to the riches of the Rockies in the West) was a heavy intellectual assault on the nation's notion of encouraging and protecting private property.

J. Allen Smith's *The Spirit of American Government* (1907) and Charles Beard's *An Economic Interpretation of the Constitution* (1913) were dedicated to turning on its head the Founding Fathers' sublime basis for enshrining private property rights (rights that would enable common folk to

balance a powerful establishment). Instead, Smith and Beard and their devotees sought to prove that the Founding Fathers, by embracing property rights, actually had hatched an elitist plot to protect the rich.

Soon, a nation that had prospered by embracing liberty, protecting property, and balancing public and private debt soon found itself in the crossfire of a fight for a national income tax and a burgeoning central government with an insatiable appetite for the people's tribute.

Less than a century later, once-cherished property rights, one by one, have been hounded by zealots in the halls of government and, in some instances, beaten into an unrecognizable pulp. In her dissent to *Kelo v. New London (545 U.S. 469 [2005])*, Supreme Court Justice Sandra Day O'Connor wrote: "Under the banner of economic development, all private property is now vulnerable to being taken and transferred to another private owner. . . . Nothing is to prevent the State from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory. . . . The Founders cannot have intended this perverse result."

Nor, as we shall see, the Founders cannot have intended the perverse result that has resulted from the strange North Carolina version of a "takings" law that disguises itself as a legitimate method of municipal annexation.

II. EQUAL INJUSTICE FOR BOTH THE POOR AND THE ONCE SECURE.

A. James Madison's warning to his fellow Americans.

North Carolina is one of only four states in the entire 50-state American republic that allow involuntary annexation of a municipality's neighbors without enabling them to vote on the issue. When such targeted citizens in North Carolina complain about this process of "annexation without representation," they usually are reminded condescendingly by their municipal abductors that the process of forced annexation was approved years ago by the elected North Carolina legislature, and, therefore, abductees should complain to their elected representatives in Raleigh, not their would-be, unelected city fathers, who are "just following orders," *à la* the plea parroted by Nazis on trial at Nuremberg.

Citizens of Tennessee, Kansas and South Dakota–the other states that practice involuntary annexation–get similar responses from their local and state politicians, all of whom are regularly provided scripts with pro-forced-annexation "talking points" produced by the ubiquitous big-government advocate and national chain of lobbyists, The League of Municipalities. Typical of the League's bumper-strip mentality is its repeated assertion that victims of compulsory annexation "want a veto, not a vote" (a mindless slogan enshrined in a Sept. 7, 2005, memorandum from the North Carolina League of Municipalities executive director Ellis Hankins; *see* ncannexation.com/NCLMBlitz.pdf). In reality, forced-annexation victims have *neither* a veto nor a vote available to them, for, under the law they must submit to the will of politicians who never have appeared on their ballots, or pay huge sums to obtain a

lawyer who will try to win a judge's "vote" on behalf of the victims by going into court. (When a citizens' vote [not a "veto"] suits the League's purpose, it *embraces* enfranchisement. Thus, in a signed column for the July 14, 2007, Raleigh *News & Observer,* Mr. Hankins castigates state Realtors for waging an advertising campaign *[i.e.,* using free speech] "to keep North Carolinians from having the right to vote on a local transfer tax that . . . [would] lower or hold down property taxes and improve infrastructure.")

The insatiable passion of legislators such as North Carolina's to "overburden the inferior number," in the words of James Madison, was identified and anticipated by the chief architect of the U.S. *Constitution* in *Federalist Paper #10,* in which he wrote:

"No man is allowed to be a judge in his own cause, because his interest would certainly bias his judgment, and, not improbably, corrupt his integrity. With equal, nay with greater reason, a body of men are unfit to be both judges and parties at the same time; yet, what are many of the most important acts of legislation, but so many judicial determinations, not indeed concerning the rights of single persons, but concerning the rights of large bodies of citizens?

"And what are the different classes of legislators but advocates and parties to the causes which they determine? . . .

"The apportionment of taxes on the various descriptions of property is an act which seems to require the most exact impartiality, ***yet there is, perhaps, no legislative act in which greater opportunity and temptation are given to a predominant party to trample on the rules of justice.*** *Every shilling with which they overburden the inferior number is a shilling saved to their own pockets."* (Emphasis added.)

B. Public policy toward black, white, and green.

After World War Two, two nouns entered Americans' lexicon to describe an exodus of city residents searching for more space, less tension, and fewer taxes: *suburbanization,* the word used by land developers and sociologists, and *white-flight,* the picturesque verbal shorthand used by journalists and the mostly African-American underclass that had been left behind in the inner city.

A 2006 study of the nation's metropolitan areas (aka *SMSA's)* by Harvard University's Leah Platt Boustan *(see www.economics.ucr.edu/seminars/fall06/LeahBoustan10-27-06.pdf)* reveals that in 1940, 45% of white residents in the average SMSA lived outside the central city. By 1970, the figure had soared to 70%. Coinciding with this white shift to residential suburbs was a black shift from rural agricultural areas to urban areas (where, among other things, a higher supply of housing [being vacated by whites] drove down the price of housing [being sought by blacks]). As a result of white outflux and black influx, the black share of central city populations skyrocketed from 11% in 1940 to 28% in 1970.

The simultaneous, 30-year phenomena of whites moving out and blacks moving in was greatest in the North, understandably, inasmuch as the South as a whole was still overwhelmingly hostile to

civil-rights progress for African-Americans. Nevertheless, southern urban areas also were transformed into political and demographic areas of rapidly increasing black influence. Although displaced from rural Southern agriculture by more efficient mechanization of farming, many southern blacks nevertheless wanted to remain in Dixie, not because of racial segregation but despite it–and because the South, after all, was still their familiar home and showed at least a few signs pointing to better race relations.

The Boustan Harvard study further reveals that the 1950s and '60s marked a "period of renewed annexation activity" and that *"cities with growing black populations were more likely to annex neighboring land* ***in order to dilute the political power of new arrivals and retain a majority-white electorate."*** (Emphasis added.)

Therefore, it is not surprising that North Carolina would see its General Assembly in 1959 pass a revolutionary annexation law that would enable its fast-changing cities, towns and villages to reach beyond their municipal limits and grab those whites who had fled with their greenbacks to suburbia. More important, the whites could not demand the right to vote on annexation, because rejoining the city would be *compulsory*–an anti-democratic system that 92% of the other states (46 out of 50) still do not allow on their soil. Few North Carolina legislators would publicly acknowledge the racial reasons for their draconian new annexation statute. Instead, the General Assembly, following a script from the League of Municipalities, rationalized its action in color-neutral terms, that the new annexation law would provide "soundly-governed, financially stable, attractive-to-live-in cities, with a high quality of municipal services." *(Supplementary Report, Municipal Government Study Commission* 6 *[1959])*

(The League, of course, ignored the obvious truth that "financial stability" is easy to guarantee when it is obtained [either by individuals or municipalities] by stealing neighbors' property.)

The Cedar Grove Institute for Sustainable Communities, a Mebane, NC, civil-rights research and advocacy organization, has studied several North Carolina counties where blacks appear to be excluded from municipal annexation plans ". . . in part from the state's annexation laws and planning practices. These laws give towns the discretion to annex only properties with high tax values, even noncontiguous properties, resulting in discontinuous boundaries that skip over poor and black neighborhoods. Whether the unintentional outcome of fiscally driven annexation processes or the intentional result of institutionalized actions by local governments, blacks are excluded from towns and the associated political benefits." *("The Persistence of Political Segregaton: Racial Underbounding in North Carolina," 2004, www.mcmoss.org/CedarGrove/Docs/regional_underbounding.pdf)*

Focusing on Moore County, the University of North Carolina Center for Civil Rights has reported: "While the initial exclusion of minority communities can in part be explained by history, their continued exclusion suggests something more sinister. In essence, the jagged and irregular municipal

boundaries found in many southern towns suggest that this exclusion is a new form of institutionalized segregation that has gone largely unnoticed by the general public." *("Municipal Underbounding in Southern Moore County," 2006, www.law.unc.edu/pdfs/civil/invisiblefencesreport.pdf)*

Unvarnished racial argument oozed to the surface in 2001 when a Goldsboro, NC, member of City Council sent a letter with this message to state legislators and other council members *in re* incorporation of an area that he wanted Goldsboro to annex: "A city that doesn't grow dies and because of the white flight in the schools, floods and various other reasons, Goldsboro is not growing, especially our young white families and according to the census, we might even be losing people. Thus the annexation of this area would not only add good tax base to Goldsboro, it would also help us keep our racial make up in check, which in my opinion is very important to our future." *(Letter admitted into evidence in William R. Burnette et al. v. City of Goldsboro, 05 CVS 1992 [Wayne County])*

C. *Cui bono?* Who benefits from annexation, the city or the people it wants to annex?

The North Carolina Supreme Court stunningly answered that question last year when it ruled five to two against the Village of Marvin's attempt to annex its coveted neighbors by offering them the "privilege" of paying taxes in perpetuity in exchange for no discernible benefit. Said the Court:

"The primary purpose of involuntary annexation, as regulated by these statutes, is to promote 'sound urban development' through the organized extension of municipal services to fringe geographical areas. These services must provide a meaningful benefit to newly annexed property owners and residents, who are now municipal taxpayers, and must also be extended in a nondiscriminatory fashion." *(Nolan v. Village of Marvin, 360 N.C 256; 624 S.E. 2d 305 [2006])*

Observed the nonpartisan public-policy John Locke Foundation: "Despite any arguments to the contrary, forced annexation is not designed solely to benefit municipalities. As the Court makes perfectly clear, forced annexation exists to ensure that there is sound urban development to fringe geographical areas. When it comes to meeting this purpose, forced annexation has failed miserably, as demonstrated by its exclusion of minority communities. ***Areas that do not need to be annexed are annexed, and areas that may benefit from being annexed are simply ignored.*** [Emphasis added.]

"The current annexation system is inherently flawed because it ignores the rational behavior of municipalities to protect their own interest and the interests of their residents. Municipalities will annex areas when there is some financial benefit and not a financial harm. As a result, areas that need to be annexed, particularly economically disadvantaged areas, likely would not be annexed because it would not be financially beneficial for municipalities to annex these areas." *("Flawed and Undemocratic," June 13, 2007 Spotlight, www.johnlocke.org)*

1. Portrait of a model community targeted for plunder

There is no more blatant example of municipal self-aggrandizement-through-annexation than can be found in the City of Asheville's official demand *vis-a-vis* Biltmore Lake.

Put simply, Biltmore Lake is a model community created 1) ***in*** the very tradition of incomparable excellence established by legendary George W. Vanderbilt in Buncombe County more than a century ago and 2) ***by*** the Vanderbilt family's 21st-Century developmental arm, Biltmore Farms.

The developer has directly or indirectly provided Biltmore Lake, which eventually will be home to 2,000+ residents, with the amenities of a city many times its size–an enviable infrastructure that includes treated water, storm sewers, sanitary sewers, underground installation of electric, phone and high-speed communication lines, street lighting, private paved roads with concrete curbing, greenbelt conservation areas (comprising native mountain-and-creeks forest), tennis courts, basketball courts, fully equipped boathouse and clubhouse, children's playgrounds, neighborhood parks, miles of forest and lakeside walking trails, a lake beach, garbage and trash service, enforced architectural standards, deputy-sheriff patrols, Enka/Candler fire protection and emergency medical-rescue, and a smooth-functioning, professional management association for homeowners. *All this, in turn, has been paid for by residents as part of their home purchase or is an ongoing expense financed by homeowners' assessments, utility bills, or government taxes and/or use fees.*

Because the North Carolina Supreme Court ruled in *Nolan* that "the primary purpose of involuntary annexation . . . is to promote 'sound urban development' through the organized extension of municipal services to fringe geographical areas," *what additional "sound urban development" will (or **can**) the City of Asheville promote at Biltmore Lake?* Because the Court also ruled that an annexing city's "services must provide a meaningful benefit to newly annexed property owners," *what will (or **can**) be those Asheville municipal "services" (plural) for Biltmore Lake?*

The shocking answer to both questions: ***Asheville apparently will give nothing to Biltmore Lake that it doesn't have abundantly already–and has paid or is paying for.***

Asheville City Council's May 15, 2007, resolution of intent to annex by force Biltmore Lake (as reported in the May 17 weekly newspaper Biltmore *Beacon)* reveals only one alleged Asheville "gift" for the community: An unspecified but promised "fair share" of the five new police officers and two patrol cars that would be acquired by the city to service its targeted annexation area (Biltmore Lake plus nearby Sardis Road homes). Based on Biltmore Lake's current population (about 800) its share would be less than half–that is, two of the newly hired cops and one of their cars (a nifty Ford Crown Victoria with a caged back seat). Sardis Road, with 1,079 persons, would rightfully get *three* cops and a car.

In any event, Asheville's only proffered, concrete "service" and act of "sound urban development" for Biltmore Lake (providing two cops and a car) is ***less than one-third*** of the professional

police protection that Biltmore Lake residents ***already pay for in property taxes and receive from the Buncombe County Sheriff's Department.*** Nine uniformed sheriff's officers using three full-time patrol cars daily and around the clock, at unannounced intervals, come in and out of Biltmore Lake (according to a statement obtained by *Amicus* from Buncombe County Sheriff's Department Patrol Capt. Terry Rogers) as part of the lawmen's random cruising of Buncombe's South Zone.

Asheville admits that *about $1.2 million a year* in property taxes and fees initially will be extracted from Biltmore Lake and its Sardis Road neighbors. Because Biltmore Lake homes are assessed much higher than those along Sardis Road, Biltmore Lake residents likely would pay *at least two thirds* ($800,000) of the projected $1.2 million annually demanded by Asheville City Council. Looking down the road two years, when Biltmore Lake will be essentially completed (and its population more than doubled, to 2,000), that means Asheville politicians would confiscate about *$2 million annually* from the checkbooks and savings accounts of Biltmore Lake families (before inevitable inflation is added).

Thus, annexation of Biltmore Lake would amount to serial robbery of residents' property by a municipality that has broken the spirit if not the letter of the principles in *Nolan* as defined by the North Carolina Supreme Court.

2. Portrait of a moribund municipality that targets its neighbors.

Demographically, Asheville is a fading, shrinking city. The U.S. Census Bureau and Asheville's own population figures reveal the city's shocking, life-or-death requirement to be propped up *constantly* by a) outsiders' transfusions of money and b) periodic snatching of virtually defenseless persons from their preferred neighborhoods in unincorporated Buncombe County.

Fact: In 1970 (just before Asheville started waging its forced-annexation spree), the population of the city was 57,681.

Fact: In 2005, the Census Bureau estimated Asheville's population at 69,308. *But that number camouflages a huge half-truth.* Since 1973 (when the city began forcibly annexing its neighbors) it has seized 17,157 persons and, in effect, ordered them to live within Asheville's "elastic" city limit. If one deducts that staggering number (17,157) from Asheville's current population (69,308), it means that now living in the city are *only* 52,151 *willing* residents *(i.e.,* people not forced to live there in the first place). Thus, in the 36 years since the 1970 Census, Asheville without the infusion of captured and mostly resisting outsiders *actually* **shrank** *in population by almost 9.6%. Amicus* has not been able to identify another midsize city in the South that even approaches Asheville's rate of numerical societal decline.

A majority of Asheville's City Council (almost routinely six of its seven members) are regular and eager promoters of giving public money and services to the nonresident poor, homeless, mentally ill, drug addicts, and hungry, to the point that lone Council dissenter Dr. Carl Mumpower has

begun waging a campaign among his colleagues to stop subsidizing Asheville's downtown beggars and drifters and end "vagrant misbehavior," so that more locals and tourists again will be motivated to visit the city's commercial heart. *(Asheville Citizen-Times, June 14, 2007)*

Undeterred by the city's growing image as an ideologically proud refuge for drug addicts, homeless mental cases, plus imported paupers and their collective, palpable despair, Asheville Vice-Mayor Holly Jones and Councilman Brownie Newman recently have effectively embraced theoretician Karl Marx's historically discredited economics nostrum, "From each according to his ability, to each according to his need," that is, that wealth must be forcibly taken from those who are productive and given to those who are unproductive.

Despite the fact that all 29 nations formerly behind the Iron Curtain, including Mother Russia, have rejected Marxism since 1990 and turned to free markets for their economic salvation, Ms. Jones and Mr. Newman announced with excitement that they would introduce an ordinance to take the first $2 million extracted from Biltmore Lake "after annexation" (as if annexation were a sure thing) and use it to lower the property taxes of Asheville's poorest residents dollar for dollar, by $2 million. Vice-Mayor Jones reiterated her poverty-subsidization and redistribution-of-the-wealth plan four months later by stating, "Building our city tax base [by annexing Biltmore Lake] should absolutely help the city hold the line on taxes for [existing] city residents, hopefully even facilitating another tax-rate reduction in the future." *(Asheville Citizen-Times, Feb. 25 and June 25, 2007)*

III. EQUAL PROTECTION AND DUE PROCESS.

Class warfare is not a pretty sight, whether it is waged over economic, religious, racial, linguistic, or any of the many other human differences that naturally exist in an imperfect world. Yet, many non-urban citizens of this republic who reside in North Carolina for almost half a century, since 1959, have been compelled to be disarmed combatants in the nonstop class warfare waged by rapacious and greedy municipalities such as Asheville.

Furthermore, these same residents have been stripped of several constitutionally guaranteed rights of citizenship, including equal protection of the law and an application of due process that actually conforms with the norms of equal protection.

North Carolina, by its draconian annexation statute, also violates the *spirit* (if not the law) of its own constitution. In addition to the section-one "guarantee" of property rights (as cited by *Amicus*) the state's *Declaration of Rights* also enshrines the following standards for its people:

Section 2. Sovereignty of the people: *All political power is vested in and derived from the people; all government of right originates from the people, is founded upon their will only, and is instituted solely for the good of the whole.*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 3. Internal government of the State: *The people of this State have the inherent, sole, and exclusive right of regulating the internal government and police thereof. . . ."*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 8. Representation and taxation: *The people of this State shall not be taxed . . . without the consent of themselves or their representatives of the General Assembly, freely given.*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 9. Frequent elections: *For redress of grievances and for amending and strengthening the laws, elections shall be often held.*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 10. Free elections: *All elections shall be free.*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 11. Property qualifications: *As political rights and privileges are not dependent upon or modified by property, no property qualification shall affect the right to vote. . . .*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 34. Perpetuities and monopolies*: Perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed.*

Except for involuntary annexation of Biltmore Lake by Asheville.

Section 35. Recurrence to fundamental principles: *A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.*

Except for involuntary annexation of Biltmore Lake by Asheville.

A. To vote or not to vote?

The most populous state in the Union to deny its people the right to vote on *involuntary* annexation, North Carolina has compounded its embrace of disenfranchisement by establishing another extreme standard for those who seek *voluntary* annexation. While the former group may *not* vote on their annexation, the latter group *must agree unanimously* for their annexation to take place.

"It is important for individuals, especially those who have not been a victim of forced annexation, to put this issue in perspective. If a county [could and] decided to disincorporate an area of a city and force the area's residents to live in the county, there would be outrage. City residents who had made a conscious choice to live in a city and receive city services would be forced against their will to give up those services. Despite what would be justifiable outrage if a county took such an action, the state legislature has created a similar outrageous situation. Municipalities can decide to force county residents to live in a municipality against their will. County residents, like city residents, also make a conscious choice

about where to live. Yet this choice is ignored." *("Flawed and Undemocratic," June 13, 2007 Spotlight, www.johnlocke.org)*

B. "[T]he deepest notions of what is fair and right and just."

"It is now the settled doctrine of this Court that the Due Process Clause embodies a system of rights based on moral principles so deeply imbedded in the traditions and feelings of our people as to be deemed fundamental to a civilized society as conceived by our whole history. ***Due Process is that which comports with the deepest notions of what is fair and right and just."*** [Emphasis added.] *(Solesbee v. Balcom, 339 U.S. 9, 16 [1950], Justice Frankfurter dissenting); (Due process is violated if a practice or rule "offends some principle of justice so rooted in the traditions and conscience of our people as to be ranked as fundamental." Snyder v. Massachusetts, 291 U.S. 97, 105 [1934])*

CONCLUSION

For the foregoing reasons, the Court should grant Petitioners' claim against Respondent.

MIKE THOMPSON, *AMICUS CURIAE*,
CHAIRMAN, STOP THE ASHEVILLE
TAKEOVER (S.T.A.T.)

D. Michael B. ("Mike") Thompson
44 Greenwells Glory Drive
Candler / Biltmore Lake, NC 28715
Telephone (828) 670-8218

Dated: October 22, 2007

Comments before the House Select Committee on Annexation, March 18, 2008, Asheville, NC, by Mike Thompson, resident of [redacted]more Lake, chairman of Stop [redacted] Asheville Takeover! (STAT!).

UNALIENABLE
Incapable of being transferred by a legal process to another owner.
–Encarta World English Dictionary

FOR CENTURIES in England, all land and improvements belonged to the king, and his subjects were granted use of the property under strict and costly conditions.

In rebelling against King George III, the American colonists–including thousands of North Carolina Patriots, from King's Mountain to the Atlantic coastline–spilled their blood and gambled their unborn children's future in order to gain both liberty and property, their "unalienable rights" based on "the laws of Nature and Nature's God." Thomas Jefferson *(left)* used those exact words in the *Declaration of Independence,* and they were applauded by Europe's leading legal scholars: Holland's Hugo Grotius, Switzerland's Jean Jacques Burlamaqui, and England's William Blackstone, whose three-volume *Commentaries* are cited to this day by the U.S. Supreme Court as the benchmark of our common law.

Jefferson characterized property rights, in fact, as "the first principle of association, the guarantee to everyone [of] the free exercise of industry and the fruits acquired by it." That Jeffersonian phrase "fruits acquired by [work]" simply means that property rights belong to the working poor as well as to the wealthy, who [redacted] have inherited their property or easily bought it.

Likewise, the importance of property rights (and Jefferson's phrase, "fruits acquired by [work], or "fruits of their own labor") is underscored by those who founded North Carolina. The preamble of the state's *Declaration of Rights* vigorously proclaims:

"We hold it to be self-evident that all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the *enjoyment of the fruits of their own labor,* and the pursuit of happiness" (my emphasis).

While insisting that humanity possesses the ***God-given right*** *to own property,* every Founding Father agreed that ***government's function*** is *only* to *protect* that right. That is why our state and federal *Constitutions* both fastidiously protect *all* kinds of property–from real property to intellectual property to private contracts.

The Founders also equated the value of property with life and liberty, to the extent that, as is required in criminal cases, property may not be taken "without due process"–and in the case of property, "without just compensation" *(Fifth, U.S. Constitution).*

Less than two centuries later, once-cherished property rights, one by one, have been hounded to near-death by zealots in the halls of government and, in some instances, beaten into an unrecognizable pulp. In her dissent to *Kelo v. New London (545 U.S. 469 [2005])*, U.S. Supreme Court Justice Sandra Day O'Connor wrote: "Under the banner of economic development, all private property is now vulnerable to being taken and transferred to another private owner. . . . Nothing prevents the state from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory. . . . The Founders cannot have intended this perverse result."

The Founders also cannot have intended the perverse result created by North Carolina's strange version of a "takings" law, *a statute that disguises itself as a legitimate method of municipal annexation while, in reality, it seizes property without compensation.*

Only three other states in our sprawling republic allow involuntary *(i.e.,* without a vote) annexation of a city's neighbors. When such targeted citizens in North Carolina complain about this process of "annexation without representation," they usually are reminded condescendingly by their municipal abductors that the process of forced annexation was approved years ago by the North Carolina legislature, and, therefore, we should complain to elected representatives in distant Raleigh, not the nearby city fathers, who are "just following orders." The same irresponsible plea was used by Nazis on trial in postwar Germany.

Citizens of the four states that practice involuntary annexation also get similar cynical responses from their local and state politicians because all of them are provided quiet back-room advice and pro-forced-annexation "talking points" by the nation's biggest big-government advocate and collection of lobbyists, the League of Municipalities.

To compound this outrageous assault on citizens' unalienable property rights by the League, its highly paid, full-time lawyers and public-relations spin-doctors obtain most of their lavish salary and expense money from the very same taxpayers whose rights the League is constantly attempting to invalidate! Thus, the City of Asheville and its rapacious municipal pals across the nation collect their residents' money in order to create new laws that will extract more money from the residents. It is truly a criminal circle.

North Carolina's annexation law has evolved into a Marxist, unconstitutional, illegal, get-rich-quick scheme that turns many local politicians into serial robbers. These officials brazenly and frequently reach outside city boundaries in order to grab the financial assets of their neighbors and offer them in exchange little or, worse, nothing at all.

As citizens of this republic who oppose the abuse of North Carolina's annexation procedure, we do not ask you, our legislators, for any favors, big or small. Instead, we remind you that under the supreme law of the land, you faithfully must perform your job and honor the oath that you have sworn on the Bible before Almighty God and your fellow citizens. *We insist that officials at all levels of government uphold the United States and North Carolina constitutions and respective bills of rights, and restore to the people the just "enjoyment of the fruits of their own labor. . . ."* ❑

THE BILL OF RIGHTS

Nelson Sartoris No. 1

Comments to the House Committee on Municipal Annexation
March 18, 2008 Asheville, North Carolina

I wish to voice my opposition to involuntary annexation for a reason that is perhaps new to you: "Neighborhood Destruction". You see, in our development of about 900 planned homes in Biltmore Lake, the City of Asheville proposes to annex only about half of them; thus dividing our community. And worse, perhaps, the division lines have been absurdly and illogically drawn.

For example, I show you photos of two houses in the middle of a block. They are same house design, only mirror images with different facades. The proposed annexation line goes right between these houses. *And this is not an isolated instance,* but just one of many such absurd divisions. I guess we should be grateful that no lines where drawn through someone's family room or bedroom.

One of these houses will be served by Asheville Police and Fire; the other by the County Sheriff and Fire Departments. The potential for confusion over safety/security responses is obvious. And though the intention may be for both to respond in an emergency, it is equally probable that neither would respond.

One house will have higher city taxes. If both owners sell, which would you buy?

Currently all residents pay the same Homeowner's Assn. dues, regardless of the value of their homes. But if this annexation occurs, owners of annexed houses will demand a dues reduction, since current services, such as street and sidewalk maintenance and trash collection, will be taken over by the city. This divisiveness is hardly a formula for building a cohesive neighborhood! Obviously, sane and sensible planning becomes a casualty when cities can annex with unbridled power.

A word about Biltmore Lake: We are a remarkably diverse community with a wide range of ages and socio-economic backgrounds. Within a block or so of my house, there are starter families with babies and small children, singles, retirees, gays, lesbians, Indian families, black families, and even a multi-generational Chinese family.

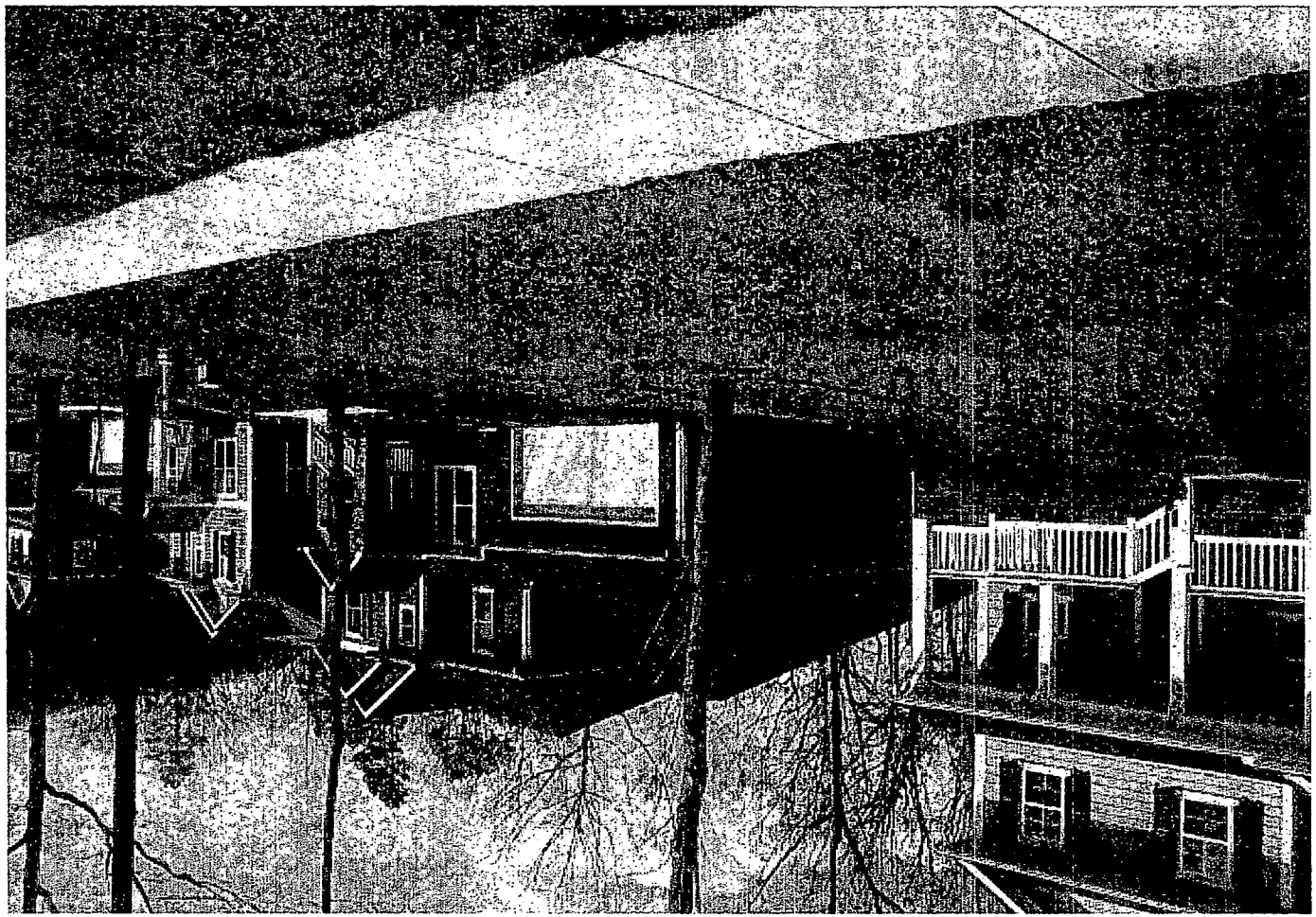
Together, we have worked hard these past few years to build a harmonious new community through social and recreational programming. Maintaining a strong sense of community within this

diverse group is a continuing challenge, but to date we have been remarkably successful. But cohesive neighborhoods are fragile things – and this partial annexation will surely splinter our community and undo much of what we have accomplished to date.

This kind of absurd situation is what can happen when a city forcibly annexes a community without any checks or without any input from affected citizens. The residents are then left to pick up the debris caused by ill-conceived city plans in which they had no voice. It is time to stop this kind of senseless neighborhood destruction by taking away their power of involuntary annexation.

Thank you for your time and attention.

Nelson Sartoris
290 Fennel Dun Circle
Biltmore Lake, NC 28715



No. 13

Phillip D. Daniel
Patricia Papagelis Daniel
737 East Park Drive
Tryon, NC 28782
papagelis@alltel.net
828-859-5069

Subject: Polk Citizens Against Forced Annexation

March 15, 2008

Dear Honorable NC House of Representative:

We regret that we are unable to attend the March 19 meeting. My fellow citizens are again fighting for our rights as land owners in Polk County. We are reaching out to you, our representatives, to stand up for our rights and fight the local government forcing annexation upon us. In particular, changes to GS150A can only happen with your help.

Many of the residents in the proposed annex are retired and on fixed incomes. My husband and I would be forced to sell and move due to increased property taxes with no increased benefits. We live in fear on a daily basis concerning our future. We were residents of SC until 11 years ago and had never heard of forced annexation until now. We are shocked and appalled that such a law exists and is in the hands of greedy unethical commissioners.

Our Mayor and councilmen have held secret illegal meetings in their efforts to annex. They abuse their power and show aptitude for criminal behavior. They are using force and coercion to force the annexation. St. Augustine said "That an unjust law is NO law at all." We are merely rejecting an unjust law and giving it no legitimacy. Adolf Hitler followed the law to destroy human rights and we would call his actions UNJUST. The democratic process can still work.

We ask for you support in our endeavor to defeat this annex and the GS150A. We elected you to office to be our representative. I am relieved that you are taking time out of your busy schedule to assist us in this critical matter. If you have any suggestions for us please keep us informed. We are willing to work as hard as necessary. Our prayers are with you and all those in the fight.

Sincerely,

Patricia Palis Daniel

Phillip D. Daniel
Patricia Palis Daniel

Phillip D. Daniel
Patricia Papagelis Daniel
737 East Park Drive
Tryon, NC 28782
papagelis@alltel.net
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Many of the residents in the proposed annex are retired and on fixed incomes. My husband and I would be forced to sell and move if the annex goes through. We live in fear on a daily basis concerning our future. We were residents of SC until 10 years ago and had never heard of forced annexation until now. We are shocked and appalled that such a law exists and is in the hands of greedy illogical commissioners.

Our Mayor and councilmen have held secret illegal meetings in their efforts to annex. They abuse their power and show aptitude for criminal behavior. They are using force and coercion to force the annexation. St. Augustine said "That an unjust law is NO law at all." We are merely rejecting an unjust law and giving it no legitimacy. Adolf Hitler followed the law to destroy human rights and we would call his actions UNJUST. We live in a free democratic nation and shouldn't be subjected to socialism or communism, as these commissioner are suggesting we do.

We ask for you support in our endeavor to defeat this annex and the GS150A. We elected you to office to be our representative. I am relieved that you are taking time out of your busy schedule to assist us in this critical matter. If you have any suggestions for us please keep us informed. We are willing to work as hard as necessary. Our prayers are with you and all those in the fight.

Sincerely,

859-9314
Darlene

Phillip D. Daniel
Patricia Palis Daniel

Caroline Chapman

No. 14

House Select Committee Hearing - Asheville, NC March 18, 2008

Ladies and Gentlemen:

Thank you for the opportunity to speak on the annexation issue. I live in the small town of Tryon, which for nearly two years has been threatening or attempting to forcibly annex several adjacent land areas. I would like to express some reasons for my opposition to forced annexation.

North Carolina's annexation law blatantly establishes rights for municipalities over the rights of citizens in this state. Without defining any objective or reason, without any consultation with the citizens, and without any built in review of their actions, any municipality can forcibly extend its boundaries by annexing its neighbors. Citizens cannot even challenge the action in court unless they can find in the municipalities' plan a fatal flaw that cannot be corrected.

Crucial to the annexation law is the municipality's ability to define an area as urban developed. According to the law, an entire residential area of single family homes, each built on a three acre lot, can be considered urban developed. Using a 2400 square foot home as an example, this means that if less than 2 percent of the area is utilized for housing; the entire area can be classified as urban developed, and therefore annexed. How can that be a reasonable conclusion?

At the heart of the law, however, is the municipality's right to force government and taxes on individual citizens who are not represented in the process. Of the five purposes set forth in the Preamble of the Constitution, the last and most important purpose is to "secure the blessings of liberty." This purpose is normally interpreted to be directed toward protecting the individual's rights and freedoms, and limiting the role of governments. Forced annexation is the perfect illustration of the Constitution's concern for the rights of individual citizens against the arbitrary abuse of government power.

Ladies and Gentlemen, whatever the needs of municipalities may be, they pale in comparison to a citizen's constitutional right to liberty. I ask each of you to seek amendments to this law that addresses 3 areas: require municipalities to establish authentic, public objectives to justify annexation; develop more accurate definitions of the urban classification; and establish a role for county governments to represent their citizens in the annexation process.

North Carolina claims to be "First in Freedom". We need to uphold that heritage. Thank you for your attention.

Caroline M. Chapman
70 Thousand Pines Lane
Tryon, NC 28782
Polk County
828-859-6282 aecmchaptryon@alltel.net

No. 15

Carol Keleher
612 Wickham's Fancy Dr.
Biltmore Lake, NC 28715

I was asked recently why we wear red shirts to meetings on "Forced Annexation." Yes, red does mean "STOP." It is also very attention grabbing. There are other reasons, however.

Red is the color of life giving blood. Blood nourishes the body and keeps it alive. The life blood of a community is the way they bond together in a crisis. Our area, and others throughout the state have bonded together to say "no" to forced annexation.

Red is the color of embarrassment. We are embarrassed that our cities have no plans to finance their future other than on the backs of unwilling citizens. They have consistently ignored suggestions of consolidation, better budgeting, business expansion, and partnerships in exchange for an easy way out. We are embarrassed that, when we asked how they would spend the increased dollars from forced annexation, we were told that they really didn't know. Finally, we are embarrassed that, after increasing their general funds significantly, we would not receive anything in return except the privilege of voting them out of office.

Red is also the color to indicate heat. This is a heated issue across North Carolina. It comes at a time when gas is approaching $4/gallon. It comes at a time when the Federal Government is spending $1B/day on a war where the country we are "saving" is flush with monies from charging over $100/barrel for oil. It comes at a time when unsophisticated buyers are loosing their homes to foreclosure from banks who devised schemes to gain more money to satisfy their corporate greed. It comes at a time when some of my family, in New Orleans, is still waiting the promised services from Federal, State and Local government. Their area in Chalmette still stands mostly uninhabited, un-serviced, and unbelievably destitute because of mismanagement, poor implementation, and greed from unethical vendors, contractors, and government officials.

Yes, ladies and gentlemen, we are skeptical and angry when we see that governments on all levels are out for greed instead of helping the people that they serve. Please don't be misled by formal lobbying groups who spin a tired tale and who profit immensely by putting a large tax burden on others. Think about yourselves and why you decided to run for office in the first place. Was it to follow the lobbyist or was it to help the people. Was it to help corporate or government greed or was it to better the government itself. Search your feelings. In these difficult economic times, do you want people to potentially have to sell their homes because of substantially increased taxes on top of everything else?

Ladies and gentlemen, I will support ANNEXATION under this criteria:

1) That it is not FORCED.
2) That neighborhoods are not split according to annexation lines.
3) That it DELIEVERS services to those areas that really NEED those services.
4) That the tax increase is 10% to 20% instead of 85% to 95%.
5) That the cities demonstrate logically how they intend to use the funds in the future.
6) That the "tax and spend" policies are replaced by "plan then tax."
7) That the Cities recognize the value of its individuals and not the lobbyist.
8) That sound project management is implemented.

If these things are implemented, I will gladly support annexation.

Trying to get a substantial increase in taxes from an empty foreclosed home just won't work. Trying to get a substantial increase in taxes from individuals paying $4/gal for gas, just won't work. Trying to get a substantial increase in taxes from people living on a fixed income, just won't work. Finally, trying to get forcibly annexed people to LIKE the idea while giving them nothing in return, JUST WON"T WORK.

This is a crucial time for our country. We have to go back to the basics to restore trust in our form of government and pride in our country. Greed, be it corporate or governmental, has to be replaced by what is right, what is fair, and what is just.

I ask you again to search your true inner feelings.

no.16

larry wright

From: "larry wright" <n4qy@dialpoint.net>
To: "larry wright" <n4qy@dialpoint.net>
Sent: Tuesday, March 18, 2008 11:36 AM
Subject: Annex III

Committee members, I appreciate the opportunity to speak.

I have three points. The first one is that Salisbury and other cities make the argument that they must use forced annexation in order to grow. Let me ask: Must Rowan county annex surrounding counties in order to grow? Must North Carolina annex surrounding states in order to grow? Clearly the answer to both questions is NO. Both Rowan County and our State will grow by effectively and efficiently governing within their current borders. Salisbury and other cities can and should do the same.

My second point is that forced annexation is wasteful. Salisbury will spend millions of dollars of tax money duplicating services already provided by our own personal funds. Do you really think this duplication of services is a wise use of tax funds? We have learned from our severe draught how valuable water really is. If annexed, Salisbury will have to pump more water from the Yadkin River and we will have to disconnect our wells. Is wasting this valuable water resource wise in a time of severe draught? Future draughts may be worse. Salisbury will have to spend more tax dollars in treating our sewage with expensive chemicals before returning it to the Yadkin river. This waste could be avoided if we treat our sewage naturally in our septic tanks which then allows the water to be recycled as it returns into the ground. Millions of dollars in tax funds and private funds are being spent in costly ligation as agrieved citizens and cities fight over forced annexation. This huge waste can be avoided if the law is changed.

My third point is that this current annexation law should be changed because it tramples on the rights of North Carolina citizens. It subjects us to taxation without representation. It allows cities to force themselves upon us. We county residents outside the cities can not vote for the city councils that impose on us heavy taxes and fees that could run as high as $10,000 when utilities are connected. On the state level, We have the right to vote for those making the laws that affect us. We should have that right on the local level to vote on annexation, separate from the city, before being annexed. You have it within your power to change this outdated and oppressive law and give back to us the rights that were taken away in 1959. Once slavery was legal in our state. But slavery was wrong. Segregation was legal. But segregation was wrong. Just because forced annexation is legal does not make it right. Just as we have changed the other oppressive laws that were wrong, we should do the same to the current annexation law.

I urge you to disregard the voices of highly paid lobbyists and listen instead to us common ordinary citizens.

I ask you to please return to us this freedom we once had.

Larry Wright

Larry Wright

Rowan County

No virus found in this incoming message.
Checked by AVG.
Version: 7.5.519 / Virus Database: 269.21.7/1333 - Release Date: 3/18/2008 8:10 AM

Letter: Law no model for fairness 3-17-08

Some Salisbury city officials have said that involuntary, forced annexation is "fair." They applaud the current 50-year-old N.C. statute that gives municipalities repressive powers with little recourse by the average citizen. They say this antiquated statute is the "model" for how it should be, even though only four states in the nation now allow such forced annexations.

Is it fair that neither existing city residents (whose taxes will likely increase due to annexation) nor annexed residents have a vote or say in the annexation? Is it fair that annexed residents will pay full city taxes for years before they receive city services? Is it fair that some annexed residents may be forced from their homes because they can't afford the high initial costs to connect to city services or the ongoing double taxation? Is it fair that there is no real accountability for the city to provide comparable services in a timely manner? Is it fair that the only recourse left to the annexed citizen is a costly and time-consuming legal battle which few can afford? Is it fair that the current N.C. statute is misused to force annexation on more valuable properties that already have adequate services, while bypassing less valuable properties that could benefit from city services?

What do you think?

— Vance Meek

Salisbury

RLP

No. 17

March 18, 2008

To: The NC House Select Municipal Annexation Study Committee.

From: William R Burnette, 58 Tudor Crescent Court, Hendersonville, NC 28739.
HP-828-692-7919 and, CP-828-808-0073.

Subject: Prepared Statement, Public Hearing On Annexation in NC, Asheville, NC, March 18, 2008.

My name is Bill Burnette and I currently live in Hendersonville, NC. Previously I lived in Goldsboro (GSB), NC and was the First President of Good Neighbors United (GNU), a citizens group formed to stop the involuntary annexation of our community by the City of GSB. I left the position of President 20 months ago but remain active with GNU and serve as their representative to the Fair Annexation Coalition. Mr. Robert Pleasants is the current President of GNU and he has spoken before this committee at the hearings in Raleigh. Since Mr. Pleasants has already presented the improprieties associated with the GSB situation, I will not plow that ground again. This is Western NC's chance to voice their position, pro or con, on the biggest challenges facing the State of NC today and that is reform of the current annexation laws. Senator Purcell, co-chairs of the 1998 Study Commission agreed when he said during his opening remarks at the February 1998 meeting "....he knew of no issue that was more important to NC than the issue of annexation...."

As I sat here this evening and watched the people come in, my thoughts wondered back to the public hearings we had in Goldsboro and how the words said on those nights meant nothing to the elected city officials. I also thought of all the public hearings that have occurred from Manteo to Murphy for the past 50 years and, with rare exception, those voices meant nothing either. Just last year, on June 13 at the public hearing in the Legislative building in Raleigh, with rare exception every speaker who spoke against current annexation laws was a private citizen while those who spoke for keeping the status quo were municipal officials currently serving in city government, officers of the NCLM, or former officers of the NCLM. So public officials have heard it all but what is it these local government officials and the NCLM see that is good about the current Law and what is it the private citizens see is wrong with those same Laws and, where are the pro annexation voices of city residents. Where were they on June 13th in Raleigh?

Let's examine each side of the argument!

In the macro, city officials and the NCLM use current annexation laws as their cash cow for repairing inner city neglect or as some say, shoddy city management. Health, welfare, and safety as specified by State Policy, is not the focus of the cities and the NCLM. It's all about money. If it wasn't about money areas that are closer to city boundaries and need city services - health, welfare, and safety – but have a low tax base would not be by passed for those areas that

do not need city services but have a "handsome" tax base. Oh by the way, let's not forget the NCLM's primary source of revenue comes from dues paid by the cities and the larger the population of the city the larger the dues – make a city bigger via annexation and the NCLM gets more bucks. So, it's all about money to the cities and the league but what about those citizens targeted for annexation?

First and foremost, the targets of annexation are subjected to the decisions of elected officials they did not elect – there's something unconstitutional about that. Secondly, these targeted citizens are made to pay for something they do not need – there's something economically and morally wrong with that. Thirdly, the right of recourse in a court of law does not allow arguments that focus on violation of state policy – there's something legally wrong with that. And, last but not least, the basic violation of private property rights that comes from a governing body that dictates where I have to live – everything is wrong with that.

If you can hear an echo in here it's because the words I just said have been repeated in previous study committee hearings, in public hearings at the municipal level, and, in the NC courts for the past one half century and yet the private citizen carnage of NC Annexation Law continues. This has got to stop and the time is now. Those communities under the gun, like the ones represented here tonight, and the many others all over the state that have been placed at the mercy of a flawed system of managed municipal growth, need immediate relief, and you, the Committee, need more time to address the entire issue to insure we do not repeat the non substantive efforts of previous committees.

To that end I recommend that this Committee introduce a bill to place a moratorium on all on going and planned annexations that do not have an effective date of implementation. The moratorium will take effect immediately upon ratification of the general Assembly and remain in effect until permanent legislation can be implemented. According to the rules of the Short Session, bills and resolutions implementing the recommendations of a Study commissions are authorized.

In conclusion, there are those who say the 1959 Commission that authored the existing laws got it right. Well, I say to you they got it half right because the private citizen half of the equation was left behind when the annexation train left the station.

William R Burnette

Hearing on Annexation - 3/18/08

My comments are made as a former residence of Asheville, NC (City of Asheville). My family and I resided at North Asheville between 1983-2004. We lived at 2 different addresses: 333 Charlotte St. and 9 Northwood Rd. We now reside outside the city at 810 [redacted] Quill Gordon Ct., Biltmore Lake, NC. The City of Asheville has voted to annex Biltmore Lake.

I want to express my concerns about the services of the City of Asheville, particularly at the 9 Northwood Rd address where we resided between 2000-2004. First there was a water leak in [redacted] the street in front of our home. On numerous occasions I contacted the City and water department officials to repair this leak, [redacted] This leak was "repaired" many times between 2000-2004 only to return in the same or close by spot. I would often have to call many times and wait weeks and months for repairmen to "repair" these leaks. During winter months the water would often freeze and become a safety concern. The people who came out to repair the leak finally told me that the real problem was Asheville's antiquated water system/pipes which needed to be replaced. Repairmen insisted that city officials were aware of the problem but nothing was being done to correct the "real" problem. While I was a resident at 9 Northwood, the leak was never fixed. I moved - I don't know if the problem was ever truly resolved.

Second, we also had a problem with timely leaf pick-up. Schedules were not adhered to. Leaf collections were typically late or

or completely cancelled without notice. The leaves frequently were blown all over the place, wettened by rain and snow, and, once soggy, driven over by vehicles to become an old-fashioned mess. If the leaf collectors ever showed up, it was difficult to retrieve the remaining mess.

Botton line:

If a municipality cannot adequately respond to or service its existing residents, why should it be allowed to expand this lack of responsiveness and disservice by forced annexation?

Why should mediocrity be spread?

Lee Loy

Lee Loy
3/18/08

Dieter Buehler ANNEX HEARING 3/18/08 No. 19

WE THANK YOU FOR COMING TO WESTERN NORTH CAROLINA TO HOLD THIS SESSION. WE ARE GRATEFUL FOR THE OPPORTUNIOITY TO EXPRESS OUR CONCERNS SO THAT YOU GET A BALANCED PICTURE - NOT JUST THE NARROW VIEW ADVANCED BY THE LEAGUE OF MUNICIPALITIES WHO HAS ~~HAVE~~ BEEN BENDING YOUR EAR NONSTOP.

IN EARLIER MEETINGS, THE LEAGUE HAS BASICALLY PUT THE LEGISLATIVE BODY ON NOTICE WHAT THEY WOULD AND WOULD NOT ACCEPT. "YOU CAN'T MESS WITH OUR ANNEXATION LAW – IT IS THE ENVY OF THE ENTIRE NATION."

IT MAY BE THE ENVY OF SOME NORTH CAROLINA MUNICIPAL OFFICALS, AS IT GIVES THEM TOTAL POWER TO ANNEX, BUT IT IS NOT THE ENVY OF THE CITIZENS OR ELECTED OFFICIALS IN MOST OTHER STATES. IF IT WAS, THEN NONE OF THE OTHER STATES WOULD ALLOW A VOTE. NORTH CAROLINA IS ONE OF A HANDFUL OF STATESTHAT ALLOWS INVOLUNTARY ANNEXATION WITHOUT A REFERENDUM. THE REST OF THE COUNTRY CORRECTLY RECOGNIZES THAT THIS LAW TRAMPLES THE CONSTITUTIONAL RIGHTS OF CITIZENS

ISN'T THIS A CASE OF THE TAIL WAGGING THE DOG? THE LEAGUES ARROGANCE IS AMAZING AND APPALING. ~~YOU SHOULD FIND IT~~ YOU SHOULD FIND SO.

LOCALLY WE HAVE A SITUATION WHERE THE CITY COULD NOT COME TO AGREEMENT WITH A DEVELOPER ON A NEW COMMUNITY. THE DEVELOPER PUT IN THE INFRASTRUCTURE, AND HOMEOWNERS PAID FOR IT WHEN THEY PURCHASED THEIR HOMES.

NOW THAT ALL THE HEAVY LIFTING IS DONE, AND WE HAVE A HIGH LEVEL OF SERVICES, ALL THE SERVICES WE NEED - THE CITY SAYS WE ARE GOING TO TAKE YOU OVER – LIKE IT OR NOT.

YOU KEEP HEARING THE TIRED ARGUMENT THAT FORCED ANNEXATION ENABLES NORTH CAROLINA TO HAVE CITIES WITH AAA BOND RATINGS. IF THE HOMEOWNERS THAT ARE ON THE SHORT END OF THE SUBPRIME MORTAGAGE MESS COULD ATTACH THEIR NEIGHBORS HOMES, NO DOUBT THEIR CREDIT RATINGS WOULD IMPROVE. THEN THERE ARE CITIES IN OTHER STATES, WITHOUT FORCED ANNEXATION, THAT ENJOY GOOD RATINGS. HOW CAN THEY DO IT??? THE LEAGUE FAILS TO ACKNOWLEDGE THIS REALITY.

YOUR STUDY GROUP HAS AN IMPORTANT MISSION. THE TAXPAYERS AND VOTERS OF NORTH CAROLINA ARE CLOSELY WATCHING THIS PROJECT, LOOKING FOR CORRECTIVE ACTION, AND AWAITING POSITIVE RESULTS.

Dieter Buehler
Biltmore Lake, NC

3/18/08

Jerry Jensen

No. 20

Oz Revealed

North Carolinians are asking to be left alone to live in the county of their choice without the hardship of paying for city services that are not needed or wanted. We are asking you to restore the right to vote in forced annexation proceedings.

Because we live near a city border, we are told we must pay to use city infrastructure. Yet other citizens also use this infrastructure. The hundreds of city employees - administrators, street workers, firefighters, police officers, teachers, etc. who drive into the city daily to do the city's work but live scattered throughout the county or in other towns around are not dogged to pay city taxes.

It is claimed the 50 year old forced annexation law is good for all. One need only compare some basic facts to understand things are severely 'out-of-balance' and annexation reform is necessary. After significant growth and developmental change across-the-state, citizens are fighting-mad about 'the taking' of their property without the right to vote.

Recently a powerful **Lobbyist** boldly told this commission what-it-will-accept. **The Lobbyist** said NO change is necessary but that it will work with you to tweak the law. But, **The Lobbyist** stated, it would-not-tolerate significant change and warned

you about going too far. Don't take it lightly, **The Lobbyist** declared, it will bring to bear its full and substantial resources against recommendations it disapproved.

Through its membership dues, **The Lobbyist** collects millions of taxpayer's dollars and then uses these dollars to fight the will of the citizens who are asking for change. The taxpayers, on the other hand, must dig-deep into their own pockets to collectively find a few spare dollars to hire expensive lawyers to fight to be heard.

The Lobbyist maintains a large staff of well-paid lawyers and public relations personnel dedicated to holding-control of the legislative process through lobbying, thinly-veiled threats or back-slapping, good-old-boy tactics. The average citizen must beg for a few minutes or hire a consultant to represent them get a message of concern to their representatives.

In summary, **The Lobbyist** argues the 1959 Legislature "got-it-right" and will allow NO substantive changes to the forced annexation law.

The Lobbyist tells legislative representatives what is important for its cities and how it must vote on bills that affect those cities.

The Lobbyist tells its member-cities what to pay, what to fight for, how to vote on issues and crafts "talking points" to be used in fighting the very taxpayers the cities are trying to annex.

The Lobbyist uses near-truth arguments and spreads fear that North Carolina cities will fall into down-trodden, broken, hell-holes unable to pay their bills if forced annexation is not allowed.

Bottom-line, one wonders if it is just the forced annexation statute about which North Carolina citizens and the few sympathetic legislative members should be concerned, as it appears a bigger issue is, who is behind the curtain calling the shots. Oz - the 'all knowing', powerful, entity, seemingly directing shots is **The Lobbyist**-- actually out-front and center; The North Carolina League of Municipalities.

We implore you good representatives to find a strong back-bone and recommend change to bring balance to the forced annexation laws. Please fight to allow the voice of the people who pay the taxes and elect the government; the right to vote. Take back power from the League of Municipalities, the Oz in front-of-the-curtain.

Jerry Jensen, Biltmore Lake Community Action Committee, Biltmore Lake, NC

jerjens@charter.net

DIANN JENSEN
BILTMORE LAKE, NC

No. 21

I am appalled that a citizen of North Carolina does not have the right to vote for or against annexation. This is a basic right that all citizens should have.

That said it seems a bigger issue might be that we have an elective process that puts into office Legislators and City Council people and yet, it seems that the state and cities are not run by the officials elected but, instead, by a large lobbying organization that is paid with our tax dollars. We don't elect these people, we don't chose to have these people represent us and yet they influence our elected officials and help dictate how cities and the state are run.

I don't believe this is the way our government was meant to operate.

Please show strength and leadership as you decide what changes you will recommend to the annexation law. We are counting on you as representatives elected by your constituents to do the right thing and give back the right to vote.

Thank you for your attention.

No. 22

F. K. McFarland, III
P. O. Box 865
Tryon, NC 28782
828-859-5258
fkm@charter.net

My name is F. K. McFarland.
I currently reside outside the Tryon city limits.
I served for 14 years on the Tryon Planning and Zoning Board, 7 years as Chairman. I have never questioned the direction our town council has chosen-- believing the support of the town's citizen's and taxpayers are necessary for any municipal project.

The issue of involuntary annexation has divided our town and threatened our claim as being the "friendliest little town in the south." Because our North Carolina law allows annexation to be made without a referendum or any debate the lure of easy additional revenue has clouded the judgment of our town council. How so you may ask? The first annexation attempt by Tryon Town Council was last year. They decided to annex an area between Tryon and Columbus, an established community of Lynn that is unincorporated but has a post office and a small group of retail shops and offices. The people who live there have always said they are from Lynn, not Tryon or Columbus. Just so you understand the geography the town limits of Tryon, and Columbus, are only 3 miles apart. The town hired Isothermal Planning Commission and an engineer from an adjoining county who had previously had experience with both Tryon and Columbus water and sewer systems. In a rush to collect the additional revenue as soon as possible, mistakes were made in the calculations allowed by the law in defining "an urban area". This was discovered by the attorney hired by the Polk Citizens Against Forced Annexation. After spending $91,000 of taxpayers money the Tryon Town Council rescinded the first annexation attempt.

At the same meeting in which the first annexation was rescinded a new annexation resolution was passed. This time on the opposite side of town--composed of sparsely populated residences and only 3 businesses! The Tryon town council had hired a new planning group and a new engineering firm from South Carolina. Why, you may ask did they not correct the errors of the first attempt and start again as the law allows? An explanation by the new planning group revealed Lynn had a community identity and the new direction chosen would be **harder to challenge in court!** Why did the current Tryon town council not choose the new direction now proposed first? Because the Engineer with previous experience with the Town of Tryon said the elevations were too great. It just would not be practical. The South Carolina Engineer said he had a solution, you can use a series of 89 low-pressure pumps and the cost will be the burden of the new town citizens. Many of us believe the new annexation services report does not accurately reflect the expenses. The law allows us no way to challenge these assumptions by the town's consultants. An interesting footnote the Town of Tryon has no strategic plan in

place. We are a town with no written direction for our future--only the lure of possible additional revenue.

Ladies and Gentlemen--my point being-- this is a law which contains little checks and balances, no taxpayer vote, a public meeting in which local government does not comment, a question and answer period in which local government still does not answer but instead has the consultants answer.

This is a law that is in dire need of reform! The main proponent--The League of Municipalities--has a vested interest in growing municipalities to strengthen their organization. Their desire would be **no referendum**. Citizens Against Forced Annexation would like a referendum of just the new annexes affected. I believe a vote with current municipal taxpayers and proposed citizens to be annexed would bring fairness to a law that is now unfair.

Attachments: Polk County Commissioners Resolution
Polk County Democrat Resolution
Polk County Republican Resolution

RESOLUTION CALLING FOR A MORATORIUM ON INVOLUNTARY ANNEXATION BY ALL POLK COUNTY MUNICIPALITIES

WHEREAS, it is apparent to this Board of Commissioners that the annexing of additional territory by the municipalities in Polk County continues to be controversial; and

WHEREAS, it no longer seems necessary for municipalities to undertake involuntary annexation in order to provide local public services to suburban areas; and

WHEREAS, this Board feels the need to know the impact of annexation on its citizens in areas such as increased property taxes and insurance costs to the individual homeowner and the timeframe services are provided to newly annexed property owners; and

WHEREAS, a study should be done immediately on the impact future annexation will have on the County's budget, on sales tax and on the citizens of the areas to be annexed; and

WHEREAS, an important factor that must be studied is the economic impact of industries that may leave our county after being involuntarily annexed, costing jobs and tax revenue to our citizens; and

WHEREAS, this Board is of the opinion that the citizens of Polk County should be given the right to vote on whether or not they wish to be annexed into a nearby municipality.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners for Polk County as follows:

I That only annexation by petition be used by municipalities and involuntary annexation discontinued.

2. That all municipalities be urged to help in this comprehensive study for the benefit of all citizens of Polk County.

3. That a copy of this resolution be forwarded to each member of the governing body of the towns of Columbus, Saluda, and Tryon for their consideration.

4. That this resolution be effective upon its adoption.

Adopted this the 5th day of February 2007.

Tommy Melton
Chairman

Anne Britton, Clerk to
Board of Commissioners

Dear Senator Apodaca
Dear Representative Walend

Involuntary annexation cuts across party lines and political philosophies. All citizens - Democrats, Republicans, Unaffiliated, as well as those who do not participate in government are caught up in this divisive issue. The bi-partisan Board of Polk County Commissioners unanimously adopted a Resolution calling for a moratorium on involuntary annexation by all municipalities within the County (copy attached). The good will that underpins our entire County is suffering, and governmental actions and projects have come under suspicion.

Polk County was recently voted by the Progressive Farmer magazine as one of the 10 best rural counties to live in. Many leaders and organizations such as the Farmland Preservation Committee are working hard to keep the rural character of the county, however the town of Tryon is in the process of extending town boundaries by perverting the intent of the General Statute allowing involuntary annexation. Our understanding of the Statute's intent is to permit the orderly development of urban area. Citizens living both inside and outside the town's boundaries vigorously oppose involuntary annexation.

In order to meet the requirements of the General Statute, Tryon is targeting small homes and parcels that surround large undeveloped tracts. Elderly citizens living on fixed incomes, young or single-parent families own most of these small, older homes. Involuntary annexation would impose enormous hardships and financial burdens on these citizens. Of all County citizens, these are the ones who can least afford increased taxes, costs of sewer/water construction and tap fees, and costs of unneeded services.

A recent aborted involuntary annexation by Columbus and the current plan being implemented by Tryon are having adverse, perhaps unintended side effects: distrust of elected officials, bitterness among neighbors, anger among family members, fear of economic hardship, dread of losing home or property. Currently, the animosity provoked by Tryon's involuntary annexation plan threatens to destroy the cooperative spirit and interaction between citizens living in the Town and those in the Township. Tryon businesses and events are being boycotted; volunteers and support for Town projects and events are declining.

The voice and will of Polk County citizens remain strong and united: "No Involuntary Annexation." Citizens ask only for the freedom to choose whether or not they wish to become residents of a nearby town.

The Executive Committee of the Polk County Republican Party respectfully requests that you respond positively to the growing pleas of your constituents. Please use your influence to bring forward the Bills concerning involuntary annexation that would amend the General Statute.

These Bills are pending in the Rules Committee (for representatives) and State and Local Government Committee (for Senate). Please take a proactive role in protecting the rights of Polk County citizens by bringing the Bills to the floor of the Legislature for a vote.

Cheryl Every
Republican Party Chair

At it's March 2007 meeting, the Executive Committee of the Polk County Democratic Party passed a resolution in response to both the planned involuntary annexation by the Town of Tryon of portions of Tryon Township, as well as a study by the Town of Lake Lure to enact extraterritorial jurisdiction into Polk County, thereby paving the way for future forced annexation.

The Executive Committee's resolution read as follows:

Whereas, America was founded upon the belief that private property is the foundation of all liberty, and

Whereas, the citizens of Polk County have clearly voiced their opposition to forced annexation, which imposes unjust regulatory control and taxes on private property, and

Whereas, the Polk County Board of Commissioners has passed a resolution against forced annexation, now

Be it resolved, the Polk County Democratic Executive Committee urges the North Carolina General Assembly to amend the laws of the State to prohibit any forced annexation by municipalities upon citizens of North Carolina.

20.23

To: House Select Committee Members:
From: Katharine V. R. Smith, PhD
Subject: House Select Committee Hearing on Annexation

As you can see from the statement below, which I delivered orally at the beginning a hearing on annexation plans in my town, I am sincerely opposed to the idea of forced annexation. Some of the imagery in my statement may be obscure to you...the fact is that Tryon has a sign, as you enter town from the north, that proclaims it to be the friendliest town. It also has a large painted wooden horse, called Morris, in the center of town, which commemorates the wooden toy carvers who were part of its heritage.

"I AM KATHARINE SMITH AND I LIVE AND OWN PROPERTY IN DOWNTOWN TRYON. MAYOR PEEPLES AND TOWN COUNCIL, YOUR GROW OR DIE POLITICS ARE NOT WELCOMED BY ALL YOUR CONSTITUENTS. I SEE FORCED ANNEXATION AS BEING NOTHING BUT GLORIFIED SNATCH AND GRAB THIEVERY. FORCED ANNEXATION MAY BE LEGAL BUT ITS ETHICS AND MORALITY ARE IN QUESTION. FORCED ANNEXATION THREATENS TO TURN FRIENDLY MORRIS INTO A TROJAN HORSE."

It is hard to imagine that a statute allowing forced annexation is on the books, but it is. This fact means that the only way to resolve this contentious issue facing our town and its neighbors is for the legislature to act and rescind this unjust statute. The forced annexation proposed by the Tryon Town Council has been opposed by both political parties in Polk County and by the County Commissioners. Neither the current town citizens nor those in the proposed annexation area have had a way to vote directly on this issue. Please alter the legislation so that the many hurts caused by this divisive issue can begin to heal. Thank you for your time.

Rules for House Select Committee on Municipal Annexation
Public Hearing

1. All speakers must sign up on the "Speaker Sheets" before the public hearing. Two sign up sheets will be available, one "pro" and one "con" concerning the state's annexation laws.

2. Registration for speaking will begin at 4:00 p.m., one hour prior to the convening of the hearing at 5:00 p.m., and continue until 6:00 p.m.

3. Speakers will be chosen alternately from each list, in the order of registration.

4. If a speaker is not present when called, the speaker will be skipped at that time. Time permitting at the end of all registered speakers, those skipped will be allowed to speak.

5. Speakers are asked to limit their comments to 3 minutes. Time will be kept by the Sergeant-at-arms.

6. Speakers are asked to provide a written copy of their comments, if possible, and any additional material they may want to add to the Committee record, to the Committee clerk

7. Speakers are cautioned to direct their comments to the issue of the State's annexation laws. Decency of speech shall be observed by all speakers, and disrespect of personalities avoided.

8. The Presiding Chair, at the Chair's discretion, may change these guidelines if conditions warrant a change.

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Darlene D McFarland	McFarland Funeral Chapel PO Box 280, Tryon NC 28782
Margo Kaff	Tryon, NC
Galand Rice	Tryon NC
Robert Bond	Biltmore Lake
Jeanne & Bill Hawkins	Enka Village
Peggy Drane	Biltmore Lake
Dana Claire	Biltmore Lake
Jane Whilden	8 Bushee Rd. Asheville NC 28803 candidate NC House
Joan Baker	216 Chestnut Lodge Rd. Black Mountain NC
Sandy & Frank Deleer	218 Forest Run Cir. Biltmore Lake
Don Flerer	1928 Tree View Trail Arden NC

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bonnie Ives	
Becky McCall	144 Miller Rd., Troy, NC 28782
Charles Wilbur Fleetz	1116 Perch Fly Ct Biltmore Lake NC 28715
Irvin M. Searcy	resident
Ron Searcy	163 Reeves Cove Rd Candler, NC 28715
C.L. Folk	164 Finger Quill Cir, Biltmore Lake, NC 28715
Mignon Coulter	39 Kingsmill Court Biltmore Lake, NC 28715
Philip B. Coulter	39 Kingsmill Court Biltmore Lake 28715
Charles W. Ives	811 Carolina Dr. Troy 28782
Peg Moyle	811 Carolina Dr Troy

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Laurence E Mellin	1167 Carolina Dr Tryon NC 28782
Melvin MARX	P.O. Box 428 LYNN, NC 28750
Mina Pospisil	Tryon N.C. 28782
Anita Watkins	NCLM
JoAnn Bond	Biltmore Lake NC 28715
Marilyn Stoop	Biltmore Lk.
James C Hunsinger	Tryon N. C.
Elina Stock	Biltmore Lake
John Stock	Biltmore Lake
al Tenty	BILTMORE Rulle
Aaron Tenty	1'
Gaylord Baker	26 chestnut Ldg Beach Mtn, NC 28711

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-88

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Steve Patoray	1239 Carolina Dr Tryon NC 28782
Nela Lozlin	6 Cardinal Circle Tryon, NC 28782
W. David Guice	297 Cardinal Circle Brevard N.C. 28712
Jane Aitken	42 Otter Circle Pinehurst NC 28374
John D Fletcher	413 Mountain Warp Dr Biltmore Lake, NC 28715
Barbara Fletcher	413 Mountain Warp Dr. Biltmore Lake, NC 28715
Carolyn Rentz	1116 Perch Fly Court Biltmore Lake, NC 28715
Ed Drane	Biltmore Lake
Pat Lewis	12 Hoolet Ct Biltmore Lake
Howard Dennis	12 Hoolet Ct Biltmore Lake
James Meyer	266 Fennel Dunn Circle Biltmore Lake, NC

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Drew Kimbrell	1131 Carolina Dr Tryon NC 28782
Morris Childers	Against 15 Rhinehart Rd Candler NC 28715
Neil Greene	Against 190 Rhinehart Rd Candler
Olson Santons	290 Fenner Dun Cr. Biltmore Lake, NC
Robert Arledge	630 Dogwood Trail Tryon NC 28782
Ruth Ann Arledge	630 Dogwood Trail Tryon, NC 28782
Pat Meyers	53 Greenwells Glory Biltmore Lake, NC 28715
Theresa Caterlin	77 Carolina St #404 Tryon 28782
Bonnie Coffelin	6 Cardinal Cir. Tryon, NC 28782
Mary O. Cochran	P.O. Box 1280 Tryon, NC 28782
Rick Cook	Box 45 Lynn 28750

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

March 18, 2008
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John L. Gray	City of Lexington 28 W. Center St. Lexington NC 27292
Jean Chandler Laws	
Michael J. V. Morgan	Town of Weaverville
Shields Fryman	255 Brookwood Dr. Tryon, NC 28782
Everette Clark	PO Box 158 Enka NC 28728
Mary Lou Justus	290 Fennel Dun Cir Biltmore Lake NC 28715
Fred Geiger	595 Dogwood Trail Tryon, NC 28782
Mayme Sellers	395 Laurel Way Tryon NC 28782
Jerry Hardaker	1250 Carolina Dr Tryon, NC 28782
Katharine Smith	290 New Market Rd Tryon 28782
Marilyn Kimbrell	1131 Carolina Dr. Tryon, NC 28782

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nancy Hall	143 Ginger Quill Circle Biltmore Lake
GARY M. JAY	P.O. BOX 628 ARDEN, NC 28704
Cindy Krimmelbein	421 French Partridge Ln Biltmore Lake, NC 28715
MICHAEL KRIMMELBEIN	421 FRENCH PARTRIDGE LN. BILTMORE LAKE NC 28715
Sandra Teach	3 Blue Damsel Ct Biltmore Lake, NC 28715
Jeremy Lloyd	12 La Rue Ct Biltmore Lake NC 28715
Tom Thomas	110 Hobbit Lane Pisgah Forest, NC 28768
Rodney Frey	NOT asheville, 18 larvect BILTMORE LAKE
Chris Cliffa	25 Fennel Drive Circle Biltmore Lake
[illegible]	11 N. Market St Asheville NC 28801

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
R. h. Bucy	Asheville -
Walter + Elaine Grimes	23 Kingsmill Court Biltmore Lake
Jean Dales	692 Lucille Rd Asheville, N.C.
Bo Ferguson	City of Hendersonville P.O. Box 1670

VISITOR REGISTRATION SHEET

Annexation — Name of Committee

3-18-08 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Allan Gerson	51 Dividing Ridge Trail Arden 28704
Laura Copeland	Asheville Area Chamber of Com.
JOHN KENNEDY	BILTMORE LAKE, NC
Jim + Maggie McMains	31 Kingsmill Court. Biltmore Lake.
Janice + George Petrykowski	Candler NC
James Lloyd	P.O. Box 614 Enka, NC 28728
RON SETRON	BILTMORE LAKE NC

VISITOR REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — 3-18-08

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jane Kennedy	10 Moser Sedge, Biltmore Lake
Stewart Altman	26 Kingsmill Ct Biltmore Lake
Linda Haynes	PO Box 100, Tryon, NC 28782
R. Anderson Haynes	"

Jim Sides
Rowan County Commissioner
150 Henkle Craig Farm Road
Salisbury NC 28147

Jim.Sides@rowancountync.gov

704-633-3681 (W)
704-637-1297 (H)
704-467-5422 (C)

My name is Jim Sides... I am a County Commissioner from Rowan County. Thank you for allowing me to appear before you today. I only wish I had the same 30 minutes to address you as Mr. Ellis Hankins of the North Carolina League of Municipalities. I will try to use my 3 minutes wisely. no. 1

I do believe that when the annexation laws of NC were initially passed, there were some good and valid reasons for their existence, and there were checks and balances in place to prevent the abuses we see today. I believe that when the laws were changed in 1959, one of the greatest and most valuable checks and balances was removed from the law... and that was a right of the people to petition for a vote on their annexation.

The 1958 Study Commission recognized that the rights of the individual property owners should be protected. They recognized that only the land and its people who needed or required the facilities of various city services should be within the city.

Somewhere in the process of changing the law, the rights and so-called needs of the people were forgotten. For the past 50 years, cities have been allowed to forge ahead with wholesale annexations with no regard to needs or requirements or rights of the people.

In Rowan County, the City of Salisbury is undertaking one of the most aggressive annexation policies that I believe any City in NC has undertaken in a long, long time. In less than 10 years, they will more than double, yes, almost triple their size in landmass alone. This is a city that recently spent $35,000 of taxpayer funds to develop a new logo and branding design for the city. The tagline for that new logo is "Discover What's Inside". Based on the recent actions of the Salisbury City Council, I believe they are more interested in "Discovering What's Outside".

There are a myriad of issues, other than just the rights and needs of the people, that arise from forced annexations:

- Sales tax revenue is lost by counties due to distribution formulas
- A larger proportion of County services are required with less tax dollars to provide them
- Areas identified for economic growth in the County are less business friendly because of the double taxation
- A large portion of the older population, living on fixed incomes, which neither want nor need services from the city, are severely impacted by the double taxation, without any corresponding benefit

The list goes on and on, but I must hurry

Articles that I have read indicate that this Commission, much like the Fiscal Modernization Commission, will do very little to change the status quo..... I hope that is not true

All across North Carolina, the citizens are crying out for reform in the 50 year old annexation laws.... Please listen to the citizens that the government is supposed to represent.... At least return to them the right to petition the government for a vote....

I would like to play on the words of a quote from Patrick Henry by saying, "The laws should not be an instrument for the government to restrain the people, but rather an instrument for the people to restrain the government – lest they come to dominate their lives and interests" Please, recommend a change to these outdated laws!!!!

I do not believe like the NCLM that "The North Carolina way is better"
I do believe that there can and should be a better way in North Carolina!!!

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION – PUBLIC HEARING

Wednesday, April 9, 2008 – 5:00 P.M.
Legislative Building Auditorium - Raleigh, North Carolina

Representative Bruce Goforth, Co-Chair, called the Hearing to order at 5:00 P.M. He welcomed the guests and introduced the members of the Committee: Representative Bruce Goforth, Co-Chair; Representative Paul Lubke, Co-Chair; Representative Larry Brown; Representative Nelson Dollar; Representative Louis Pate; Representative Fred Steen; Representative Edgar Starnes; Representative Larry Tucker; Representative Trudi Walend; Mr. Doug Aitken and Ms. Judith Wegner.

Representative Goforth then introduced the staff: Steve Rose, Research Counsel, Giles Perry, Research Counsel, Rosa Kelley, Committee Assistant and Ann Jordan, Committee Assistant; Sergeant-At-Arms staff: Bob Rossi, Young Bae, Charles Williams and Frank Prevo.

The Speakers "For" and "Against" Forced Annexation began registering to speak at this Hearing at 3:30 and there were 112 who signed up to speak and are as follows:

Speakers FOR FORCED ANNEXATION who spoke with a handout were:

David Smith, City of Asheboro – Attach. No. 1
William B. Coleman, Jr. – Town Manager, Town of Cary – Attach. No. 2
Joe Morris – City of Salisbury – Attach. No. 3
Bonnie Renfro, Randolph County – Attach. No. 4
Colin McKenzie, Moore Co. Commissioner – Attach. No. 5
Larry Beck, Mayor Pro Tem, City of Lexington – Attach. No. 6
Bill Thornberg, Mayor of Mooresville - Attach. No. 7

Speakers FOR FORCED ANNEXATION who spoke without a handout were:

Paul Morton, Pinehurst, NC
Bill Thunbeng, Mayor of Mooresville
Richard Flowe, Cabarrus Chamber of Commerce
Florine Bell, Roanoke Rapids, NC

Dick Hails, City of Greensboro
Chuck Allen, Mayor, Pro-Tem, City of Goldsboro
Michael McLaurin, Waxhaw, NC
Diadra Powell, Kinston, NC
Bill Boddie, Rocky Mount, NC
Dave Treme Salisbury, NC
Ronald sparks, Wilmington, NC
Carol Henry, Jackson-Hamlet Community Association
Oneal Russ, Jackson-Hamlet Community Action
Doug Hewett, Fayetteville, NC

Speakers AGAINST FORCED ANNEXATION who spoke with a handout were:

John Alderman, DOT – Attach. No. 1
Jerry Allman, Summerfield – Attach. No. 2
Wilbur Anderson, Wayne County – Attach. No. 3
Bill Boddie, Rocky Mount – Attach. No. 4
Carolyn Bordeaux, New Hanover Co. – Attach. No. 5
Tom Clark, Pinehurst – Attach. No. 6
Richard Capristo, Pinehurst – Attach. No. 7
Mark Davis, Salisbury – Attach. No. 8
Bob Dawson, Lenoir Co. – Attach. No. 9
Linda and Devlin Holshouser, Salisbury – Attach. No. 10
Jack Fisher, Pfafftown – Attach. No. 11
Richard Foster, Salisbury – Attach. No. 12
John Frank, Lexington – Attach. No. 13
Donna Giles, Shallotte – Attach. No. 14
Steve Goodnight, Homestead Hills – Attach. No. 15
Catherine Heath, Wake Co. – Attach. No. 16
Doug Hewitt, Fayetteville – Attach. No. 17
Dorothy Hinz, Summerfield – Attach. No. 18
Dennis Hinz, Summerfield - Attach. No. 19
City of Kinston Letter – Attach. No. 20
Holly Long, Shallotte – Attach. No. 21
Stanley Maleitzke, Raleigh – Attach. No. 22
Charlie Mardigian, Moore Co. – Attach. No. 23
Vance Meek, Salisbury – Attach. No. 24
John Moore, New Hill – Attach. No. 25
Paul Morton, Seven Lakes – Attach. No. 26
Chris Musi, Shallotte – Attach. No. 27
Ray Paradowski, Salisbury – Attach. No. 28
Linda and Christopher Pierce, Salisbury – Attach. No. 29
Harvey Pulliam, Jr., Kernersville – Attach. No. 30
Bob Pleasants, Goldsboro – Attach. No. 31
Wayne Remes, Rowan Co. - Attach. No. 32
Harry Rivera, Rowan Co. – Attach. No. 33

Oneal D. Russ, Pinehurst – Attach. No. 34
Pam Sabalos, Shallotte – Attach. No. 35
Efton Sager, Wayne Co. – Attach. No. 36
Jim Sides, Rowan Co. – Attach. No. 37
Sue Sneddon, Brunswick Co. – Attach. No. 38
Ronald Sparks, Wilmington – Attach. No. 39
Kenneth Wadsworth, Wayne Co. – Attach. No. 40
Daniel J. Watkins, Apex – Attach. No. 41
Rod Whedbee, Salisbury – Attach. No. 42
Larry Wright, Rowan Co. – Attach. No. 43
Ron Van Hoover, Pinehurst – Attach. No. 44
Sam Zaffino, Salisbury – Attach. No. 45

Following all the speakers at the Hearing, Representative Goforth asked the members of the Committee if they would like to say a word to those in attendance. All the members of the Committee made various comments to the audience and their words were well received by those who were present.

The Chair announced that the final meeting of the Committee would be on Wednesday, April 23, 2008 in Room 544 of the Legislative Office Building here in Raleigh, North Carolina.

There being no further business, the Hearing adjourned at 10:00 P.M.

Respectfully Submitted,

Representative Bruce Goforth, Co-Chair

Representative Paul Luebke, Co-Chair

Rosa S. Kelley, Committee Assistant

Additional Attachments
Rules of the Public Hearing
Visitors Registration Sheets

For

SPEAKERS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

FOR ANNEXATION

SPEAKERS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
(5) Colin McKenzie	Pinehurst VP County Commission Moore County
Paul Norton	25 Abbott Ave Ln Pinehurst, NC.
Bill Thunberg	Mayor Town of Mooresville
(4) Bonnie Renfro	Randolph County EDC
(1) David Smith	Mayor Pro-Tem Asheboro City Council
Richard Flowe	Cabarrus Chamber of Comm.
Elaine Bell	Lincoln Height Center Roanoke Rapids, NC
(6) Jenny Beck	City of Lexington
Dick Hails	City of Greensboro
Mayor-pro tem Chuck Allen	City of Gadsboro
Michael McLaurin	Town of Waxhaw, NC

SPEAKERS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

FOR ANNEXATION

SPEAKERS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
✓ Diadra Powell	City of Kinston
Bill Eddie	City of Rocky Mount
(3) Joe Morris	City of Salisbury
Dave Treme	"
(2) Bill Coleman	Town of Cary
Hon. Ronald Sparks, Rs	City of Williamston
✓ Carol F Henry	Jackson Hamlet Community I (15) PINEHURST SO MOORE ACCEPTED
Maurice Holland, Sr	Midway Community assoc. INC.
Owen L Russ	Jackson Hamlet Community Action Inc 433 Hay St Fay, NC 28301
Doug Hewett	Fayetteville NC

City of Asheboro

1

146 North Church Street
P O Box 1106
Asheboro, N. C. 27204-1106

Tel: 336-626-1201

Fax: 336-626-1218

Comments by David Smith, Mayor Pro Tem City of Asheboro and small business owner.

As we are all aware, but especially acute in my home region of the Piedmont Triad, North Carolina's economy is changing. We are in a global marketplace. Annexation laws work to protect and enhance the economic vitality of our cities and towns, because these will continue to be the centers that draw the jobs and provide the amenities that will allow our state to compete in the global marketplace. To dramatically alter our existing annexation laws negatively impacts our participation in the global marketplace. My hometown of Asheboro has experienced firsthand the loss of manufacturing jobs with the closure of Black and Decker, Sara Lee, Walker Shoes and significant parts of Klaussner Home Furnishings and many others. Our continued economic diversification efforts are enhanced and strengthened by our current annexation laws.

Cities and annexation are all about people – people who need and want jobs, amenities, healthcare, shopping, recreation, creating a great quality of life. Towns and cities are the source that provides the physical, cultural and civic infrastructure that allows for the flourishing great life we have in North Carolina.

2

OFFICE OF THE TOWN MANAGER

April 9, 2008

Good evening. My name is Bill Coleman. I am the Town Manager of the Town of Cary. I grew up in a small town in eastern North Carolina called Red Springs. I have worked in local government in North Carolina for more than 30 years, mostly in small towns. I am very familiar with the issues of growth in North Carolina and the importance that growth has to the economic viability of the state and the towns and cities in North Carolina.

I want to express in the strongest possible terms how important the state's annexation laws are to the economic health of the state. These laws are critical to allow local government to provide a high quality of life to our citizens. Additionally, these laws allow local government to provide the infrastructure necessary to meet the needs of continued economic and job growth in the state. Making changes to the current annexation laws of the state that impair the ability of towns and cities to grow in a logical and reasonable manner will not only diminish the quality of life of citizens of the state, towns and cities, but it will also seriously damage the state's ability to continue to attract and expand the economic growth of the state.

I also want to address briefly the inaccurate information the committee has been given about the Town of Cary's annexation program. Our letter to the committee dated February 29, 2008 addresses the details of these inaccuracies. I want to reiterate that the Town of Cary's annexation program was designed to accomplish these purposes:

1. We involve and inform citizens who potentially may be subject to Town-initiated annexation.
2. We give citizens significant notice about the possibility of Town-initiated annexation and allow them to have significant input into this program.
3. We leave utility connection to the choice of the individual citizens.
4. We significantly subsidize the cost of utilities to the annexation areas. The Town pays approximately 75% of these costs, even though we are not required to subsidize them at all.
5. We allow these reduced utility costs to be paid over time to accommodate the individual financial needs of each citizen.
6. We make every effort to accommodate the individual needs and desires of these citizens.

Please put aside the negative emotion, vitriolic rhetoric and inaccurate information that characterizes much of the debate on this issue. Please consider any changes to the state's annexation laws very carefully, and base your decision on the history of the success of the state, towns and cities, and on an objective review of the facts related to this issue.

Sincerely,

William B. Coleman, Jr.
Town Manager

TOWN *of* CARY
316 North Academy Street • Cary, NC 27513 • PO Box 8005 • Cary, NC 27512-8005
tel 919-469-4007 • fax 919-460-4910 • www.townofcary.org

For

SPEAKERS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

FOR ANNEXATION

SPEAKERS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Colin McKenzie	County Commission Moore County Resident VP
Paul Norton	55 Abbotts Ford Dr Pinehurst, NC.
Bill Thunberg	Mayor Town of Mooresville
Bonnie Renfro	Randolph County EDC
David Smith	Mayor Pro-Tem Asheboro City Council
Richard Flowe	Cabarrus Chamber of Comm.
Elaine Bell	Lincoln Heights Center Roanoke Rapids, NC
Jeanny Beck	City of Lexington
Dick Hails	City of Greensboro
Mayor-pro tem Chuck Allen	City of Goldsboro
Michael McLaurin	Town of Waxhaw, NC

SPEAKERS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

FOR ANNEXATION

SPEAKERS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Diadra Powell	City of Kinston
Bill Baddie	City of Rocky Mount.
Joe Morris	City of Salisbury
Dave Treme	"
Bill Coleman	Town of Cary
Hon. Ronald Sparks, PE	City of Wilmington
Carol F Henry	Jackson Hamlet Community [illegible] (ETJ) Pinehurst So Moore Aberdeen
Maurice Holland, sr	Midway Community assoc. INC.
Oneal Russ	Jackson Hamlet Community Action Inc 433 Hay St. Fay., NC 28301
Doug Hewett	Fayetteville NC

Testimony to the House Select Committee on Municipal Annexation

April 9, 2008 Public Hearing

Bill Thunberg, Mayor of Mooresville, NC

Thank you for allowing me to speak to you about Mooresville's experience and the importance of maintaining North Carolina's strong, progressive annexation laws. You may not be familiar with Mooresville so let me share just a few facts with you:

In 2007, Mooresville had new Economic Development investment of $818,820,000.00; 1,013 jobs; 5,101,513 square feet of new commercial/industrial square footage and was ranked number 2 in the nation by Site Selection magazine for business location. The previous year we were ranked number 1 by Site Selection for the third consecutive year the first time a town had done it in the 50 year history of keeping records.

Mooresville is a regional employment center within the Charlotte economic sphere with a ratio of 45% residential to 35% commercial tax base – for those of you who can add, the other 20% is personal property. In 2001 Mooresville's tax valuation was $1,991,000,257.00. In 2007 the tax valuation was $4,172,000.00. One of the main reasons for this is that North Carolina's annexation laws are an unmatched growth management tool.

When Lowe's Corporation wanted to locate their headquarters in Mooresville, the site they selected was outside the town limits. To make it possible to extend the necessary utilities and services, we had to initiate annexation of 30 small parcels that would allow us to annex the proposed Lowe's campus, apply zoning and provide town services and utilities. That one annexation secured the Lowe's investment and 100's of their vendors. Lowe's now employs 3000 on its campus and projects to employ up to 12,000 in the coming years.

You may think otherwise – but – the facts tell a different story: North Carolina's annexation laws work; creating economic opportunity, prosperity and tax base for towns, counties and the State. When you add it all up, North Carolina's economic growth is sustained by cities and towns using the tools you have given us. Don't allow the law of unintended consequences to kill the goose that laid the golden egg. Keep North Carolina's strong annexation laws.

Please enter the following extend remarks into the record as time expired:

I would be remiss if I did not point out to you the significant environmental and health risks we face as a state from the proliferation of septic tanks and unregulated water withdrawals. Cities and towns will be called upon to mitigate those risks for the public good. Annexation is a tool to make it financially feasible to do so.

Mooresville's Annexation Record;

2003 Town-Initiated 30 parcels to Lowe's campus, 18 others

2004 Citizen Requested 27 parcels

2005 Citizen Requested 7

2006 Citizen Requested 23

2007 Citizen Requested 22

My name is Joe Morris. I am a planner with the City of Salisbury. Statutory annexation is a particularly complex issue for planners in that it requires continuous study and deliberation. As a public servant, I am required to evaluate how the laws of North Carolina align with the objectives of my community and the interests of those we serve - and those we seek to serve. All of this must be balanced against our nation's historical commitment to individual rights, including life, liberty and the pursuit of happiness - as well as our fundamental commitment to one another and the ideal of a "greater good".

I believe we can all agree that North Carolina's towns, cities and counties are growing. Where I live, in Salisbury and Rowan County, we are on a trajectory for accelerated growth and development. While it may be politically expedient for some to ignore the impact of growth in our county, especially suburban residential areas – I am especially attuned to what the unfettered growth of these outlying neighborhoods will mean to municipal residents.

According the State Data Center, Rowan County is projected to grow in population between now and the year 2030 by about 31,107 residents – slightly larger than the current size of Salisbury. Using the standard denominator of 2.3 residents per household, for purposes of estimation, this would mean an additional 13, 524 housing units for our county. Does this mean another 13,500 well and septic tanks spread out on one acre lots? Or would the extension of municipal facilities and services provide an opportunity for a development form that is less land consuming, efficient and sustainable? The ability to efficiently serve increases in population, in my opinion, is best suited for municipal governments.

In order to provide these services, local communities need the ability to share costs among those who benefit from them.

Statutory annexation, since 1959, has been a tool that NC cities and towns have used to manage growth, accommodate population, and share costs among residents. In many cases, city residents are asked to carry a disproportionate share of the expenses of operating a community – even for those services that city residents don't receive, such as Sheriffs Patrol, county planning, and solid

waste collection sites and many others. Our citizens are expected to provide support for the businesses and services that are frequented by those living outside of town. Right now, Salisbury is in the middle of a very difficult annexation that involves over 2000 acres and some 1,700 residents. Predictably, the residents in the proposed annexation area don't want to pay increased taxes. I don't blame them. Why should they when city residents provide the greatest share of the costs for infrastructure serving the shops, supermarkets, the medical facilities, the court system and, frequently, the places of employment where our county neighbors earn their living. Opponents say that it comes down to a matter of choice. But does it really? I simply ask, if everyone moved to the suburbs to enjoy county-only taxes, who would be left to pay the bills?

A moment ago, I mentioned that Rowan County would add another "Salisbury" in population by the year 2030. I think it may be useful for the commission to know that, during this same period, our state will grow in population by nearly 3.4 million – roughly the population of the entire state of Connecticut. Please keep this in mind as you deliberate how our cities and towns will be expected to serve these new residents. Unless the state is ready to ante up and provide services, then please allow the municipalities to perform the work which they are best suited.

4

House Select Committee on Municipal Annexation
Public Hearing
April 9, 2008

Bonnie R. Renfro
President
Randolph County Economic Development Corporation
PO Box 2001
Asheboro NC 27204
336.626.2233
brenfro@rcedc.com

Mr. Chairman, distinguished members of the committee, thank you for the opportunity to speak to you on the issue of municipal annexation. My name is Bonnie Renfro and I am President of the Randolph County Economic Development Corporation. For the last 13 years, I have been privileged to work on behalf of Randolph County and its nine municipalities. I have observed first hand the important role of our cities and towns as they proactively seek to grow their economy. I see local officials work diligently every day to grow the tax base and to bring new jobs to their cities. We've faced significant challenges in our county since 1999 with the loss of more than 5,100 manufacturing jobs from 37 companies that closed or downsized and included some of our largest taxpayers.

In my job, I work with businesses already located in the community and with business decision makers considering our cities as a place to locate or grow their business. Employers need cities. All businesses of every size depend on infrastructure to support their business needs and jobs. That includes water and sewer utilities, roads and other transportation programs, public safety, environmental protection, planning, parks, libraries and other services. Providing that infrastructure and service costs money that primarily comes from property taxes.

To stay competitive and serve the needs of their businesses and residents, our cities must be able to grow and to respond to changes in their economy,

environment, and development patterns. Without the ability to grow geographically via annexation, cities face a rising demand and cost for services without viable options to grow the revenues to support those services. A growing tax base is a more cost effective and equitable solution and does not shift the burden disproportionately to the business taxpayer.

In Randolph County, our cities are looking forward strategically, planning for the next ten to twenty years. They are making plans for infrastructure and services that anticipate growth and future needs. Thirty years ago, the City of Asheboro's elected leaders invested in two lakes to provide future water capacity. It was a controversial decision at the time. However, in our recent drought, both city taxpayers and many water customers who live outside the city benefited from their foresight and investment.

City leaders are charged with seeking the collective good of the community and they are accountable to the local electorate. Businesses prefer cities that are growing and thriving, not stagnant and shrinking. Just as businesses must grow to remain profitable, cities must also grow strategically and effectively to serve their citizens and to remain a center of commerce and jobs. Thank you very much.

5

Annexation Talk, Raleigh

Background: I am Colin McKenzie - Chairman of the Moore County board of commissioners. I was Born and Raised in Pinehurst.- Spent 31 years in US Army. ~~I now live in Pinehurst~~. For the past 20 years I have served my community in either volunteer or elected official capacity. 11 years as a county commissioner.

In 1986 I was serving on the Pinehurst Planning Board when the developer for Pinewild came before us to present his plans. Pinewild is in the ETJ of Pinehurst. His request included that Pinewild would be a high-end gated community with minimum house cost of $250,000 with no multi family units. Pinehurst approved the plans as requested.

In 1999 the developer of Pinewild joined with Club Corp of Pinehurst and decided to begin Phase IV of Pinewild. This was a **new** phase of the development, not yet approved. It is contiguous to Pinewild - located outside the Pinehurst ETJ - and under control of the county. Phase IV included more than 800 homes including multi- family units.

Homeowners who had already built at Pinewild did not want this development. They did not want the large volume of additional traffic this would bring to their streets to get to the two gates located at Linden Road and Rout 211. They were just as concerned about how multi-family housing in the same gated community would effect the value of their homes. -- not to mention the effect the additional membership would have on the use of their two golf courses.

Colin W. McKenzie, Chairman Moore County Board Commissioners
P.O. Box 774
Pinehurst N.C. 28370

The home owners association came to the Village of Pinehurst for help in stopping phase IV with its traffic and multi- family housing. Pinehurst made their case and Phase IV was tabled.

The point in this is that when they needed help from Pinehurst - Pinehurst has always helped them - now they don't want to be a part of Pinehurst. Some of them are ungrateful for the protection Pinehurst has provided them. Pinehurst has been good for this neighborhood and the natural evolution to annexation should occur.

DELETE

Three Former commissioners who sided with - Stop the taking of Pinewild - by passing a Moore County Resolution against forced annexation by a 3 to 2 vote 17 months ago are no longer commissioners, they are out of office. A month after they were replaced, their replacements **rescinded** the resolution by a 5 to 0 vote.

Before rescinding the resolution we poled all the elected officials and managers of our 11 municipalities - they all supported rescinding the resolution and leaving the annexation laws the way they are written.

In Moore County, The elected officials representing every single citizen support the annexation laws as they exist.

I would recommend that if you should decide to change the law that you not make it retro active. Thank You Any Questions?

I could tell you several other instances where Pinehurst bent over backward to help Pinewild and they violated their trust once they got what they wanted. Water and water tower issues cost County $1.2 million dollars, opening additional gate without permission, on and on. Any questions?

6

Remarks by Mayor Pro Tem Larry Beck
City of Lexington City Council
Before the North Carolina House Select Committee on Annexation
Wednesday, April 9, 2008 at 5:00 p.m.
3rd Floor Auditorium - Legislative Office Building

My name is Larry Beck and I am Mayor Pro Tem of the Lexington City Council.

Cities are the economic engines of this State. Cities are the centers of commerce and industry – the centers of jobs and economic development within their respective counties, regions and even other states. By providing public streets, street lights, full-time professional fire and police protection, sanitation services, public water and especially public sewer, cities play a crucial role in economic development and job creation and in serving populations that have reached urban densities. A lot of people seem to forget what a key ingredient public sewer is to our State's economy and the role cities play in the operation, maintenance and expansion of sewer systems. Yes, we all need a place to live but we

also need jobs and places to work, places to shop, restaurants, entertainment, hospitals and schools, almost all of which depend on public sewer and other public services and the cities to deliver them.

Septic tank problems are real. Lexington is in the process of considering an annexation of approximately 1,800 residents. Among those who are less publicly vocal are those who tell us privately that they must have public sewer due to septic tank failures. Lexington, in response to the failed septic tank systems of nine rural county schools and an order by the State to stop polluting our groundwater, joined with Davidson County Government to provide over one million gallons of sewer treatment capacity a day to solve this problem. These schools are five to eight miles outside the City. Lexington will gain nothing from this partnership with the exception of the satisfaction that we stepped-up to help solve serious community and environmental problems for our County and for our schools and opened up additional opportunities for economic development as well.

States like Pennsylvania, South Carolina and Virginia all may have restrictive annexation laws, but their cities are not as financially healthy and vibrant as those in North Carolina. North Carolina has five cities with AAA ratings, while no other state has more than three. North Carolina's overall rating is one of the highest in the nation. Shouldn't our citizens want and expect our cities and towns to be strong growing economic engines that are assets instead of liabilities?

In closing, please remember these important points regarding the State's current annexation law:

1) Annexation is essential to economic development and job creation;
2) Annexation is essential to accommodating growth in a logical manner; and
3) Annexation is essential to protecting our environment.

Cities are either busy growing and helping to stimulate not only the City limits but also areas that surround the City limits...or they are busy

dying and for the most part taking with them the areas that surround them as well!

Thank you.

Against

SPEAKERS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

AGAINST ANNEXATION

SPEAKERS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Rep. Blackwood	NCGA
Craig Hobbs	Shallotte Point Preservation Group Shallotte, NC
Chris Musi	" " " "
Holly Long	" " " "
EFTON SAGER	WAYNE COUNTY COMMISSIONER
Will Sandridge	ROWAN COUNTY
JIM SIPES	ROWAN COUNTY
LARRY WRIGHT	ROWAN County
JIM DENHAM	ROWAN COUNTY
GENE CLARY	ROWAN COUNTY
David Nowronek	ROWAN County

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David Swygert	P.O Box 5250 250 Partridge Run Salisbury, NC
MarylynnConnor	345 Hidden Hut Rd Salisbury NC
Ruth Hatoway	107 Fremont Dr. Salisbury NC.
malea Whitley	120 Kent Rd Salisbury, NC 28147
Joe HARPER	480 Roger Dr " " "
Carl Eagle	230 Kent Rd, Salisbury, NC
MARK DAVIS	120 Locke Circle, Salisbury, NC 28147
Wayne Remes	550 Timberlane Trail Salisbury NC 28147
RICHARD FOSTER	165 MILES DR, SALISBURY NC 28147

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Ron VanHoover	Pinewild CC/FAC
Steve Goodnight	240 Roger Dr Rowan County
James R Smith	440 Roger Drive Salisbury NC 28147
Linda Holshouser	2015 Mooresville Rd Salisbury NC
Lora Owen	1350 E. Ridge Rd. Salisbury, NC 28144
Marcia Cipullo	145 Deerfield Dr Salisbury NC 28147
Al Carter	435 Quail Dr Salisbury, NC (28147)
B Beckett Bridges	340 Roger Dr. Salisbury, NC 28147
DALE HOLMAN	106 Belle Ct Salisbury NC 28147
Fred Walker	5376 Heading Bluff Rd Carrie 28435

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Lou Smith	115 Stevens Dr. - Salisbury
Marie Howell	P.O. Box 4307, Rowan Co., 28145
Jerry Allen	150 BOBWHITE RUN SALISBURY 28147
HARRY RIVERA H.R.	180 Laurel Lane Salisbury NC.
Marilynn Wright	2390 Gheen Rd., Salisbury, NC 28147
~~[illegible] County~~	
John Hopkins	1635 Bright Leaf Rd. Fayetteville, NC 28040
WAYNE MULLIS	850 TIMBERLANE TRAIL SALISBURY NC. 28147
JOHN FRANK	616 INDIAN WELLS CIR LEXINGTON
GARY GALLOWAY	7001 W CREEKS EDGE DR WILMINGTON, NC 28409

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Bruce Rogers	1616 S 3rd St SALISBURY N.C. Salisbury City
~~JEFF MATTHEWS~~	185 WATERFORD DRIVE SALISBURY, NC
Dorothy Hinz	265 Partridge Run Salisbury NC 28147
DENNIS HINZ	" "
Marilyn Swygert	250 Partridge Run Salisbury, NC 28147 P.O. Box 5260 Salisbury, 28147
Tamra Safriet	135 Regency Road Salisbury, NC 28147
Terry Houck	145 Nottingham Rd. Salisbury NC, 28147
Tina Hall	Rowan County Commissioner 130 W. Innes St. Salisbury, N.C. 28144
Joyce Curl	315 Roger Dr. Salisbury. NC 28147
Bill Owens	290 Bona Venture Dr Salisbury, NC 28147
~~Rod Wickelbee~~	802

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Jack Fisher	3408 Mill Run Ln, Pfafftown, NC
Harvey Pullam, JR	415 Holt St Reidsville, NC (wife Pullam Lou)
Carolyn Bordeaux	213 Satara Dr Wilmington NC 28412
Laura Wilkins	218 Satara Dr Wilmington NC 28412
Keith Bost	115 Arrowhead Cir. Lexington
Vance Meek	250 Hidden Hut Rd Salisbury 28147
~~Sue Sneddon~~	3845 BILL HOLDEN RD. SW. SHALLOTTE 28470
Stan Maleitzke	2729 Blaydon Dr Raleigh 27606
~~RICHARD CARRISTO~~ STOPNCANNEXATION	14 RATHLIN CT. PINEHURST, 28374
~~CATHY HEATH~~	7024 ROBBIE DR RALEIGH 27607

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Charles Mardigan	Edinburgh Ln, Pinewild
CHARLES R. PRICE	Hemlock Hills Ln, Apex, NC
ARNOLD CHAMBERLAIN	WAKE COUNTY COMMISSION CHAIRMAN
Barbara Garlock (CATHY HEATH)	Dutchman Downs HOA, 4009 Dutch Harbor Ct Raleigh NC 27602
Allison Fowler	NC State Grange
ROGER VALF	7100 MORRIMC DR RPH NC
~~John Adams~~	~~Mountain Brook Rd Apex~~
Laurie Adams	5209 Lorbacher Rd, Apex 27539
KEN WADSWORTH	GOOD Neighbors united
~~[illegible]~~	

Against

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Kenny Moore	Davidson County
Joyce Krawiec	Freedom Works of NC
Marie Knobloch	Apex, NC
Bob Pleasants	Goldsboro, N. C.
Robert Smith	2905 Campbell Rd Raleigh NC
Cathy Powell	313 ORTEGA RD RALEIGH NC

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Marietta Parker	CCAFA
Bob Dawson	Kinston NC "Lenoir County"
Tom McNeil	Salisbury – Rowan City
Mark Lew	Orchard Knoll Apex
Tom Clark	Piedmont NC
~~Lew Wake~~	~~Parkwood NC~~
Daniel J. Watkins	Apex, NC
Irvin Hall	
Rod Wadsworth	

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Jerry E Santoro	Raleigh, NC
Joseph Harrison	
Richard Sudkamp sub Kamp	Apex
Mike Brakowski	Lexington NC

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Ruth Hatoway	107 Fremont Dr. Salisbury, N.C.
Malea Whitley	120 Kent Rd Salisbury NC 28147
Joe HARPER	400 ROGER DR " " "
Carl Eagle	230 Kent Rd, Salisbury, NC
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[illegible]	150 BOBWHITE RUN SALISBURY 28147
HARRY RIVERA III	180 Laurel Lane Salisbury NC.
Marilynn Wright	2390 Gheen Rd., Salisbury, NC 28147
[illegible]	[illegible]
John Hopkins	1635 Bright Leaf Rd. Fayetteville, NC 28304
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~~ALEX MATTHEWS~~	185 WATERFORD DRIVE SALISBURY, NC
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DENNIS HINZ	" "
Marilyn Swygert	250 Partridge Run P.O. Box 5280 Salisbury, NC 28147 Salisbury, 28147
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Bill Owens	290 Bonaventure Dr Salisbury, NC 28147
~~Rod Wiedbee~~ city 502	

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Harvey Pullam, JR	415 Holt St Fairmont, N.C (wife is Pullam from)
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~~Stan~~ Maleitzke	2229 Blaydon Dr Raleigh 27606
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STOPNCANNEXATION	7024 ROBBIE DR RALEIGH 27607
~~CATHY HEATH~~	

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CHARLES R. PRICE	Hemlock Hills Ln. Apex, NC
ARNOLD CHAMBERLAIN	WAKE COUNTY COMMISSION CHAIRMAN
Barbara Garlock (CATHY HEATH)	Dutchman Downs HOA, 4009 Dutch Harbor Raleigh NC 27602
Allison Fowler	NC State Grange
ROGER VALE	7100 MORRIMC DR APEX NC
~~John Johnston~~	~~Alt Mountain Brook Rd, Apex~~
Laurie Adams	5209 Lorbacher Rd, Apex 27539
KEN WADSWORTH	Good Neighbors United
~~Robin Strickland~~	

Against

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Maretta Parker	CCAFA
Bob DAWSON	Kinston NC "Lenoir County"
Tom McNeil	SALISBURY – ROWAN CTY
Mark Lew	Orchard Knoll Apex
Tom Clark	Pinehurst NC
~~Lou Wake~~	~~Pinehurst NC~~
DANIEL J. WATKINS	APEX, NC
Jenia Hall	
Rod Welborn	

Against

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JERRY E SANTORO	Raleigh, NC
Joseph Harrison	
Sub Kamp RICHARD SUDKAMP	Apex
Mike Brakowski	Lexington NC

John Alderman 1

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Subject: FW: FW: Annexation 4/9 Public Hearing ROOM CHANGE
Relationships_Between_Asset_Management_and_Travel_Demand.doc roadsperperson.jpg

FYI

Please see the attached official USFHWA report. Bottom line: We can't afford any additional SPRAWL. Financial arguments should win this debate. If our road system is growing at 0.03% (500 miles of lanes per year), we should not allow additional road miles to be added via developments.

I've also attached a map. It has tremendous meaning and should be used to focus growth **tightly** within our largest cities by funneling transportation dollars into high quality mass transit within those cities (no rail lines encouraging development of rural landscapes). Otherwise, the quality of life for the average North Carolina citizen will slowly but surely degrade and ultimately become worthless.

We must stop thinking the way we did in the 19th. and 20th. centuries.

John Alderman

Relationships Between Asset Management and Travel Demand: Findings and Recommendations from Four State DOT Site Visits

3.1 Introduction

Chapter 2 described the movement to adopt TAM within state DOTs and recent trends in U.S. highway travel demand growth. Given that background, this chapter describes the specific questions addressed by this study and the approach taken in evaluating how a sample of four state DOTs are applying TAM principles to the issue of continued growth in travel demand. This chapter also describes the process used to identify the four sample states selected for this project and provides a brief analysis of the varied highway network and travel demand characteristics of each of these states.

3.2 Study Objectives

This study seeks to determine whether and how state DOTs are using TAM and related techniques to address the issue of existing and anticipated future travel demand. Correspondingly, this study attempts to identify and document *all* cases in which state DOTs have incorporated travel demand measures within TAM and related analyses and decision-making processes. This includes those instances in which current and projected travel demand measures are used as *inputs* to TAM processes as well as those instances where a mitigated travel demand-related problem is the intended *output* of a TAM process (see Exhibit 3-1).

Exhibit 3-1: Travel demand as inputs to and outputs of TAM processes (Description)

Travel Demand Inputs (current and forecast)	**State DOT TAM Processes (Existing and Potential)**		**Travel Demand Outcomes (current and forecast)**
	User of Travel Demand Measures as Inputs	**Impact Travel Demand Related Outcome**	
Auto and Truck VMTs AADTs Level of Service (LOS)	Incident Management Prioritization of Preservation Activities (e.g., by location based on current VMTs) Current and Projected Infrastructure Deterioration (e.g., Roadway Wear)	Investment Trade-Offs (Capacity, Preservation, Safety) Performance Measures and Standards Long-Term Planning and Budgeting	Reduced Congestion Reduced Travel Time Increased Efficiency Improved

Travel Delay Cost	Major Project Cost Effectiveness and Alternatives Analysis	Safety

At a minimum, the study set out to determine how state DOTs are addressing the following issues:

Current and projected travel demand measures as inputs to the TAM process

1. **Infrastructure deterioration (e.g., roadway wear):** Increasing traffic volumes and vehicle weights result in increasing rates of roadway deterioration. How do state DOTs take current and projected travel demand measures into account when evaluating the *current* maintenance and rehabilitation needs of existing roadway infrastructure? Are state DOTs using current and/or projected travel demand measures to help *project* the timing and magnitude of future rehabilitation and replacement needs?
2. **Investment prioritization:** The benefits of reinvesting in existing infrastructure tend to be highest for segments with relatively greater customer utilization. How are state DOTs using TAM and related techniques to prioritize roadway re-investment between and within regions based on current and projected future utilization?
3. **Project benefit-cost and alternatives analysis:** The cost-effectiveness (or return on investment) of major new investments and the relative benefits of project alternatives are heavily influenced by travel-time savings. How are state DOTs incorporating travel-time savings into their selection processes for major projects?

Using the TAM process to address issues related to travel demand

4. **Capacity improvements:** As noted above, the rate of growth in travel demand remains well above the rate of growth in roadway capacity, leading to increasing congestion and travel times. Have state DOTs adopted TAM-related practices to help identify capacity improvement strategies or for prioritizing potential expansion investments?
5. **Safety improvements:** Increasing roadway utilization also brings increasing opportunities for crashes, injuries, and fatalities. How are the safety implications of current and future travel demand for both light-and heavy-duty vehicle traffic factored into system management decisions?
6. **Trade-offs between preservation and capacity needs:** All state DOTs face the problem of balancing re-investment in existing roadway capacity with the need for additional capacity to address growing demand - all within limited financial resources. How have TAM and related processes been used to allocate funds between these and other competing needs, and how do travel demand measures inform this allocation?
7. **Objectives and performance measures:** TAM emphasizes the need to establish long-term system objectives and to develop processes and measures to evaluate success in attaining those objectives. How do state DOTs propose to measure and

report performance relative to travel demand? Have they identified or established desired performance standards with respect to roadway volumes, congestion, and other travel demand-related measures? If not, why?

8. **Long-term planning and budgeting:** TAM emphasizes the need to take a long-term, strategic view in establishing attainable organizational objectives within realistic resource constraints. Given these objectives, how do state DOTs incorporate travel demand forecasts into their long-term investment plans? How are those plans constrained by existing resources? How are long-term travel demand and budgeting concerns incorporated into agencies' strategic plans? How long is the long-term?

3.3 Study Approach and Sample States

The study collected data on the asset management, travel demand forecasting, and related practices of four state DOTs: California (Caltrans), Michigan (MDOT), North Carolina (NCDOT), and Utah (UDOT). The study team conducted two to three full days of interviews with key staff at each agency, including asset managers, travel demand modelers, short- and long-range planning staff, short- and long-range programming and budgeting staff, roadway maintenance staff, operations personnel, and IT and database maintenance staff. Interviews were intended to fully document the following:

1. The extent and maturity of each state's asset management program
    - Structure and role within broader DOT organization
    - Program goals and objectives
    - History and development
    - Capabilities
    - Future plans
    - Dedicated resources
2. How DOTs use TAM to address travel demand issues
    - Collection of current and projected travel demand measures
    - Uses of travel demand measures in support of asset management
    - Intermodal, interstate, and international traffic flow considerations
    - Current operations and maintenance
3. How DOTs address their long-term investment needs
    - Long-term transportation planning
    - Long-term budgeting
    - Strategic transportation planning (how does asset management inform or shape each state's infrastructure and financial plans?)

The sample states were selected to provide a broad representation of highway network features, travel-demand characteristics, system size, population growth, urban concentration, industry, climate, and topology. States were also selected to include some of the more advanced in the adoption of TAM practices.

The selected states of California, Michigan, North Carolina, and Utah provide a broad cross-section of state highway and travel-demand characteristics nationwide. For

example, this group of states encompasses a wide range of state-maintained highway networks (NCDOT is responsible for close to 170,000 lane-miles versus just 15,000 for UDOT), varying shares of urban versus rural roadways (25 percent of Caltrans-maintained highways are urban versus just 12 percent for NCDOT), a range of population and VMT growth rates (urban annual VMT growth is just over 2 percent in California and Michigan but exceeds 3 percent in Utah and North Carolina), and wide variations in congestion (urban AADT per lane mile exceeds 17,000 in California but is only 4,000 in North Carolina).

3.3.1 Asset Management Plan Development

In addition to including states considered among the more advanced in adopting TAM practices, the selected states have also emphasized varying practices. For example, Michigan is the most advanced in data collection and dissemination, Utah has emphasized the development of decision-support tools, and California is focused on the development of state-wide performance monitoring. North Carolina has placed less emphasis on specific goals (and hence, has less capabilities than some other states in specific areas) but more effort on embracing a more comprehensive asset management approach.

Although each of these states has made strong progress in adopting specific asset management practices, none has fully implemented a program that encompasses *all* TAM functions as outlined earlier in Exhibit 2-1 (i.e., including well-defined program goals and polices; comprehensive asset inventory; decision-support tools; comprehensive long-range *strategic* planning and budgeting; and *full* program optimization across all asset types, regions, and investment types). Rather, each of these state DOTs is working towards development of comprehensive TAM programs and the further refinement of its existing processes. Moreover, the development of their existing programs clearly represents many years of sustained investment, and the successful implementation of new improvements will similarly require considerable effort. The evidence from this study suggests that these investments are clearly paying off in the form of better data, credible analyses, and more informed decision making.

3.4 Characteristics of the Participant States

Exhibit 3-2 presents the characteristics of each of the states participating in the study: California, Michigan, North Carolina, and Utah. Brief descriptions follow.

Exhibit 3-2: Demographic, roadway, and travel-demand characteristics of sample states (2004)

State	California	Michigan	North Carolina	Utah
General Characteristics				
Population (Millions)	34.7	10.1	8.0	2.2
Projected Annual Population Growth	1.3%	0.5%	1.5%	1.8%

Area (Square Miles)	163,707	96,810	53,821	84,904
Population Density (population per square mile)	212	104	149	26
Gross State Product ($Billions)	$1,359	$321	$276	$70
Roadway Miles: Total	169,793	122,381	102,666	42,712
Mean Travel Time to Work (Minutes)	27.7	24.1	24.0	21.3
State Controlled Roadways: Infrastructure				
Roadway Miles	15,209	9,720	78,871	5,858
State Controlled Share of Total Roadway Miles	9.0%	7.9%	76.8%	13.7%
Lane Miles	50,522	27,578	168,029	15,260
Annual Growth in Lane Miles	0.2%	0.3%	0.3%	0.3%
Lane Miles Per Roadway Mile	3.32	2.84	2.13	2.60
Urban Share of Total Lane Miles	42%	39%	14%	25%
Bridges	24,007	10,879	17,509	2,815
State Controlled Roadways: Expenditures				
Capital Outlays ($M)	$4,130	$1,095	$1,834	$451
Maintenance and Services ($M)	$708	$245	$570	$107
Expenditures per Lane Mile ($000)	$95.8	$48.6	$14.3	$36.6
State Controlled Roadways: Travel Demand				
Daily VMT (in thousands)	502,858	159,951	227,536	47,575
Annual Growth in Daily VMT (1994 to 2004)	2.5%	2.8%	2.9%	3.0%
AADT per Lane	9,953	5,800	1,354	3,118
Annual Growth in AADT per Lane (1994 to 2004)	2.2%	2.2%	2.6%	2.7%

3.4.1 California

California's geography is perhaps the most diverse of all 50 states. In addition to a mountainous perimeter and Central Valley dominated by a fertile plain, California also features more than 800 miles of ocean coastline and several of the nation's largest urban areas. The state also experiences widely divergent climate including from desert in the south, rain forest along the northern coasts, and high alpine terrain on its eastern border.

California is also an economic powerhouse. With a gross state product of more than $1.4 trillion annually, California produces more than 13 percent of the nation's total goods and services and is frequently touted as the world's sixth largest economy. The state is also home to several large ports, including those in Los Angeles/Long Beach and Oakland, which directly support international trade flows between Asia and the 48 contiguous states. The state is also a major provider of fresh produce to the rest of the nation. With more than 34 million people, California is the nation's most populous state. Population is

projected to grow at an average annual rate of 1.3 percent over the next 20 years.

With over 169,000 miles of roadway and more than 24,000 bridges, California is home to the nation's second largest roadway network (after Texas). Maintenance, preservation, and expansion of this large network pose special problems and conflicting demands on state resources ranging from high traffic demand in multiple urban areas to heavy snow removal requirements in mountainous regions. This network is also characterized by one of the nation's largest concentrations of lane miles in urban areas and a very high proportion of multi-lane highways relative to other states.

The problem of traffic congestion on California's urban highways is well documented and projected to worsen in the future given ongoing increases in population and economic development. Mitigation of this problem is a special challenge given the maturity of the state's existing urban roadway networks. One consequence of the state's urban congestion is ongoing urban expansion and the development of previously rural areas.

3.4.2 Michigan

The Great Lakes divide Michigan into two large peninsulas, both located north of the nation's major east-west transportation corridors. Michigan's economic success depends on a sound multimodal transportation system to provide access for people and goods both to the rest of the nation and across the border into Canada.

Michigan has over 120,000 miles of statewide highways and more than 11,000 bridges. A significant challenge facing MDOT is Michigan's unusual climate. The lakes modify the severe northern winter weather, leading to heavy lake effect snows and frequent freeze-thaw cycles. The results are rapid infrastructure deterioration, high maintenance costs, and a small window for road construction activities. Under these conditions, investments that extend the life of existing facilities and improve the performance of the transportation system are essential for Michigan's citizens and economic sector to prosper. MDOT's asset management process focuses on these objectives.

Michigan is currently home to more than 10 million people, and the state's population is expected to grow at an average annual rate of 0.5 percent through 2025. While Michigan has the lowest rate of population growth among the four sample states, it continues to experience strong VMT growth, particularly in the state's urban areas. With modest expansion in the existing roadway network, this ongoing growth in travel demand is also yielding related increases in congestion, travel delays, and lost productivity, most notably in the urbanized areas surrounding Detroit.

3.4.3 North Carolina

North Carolina's geography is representative of the nation's Mid-Atlantic states, including a mountainous west, a rolling piedmont mid-section, and a flat coastal plain in the east. While the state's climate is considered mild relative to the many extremes within the U.S., the state is subject to long, hot summers, which accelerate the process of asphalt drying

and deterioration.

North Carolina's economy has undergone extensive growth in recent years, moving beyond the state's traditional industries, such as tourism and agriculture, to embrace higher-paying, service-sector employment relating to banking and the region's growing research centers. North Carolina's gross state product is roughly $270 billion annually. The state is currently home to 8 million people, and its population is expected to grow at a robust 1.5 percent average annual rate through 2025.

North Carolina has over 100,000 miles of statewide highways and more than 17,000 bridges. In stark contrast to the other states included in this study, the state's department of transportation, NCDOT, is responsible for the maintenance and operation of more than 75 percent of the state's roadway network and bridges (versus an average of roughly 10 percent for the other study states). Responsibility for such a large share of the state's aging highway network places unusually high demands on NCDOT's highway resources. Also in contrast to the other study states, North Carolina's highway network continues to expand by more than 400 miles per year due to: (1) a legislative requirement to build out the state's intrastate highway network, (2) continued paving of rural dirt roads, and (3) NCDOT's responsibility to maintain roads constructed for housing developments located outside of municipal boundaries. These growing challenges are central to the department's strong interest in the initial development and ongoing improvement of its asset management program.

While the state's traffic congestion problems may be considered minor relative to those of California or even Michigan, these issues will become more significant if not addressed in the near term. As already noted, North Carolina continues to experience strong population growth. Moreover, the state's rate of growth in VMTs and AADT per lane is also larger than that experienced by either California or Michigan (although smaller than Utah's).

3.4.4 Utah

Utah's geography is unique within the sample of states in this study in that it does not border any major bodies of water or reside on an international border or international waterway. Rather, Utah is "land-locked" and centrally located. Consequently, much of the traffic on interstate highways flows through the state (rather than originating and/or terminating within the state as with California, Michigan, and, to a lesser extent, North Carolina). The state also features a broad range of terrains including high mountain ranges, salt flats, and a rugged desert. These extremes in elevation and terrain also bring wide variation in temperature and snowfall.

Of the four states included in this study, Utah has the smallest economy (an annual gross state product of $70 billion), the smallest population (2.2 million), and by far the lowest population density (26 per square mile versus 212 for California, 104 for Michigan, and 149 for North Carolina). The vast majority of the state's population, economic activity, and growth is located along the western boundary of the Wasatch Front stretching

between Ogden, Salt Lake City, and Provo. Within this corridor, population densities and the resulting congestion are comparable to the nation's other urbanized areas. Moreover, with projected average annual population growth of 1.8 percent (the highest of the sample states) and the confining influences of mountains on the east and Salt Lake and Provo Lake to the west, population densities and travel demand within this corridor are expected to continue growing. Over the period from 1994 through 2004, Utah's state-maintained highways exhibited the fastest overall rates of growth in both VMT and AADT per lane among the four states included in this study.

With only 43,000 miles of statewide highways, Utah has the smallest public roads network of the four study states. UDOT is responsible for operation and maintenance of just under 6,000 miles of road and fewer than 3,000 bridges. With the state's population and economic activity centered on the Salt Lake City region, very low population densities in the rest of the state, and wide variations in climate, UDOT faces unique challenges when attempting to prioritize capital investments and maintenance resources within and across regions. A key motivation in adopting asset management practices was to determine how best to allocate transportation resources both optimally and equitably.

3.5 Comparative Analysis of State DOT-Operated Highways

Exhibit 3-2 provides a range of statistics comparing the economic, geographic, demographic, highway network, and travel demand characteristics of the four sample states. This sub-section considers several of these measures in greater detail, with emphasis on the relative levels and rates of growth in network size and travel demand on state-controlled highways (i.e., the network that state DOTs control).

Exhibit 3-3 compares the total number of lane-miles within each of the four sample states as well as the share of those lane-miles that are owned and maintained by the state DOT. Although California has the largest highway network, with close to 380,000 lane miles statewide, North Carolina has by far the largest number of state-maintained highways (both as a proportion of statewide miles and in total lane-miles maintained). The high share of state-maintained lane-miles within North Carolina places high demands on the state's highway resources (with more highway miles to maintain per dollar of funding) and has also required a closer working relationship between the state and local governments than is the case in other states (i.e., to manage and prioritize preservation and expansion projects).

Exhibit 3-3: Total lane-miles statewide in sample states (Description)

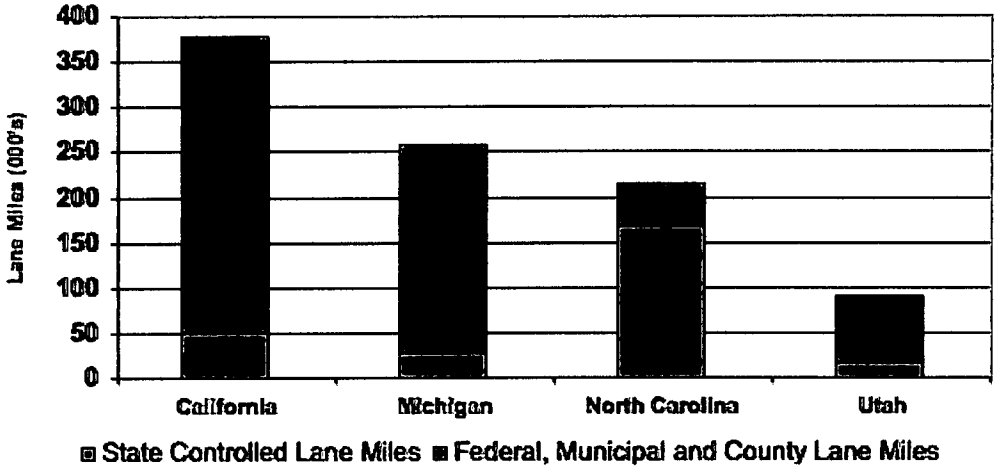


Exhibit 3-4 presents the number of state-controlled lane-miles operated by each of the four sample states over the period 1994 to 2004. As with the national trends depicted in Chapter 2, the number of state-controlled lane-miles within each of these four states has grown very slowly over the past decade, averaging roughly 0.2 percent to 0.3 percent annually for each of the four states. However, given its large existing highway network, small percentage increases in North Carolina's network translate into significant investment in new lane-miles relative to the other study states. This situation is apparent in Exhibit 3-5, which shows that North Carolina's roadway network increased by close to 450 miles each year over the last decade. This rate of increase was more than 3 times that of California, more than 5 times that of Michigan, and more than 10 times that of Utah.

Exhibit 3-4: State-controlled lane-miles in sample states (Description)

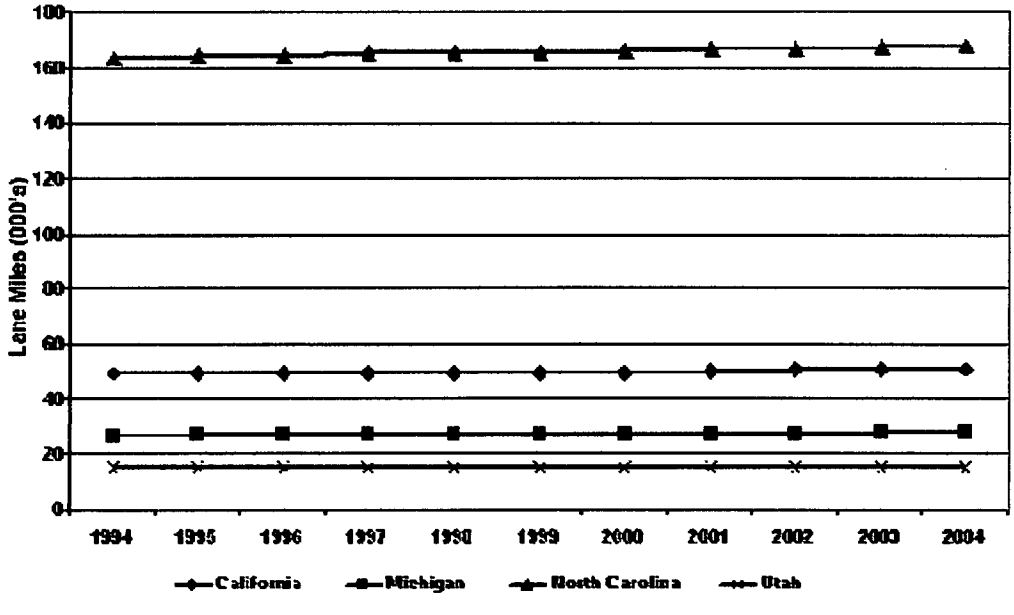


Exhibit 3-5: Average annual increase in state-controlled lane-miles (Description)

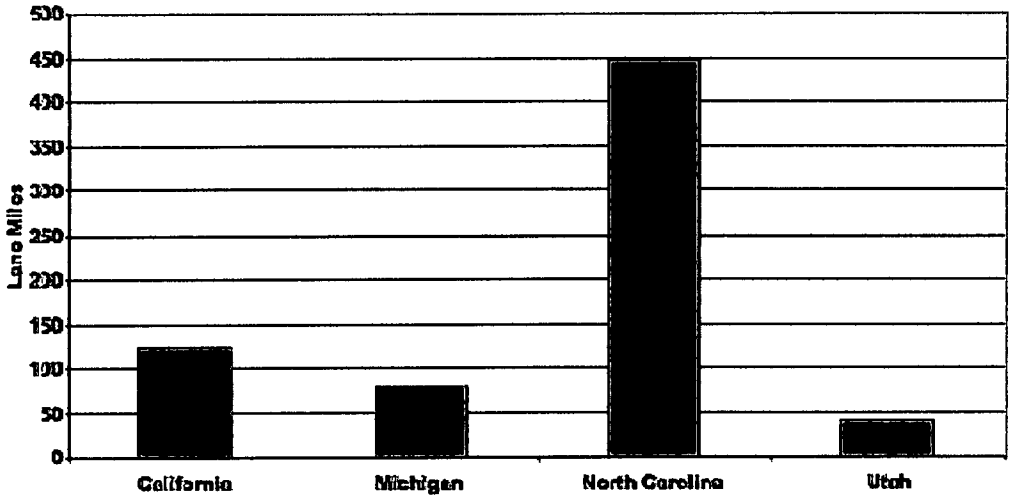
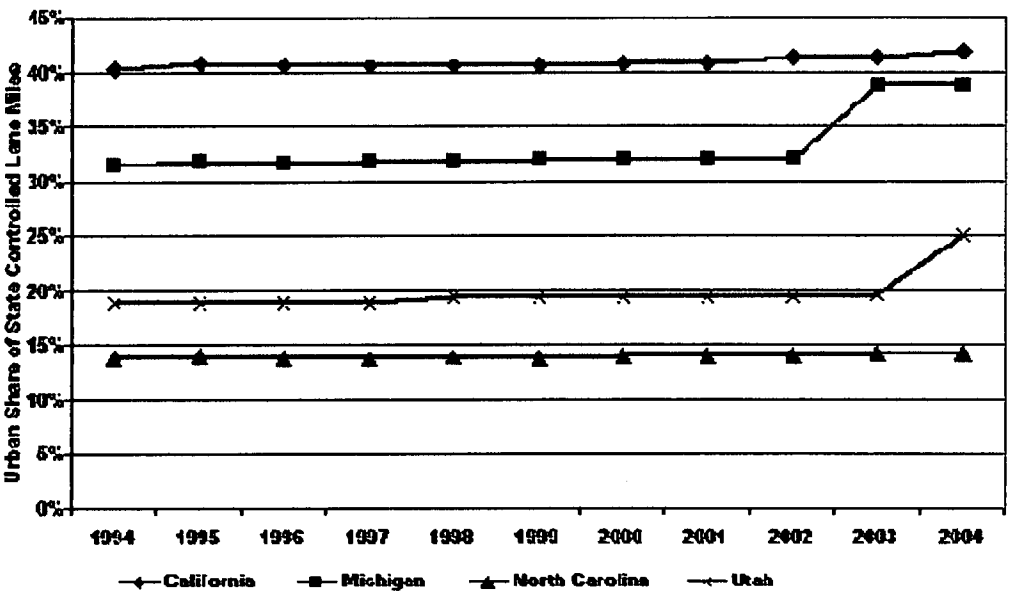


Exhibit 3-6 presents the proportion of state-controlled lane-miles within each of the four sample states that are located in urban areas. Of the four states, California maintains by far the highest number of urban highways as a share of total state-maintained highways. California, Michigan, and Utah have each experienced slow, long-term increases in the proportion of state-maintained urban highways (the recent jump in shares for Michigan and Utah reflect recent reporting changes due to the 2000 Census). By contrast, North Carolina's state-controlled highways are clearly dominated by rural roadways and the state's share of urban roadways remains flat, due most likely to state control of local roads in non-urban areas.

Exhibit 3-6: Percentage of state-controlled highways located in urban areas (Description)



The characterization of each state's highways into urban and rural types is important to this study. Travel demand-related issues of traffic congestion, increasing travel times, and lost productivity are primarily urban issues; therefore, any state efforts to monitor and mitigate these issues will necessarily be focused on urban areas.

Exhibit 3-7 documents the levels and rates of increase in daily VMTs on state-controlled highways within the four sample states over the past decade. California's state-maintained highways carry significantly more traffic as compared to the three other states. Moreover, while each of the four states experienced an annual growth rate in daily VMTs of between 2.5 percent and 3.0 percent over the period 1994 to 2004, California's state-maintained roads have clearly experienced the largest annual increase in the number of VMTs. Specifically, over the last decade, the average annual change in daily VMTs for California was 10.9 million. Comparative figures elsewhere include annual increases of 5.6 million for North Carolina, 3.5 million for Michigan, and 1.2 million for Utah. The large number of VMTs and significant growth in VMTs for North Carolina reflect the large number of state-controlled lane-miles in that state.

Exhibit 3-7: Daily VMT on state-controlled highways (Description)

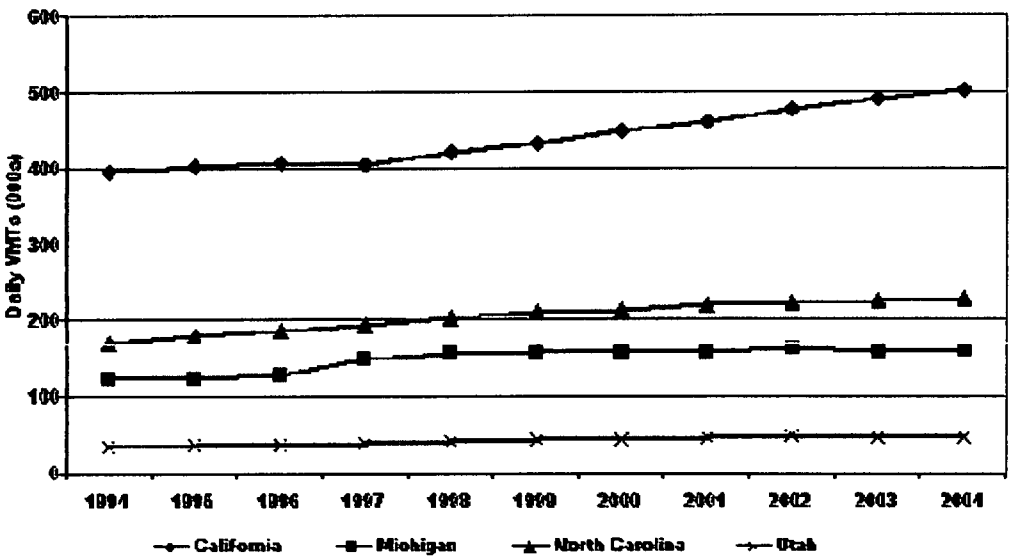


Exhibit 3-8 documents the levels and rates of increase in AADT per lane on state-controlled highways within the four sample states over the past decade. In effect, Exhibit 3-8 normalizes the daily VMT measures presented in Exhibit 3-7 to reflect the wide differences in total state-maintained lane-miles within each state and the widely varying implications for roadway utilization, traffic congestion, roadway deterioration, and safety.

Exhibit 3-8: AADT per lane on state-controlled highways (Description)

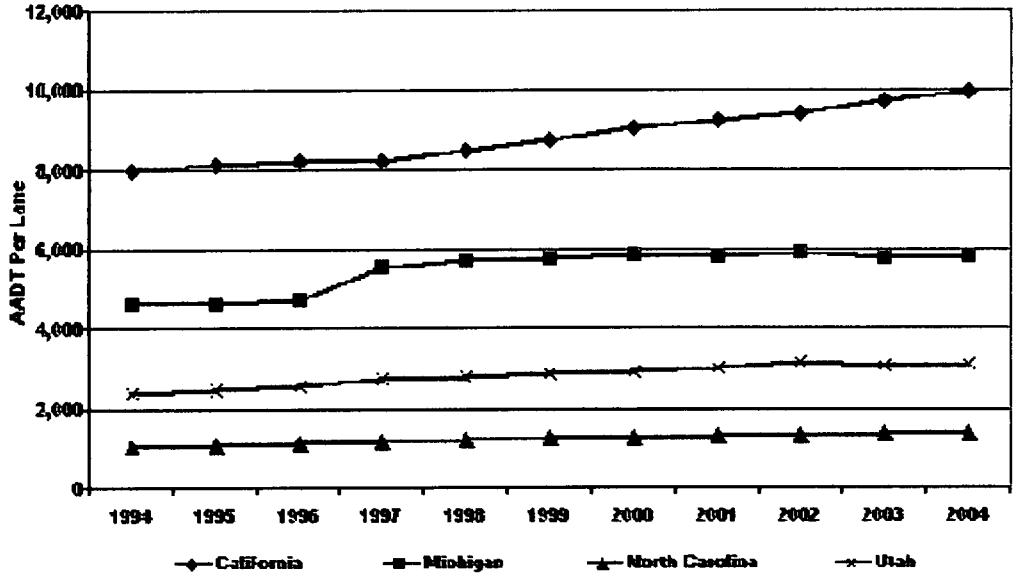
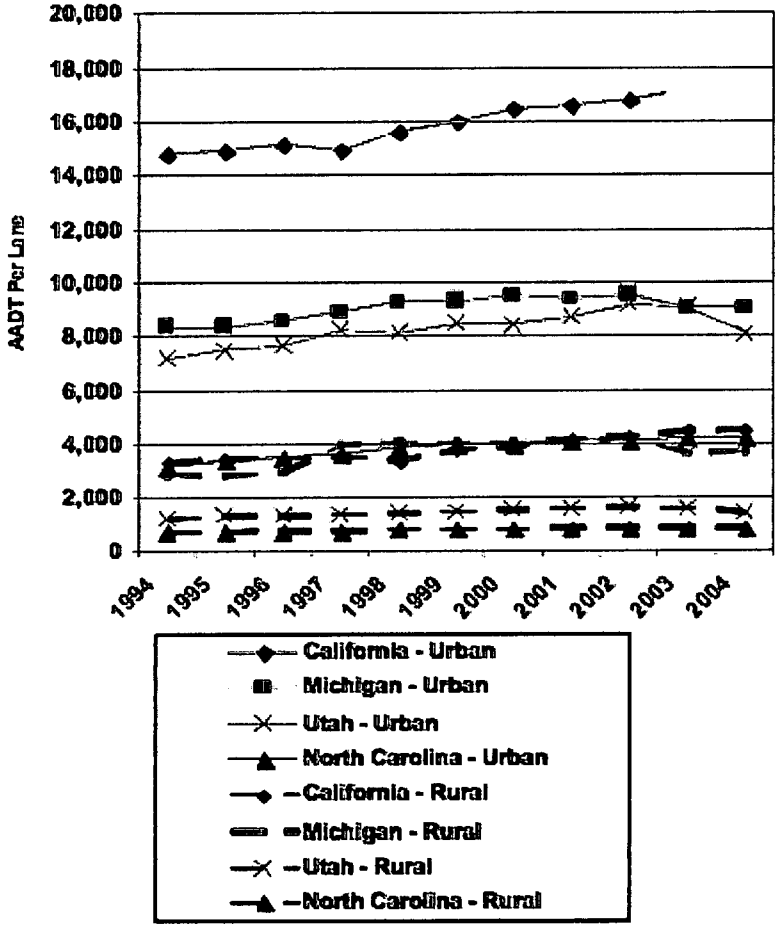


Exhibit 3-8 demonstrates that lane-mile utilization is significantly higher in California than the other three states. However, regardless of differences in existing AADT per lane values across these four states, the *annual rate of increase* in AADT per lane is well over 2 percent for each state (2.2 percent for California and Michigan, 2.6 percent for North Carolina, and 2.7 percent for Utah), reflecting the increasing divergence between growth in travel demand and lack of growth in physical capacity. Over the period 1994 to 2004, the *average annual increase in AADT per lane* was highest for California and Michigan (at 196 and 115 vehicles per day, respectively) and lowest for Utah and North Carolina (at 73 and 31 vehicles per day, respectively).

Exhibit 3-9 segments the AADT per lane data from Exhibit 3-8 into their urban and rural components. Aside from highlighting the significantly higher level of highway utilization in urban versus rural areas, this exhibit also demonstrates the relatively low level of utilization for North Carolina's highway network (e.g., where urban AADT per lane is comparable to rural roadway utilization in California and Michigan).

Exhibit 3-9 summarizes the differences between the historic rates of growth in lane-miles, VMTs, and AADT per lane for all four states. This exhibit also further segments these rates into their urban and rural components. Once again, this presentation emphasizes the low rate of growth in lane-miles relative to the more rapid increase in travel demand (as measured by VMT), yielding an overall increase in highway utilization (as measured by AADT per lane). Interestingly, while the rate of increase in VMTs has been higher in urban areas, rural areas have experienced higher rates of growth in AADT (with the exception of North Carolina). This trend may reflect ongoing suburban expansion or "sprawl" beyond traditional urban boundaries.

Exhibit 3-9: AADT per lane on urban versus rural state-controlled highways (Description)



Several of the preceding exhibits have emphasized variations in the current levels and rates and growth in roadway utilization across the four sample states, particularly in urban areas. As may be expected, these variations translate into varying levels of congestion and travel delay costs. Exhibit 3-11 provides estimates of the total annual hours of travel delay for select urban areas located within each of the four sample states (based on analysis from the Texas Transportation Institute's *2005 Urban Mobility Report*). It is important to note that this analysis is not inclusive of all urban areas within each state. Moreover, the analysis measures travel delay across *all* highways and not just those maintained by the state DOTs. Nevertheless, this travel delay analysis does accurately depict the congestion issues faced by each state DOT within its state's urban areas. For example, Exhibit 3-11 makes it clear that California must address congestion delay issues of greater magnitude (particularly in the region surrounding Los Angeles) and in more urban areas than any of the other four study states.

Exhibit 3-10: Rate of growth in lane-miles and travel demand, 1994-2004

State	California	Michigan	North Carolina	Utah
		Lane Miles		
Urban	0.6%	0.6%	0.4%	0.6%
Rural	0.0%	0.2%	0.2%	0.1%
All	0.2%	0.3%	0.3%	0.3%

		VMTs		
Urban	15,209	9,720	78,871	5,858
Rural	9.0%	7.9%	76.8%	13.7%
All	50,522	27,578	168,029	15,260
		AADT per Lane		
Urban	$4,130	$1,095	$1,834	$451
Rural	$708	$245	$570	$107
All	$95.8	$48.6	$14.3	$36.6

While Exhibit 3-11 captures the total travel delay within each urban area (reflecting both the average delay time for each traveler and the number of travelers), Exhibit 3-12 depicts the estimated travel delay on a per-traveler basis. This exhibit also highlights the greater magnitude of California 's traffic congestion issues statewide, and effectively demonstrates the high cost of traffic congestion to individual travelers within each of the four sample states.

Although congestion is primarily a function of the number of vehicles on the road, infrastructure deterioration is primarily a function of the composition of those vehicles, with truck traffic contributing most to the rate of pavement wear. Exhibit 3-13 presents truck traffic as a share of total VMTs for urban and rural highways in each of the four sample states as well as for the nation as a whole. This exhibit demonstrates that while urban truck traffic represents a relatively consistent share of total VMTs across each state, there is significantly greater variation in trucks' share of rural VMTs. In particular, trucks account for a very high proportion of rural VMTs in Utah, reflecting both the low rural population densities and the large volume of truck traffic flowing *through* the state.

This comparative analysis has focused on the characteristics of the roadway networks, travel demand, and congestion of the four sample states. By contrast, Exhibit 3-14 compares the levels of capital, maintenance, and operations expenditures on state-maintained roadways within each sample state. Based on 2004 data, California expends more total funds on roadway operations, maintenance, and capital outlays, while Utah spends the least. When expressed on a per-lane-mile basis, California spends roughly $95.8 thousand per lane-mile on these activities, while North Carolina, with its very large state-maintained highway network, spends a more modest $14.3 thousand per lane mile. Michigan and Utah fall between these two points, spending $48.6 thousand and $36.6 thousand per lane-mile, respectively.

Exhibit 3-11: Total annual travel delay in sample state urban areas (Description)

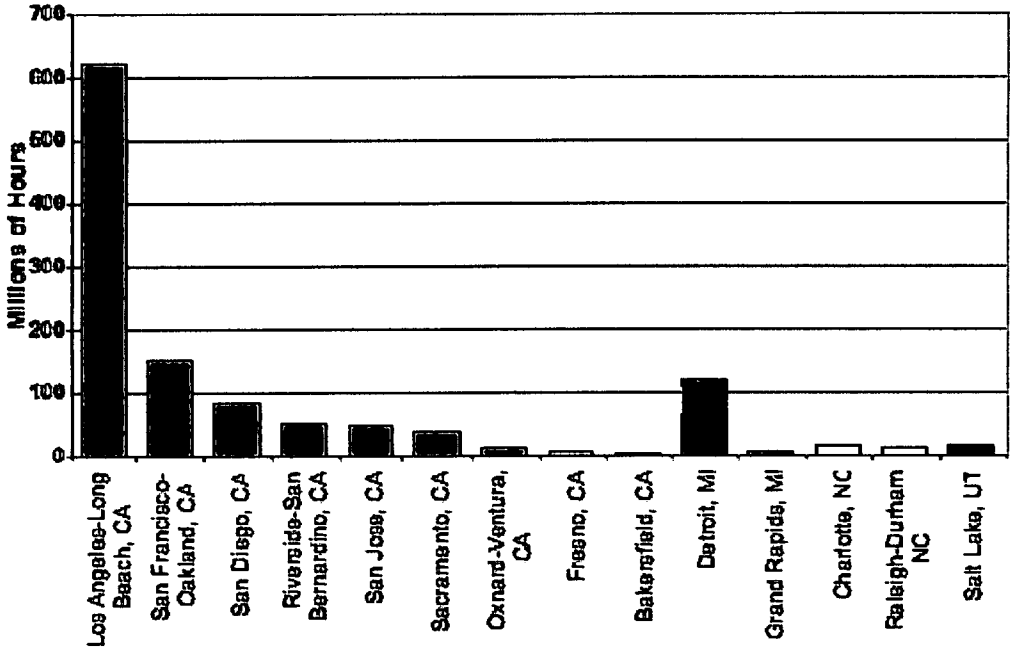


Exhibit 3-12: Annual delay per traveler in sample state urban areas (Description)

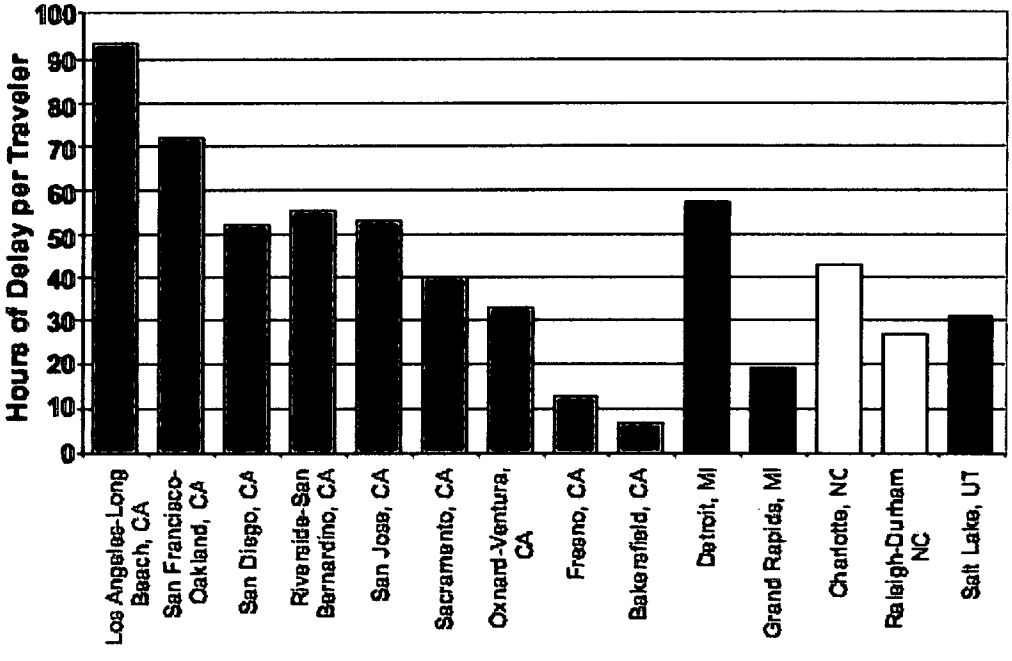


Exhibit 3-13: Truck traffic as a share of statewide VMTs (Description)

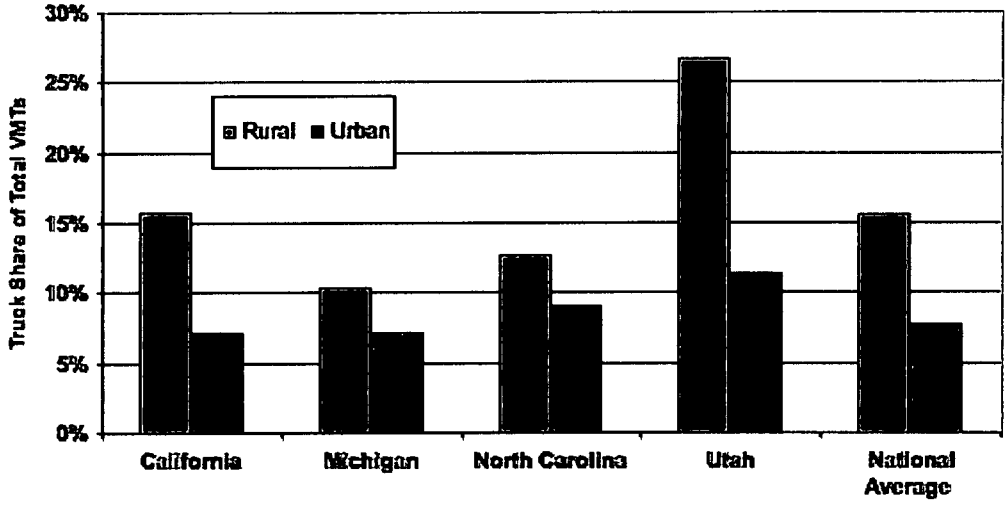
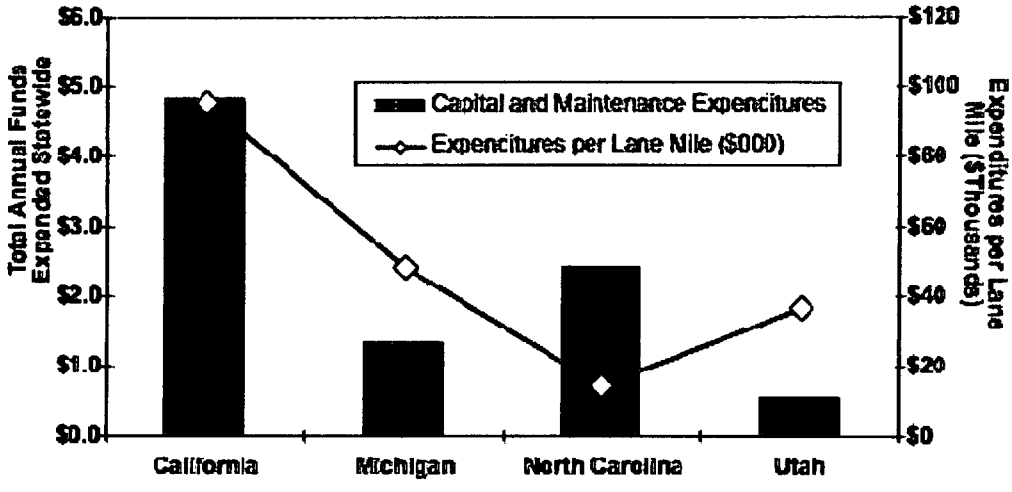


Exhibit 3-14: Capital and maintenance expenditures from federal, state and local sources (2004) (Description)



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FHWA
United States Department of T

Jerry Allman - 150 Bob White Run – Summerfield

This entire annexation proposal seems to be about money; however, the figures made public so far do not indicate a sound financial decision on the city's part.
It was reported the City of Salisbury would only net (profit) about $33,000 the first year, but this figure was in error, due to being calculated with the wrong rate. Using the correct rate there would be no profit and the amounts would be in the negative.
At minimum, the city should be required to make THEIR total cost for this proposal known to current city residents as well as the proposed annexed residents.
The city should also be required to disclose the expense individual homeowners will bear to hook up to city water/sewer.
Since most of the city's expense will be paid through bonds, it is inevitable taxes will increase and impact both current city residents and "annexed in" residents.
This information has not been made clear, or readily available and all Salisbury city and Rowan County citizens should have this basic knowledge.
At bare minimum, a moratorium should be passed until the City of Salisbury provides accurate figures to ALL residents, as the "city's" cost WILL mean increases for city and county residents.

It is my opinion, if these amounts were made public, all would see this as a poor decision at best and one that WILL have negative effects on current and future city residents in the process. Obviously, even more people would be in opposition to annexation. The fact NC state law allows involuntary or FORCED annexation, is an issue that demands immediate attention. NO individual state law should conflict with American citizens' constitutional rights.

3

The following comments are provided by Wilbur E. Anderson, a current County Commissioner with over ~~15 years experience~~.

9 April 2008

Con: Cities override county zoning. Operators of public airports that accept Federal funds are required to reimburse the US Government if the operator (County for Wayne) does not operate and maintain the airport as authorized by the US Government.
Example: Goldsboro-Wayne Airport has zoning to protect encroachment, noise abatement, safety, height requirements (towers), density, etc. When Goldsboro annexes around the County airport, they ignore County zoning and established restrictions.

Con: Progressive counties plan for years into the future, but it often is a futile effort when cities and towns disregard their planning.
Example: Wayne county has an ordinance forbidding signs on a new interstate highway, The town of Pikeville disregarded this ordinance, annexed along a long stretch of the interstate and permitted approximately 10 very large signs, most of which sit idle, waiting for the future.

Con: The County of Wayne released a small parcel of land to Goldsboro that was approximately one mile from Seymour Johnson Air Force Base (SJAFB) agreeing that the density of one house per acre be respected. The city with several incremental zoning changes finally permitted a R-12A zone thus permitting one house per 12,000 sq. ft. In fact, a 158 apartment complex was built. This was a major negative factor in the last BRAC.

Con: Cities can virtually ignore the 3 mile limit for satellite annexation by extending their city limits along a road by creating a narrow zone to within 3 miles of the proposed satellite area. This happened in Goldsboro to annex a Wall Mart approximately 5 miles outside the city. In the process, they duplicated county water lines.

Pro: Cities should be allowed to grow as long as it is done in an orderly fashion. Our state regulations should be modified to prevent "Cherry picking" certain areas strictly for monetary purposes and skipping over poor area or leaving out some areas as favors to developers.

Respectfully submitted,

Wilbur E. Anderson

Commissioner Wilbur E. Anderson
Wayne County

4

Talking Points
Bill Boddie
Legislative Study Committee
April 9, 2008

INTRODUCTION:

- Native of Rocky Mount
- President/CEO Boddie-Noell Enterprises
- Proud owner of 394 restaurants in 5 states of which 165 are in NC.
- In fact, we're nation's largest Hardee's licensee
- BNE is also involved in the land and development business with several projects in Eastern NC as well as central Virginia
- I am also Chairman of the Rocky Mount Area Chamber of Commerce, with 750 members, the third largest Chamber east of I-95

OPENING REMARKS:

- I'm here tonight to speak in FAVOR of RETAINING the ANNEXATION laws as they now exist in State of NC
- Frankly..."If it AIN'T BROKE....don't FIX IT"
- Our laws governing annexation ARE THE ENVY OF OTHER STATES

VIRGINIA VS NORTH CAROLINA

- For example, we have 197 restaurants in the State of Virginia and tens of millions of dollars invested
- Developers and planners that we deal with tell me that in their opinion the NC model of annexation is far superior to Virginia's model. The inability of their cities to grow is a real problem.
- Take Richmond and Petersburg for example....as the Middle Class and affluent have moved to the suburbs, the core cities have deteriorated and now have aged infrastructure, blight and accompanying negative social behavior
- With the decline in the inner cities, they now struggle with loss of property taxes, the main source of income for local government
- We are finding it increasingly difficult to protect our assets in some of these core city areas.

THE CASE FOR STAYING THE COURSE:

- As a businessman, it appears that Rocky Mount has used its annexation authority fairly, judicially and reasonably for half a century
- The city's last annexation was the first in 14 years for us. It helps assure us that our core city remains strongly supported by a sound infrastructure guaranteeing consistency of service in:
  - Public Safety
  - Roads and other forms of Transportation
  - Quality of Life in the form of support for the Arts, Recreation and Tourism
  - A clean and safe environment

...And... AVOIDS DUPLICATION OF SERVICES. It allows us to leverage the leadership and experience already in place in our cities and towns, i.e. planners, engineers, transportation experts, public safety personnel to the annexed areas while that expansion will help spread the associated costs.

In Conclusion....

Annexation requires numerous SAFEGUARDS and GUARANTEES for the annexed area; and annexation currently comes with high standards, a rigorous process and public involvement...

Annexation has been and remains an important factor in the economic health and stability of NC cities and towns when its authority is used fairly and judicially by our cities and towns.

Simply put.....If a city wants to grow, and they need to, healthy annexation is needed. As we say in business, "If you're not growing, you're dying."

LADIES AND GENTLEMEN,

I APPRECIATE THE OPPORTUNITY TO MAKE THIS PRESENTATION...AND ASK THAT YOU...PLEASE KEEP OUR LAWS AS THEY ARE. MY COMPANY'S FUTURE... OUR FUTURE... DEPENDS ON SOUND AND ECONOMICALLY STRONG URBAN AREAS.

I'm CAROLYN BORDEAUX AND I AM from the Monkey Junction area of New Hanover County. I am here to speak in opposition of the current annexation laws.

Like most opposed to forced annexation, I am concerned with the financial burden forced annexation places on the property owners. However, my opposition also stems from the life style changes that forced annexation will bring to my neighborhood. I live in a wonderful neighborhood, where the homes sit on upwards of 1 to 5 acres. Many of my neighbors have animals. An Evening walk affords one the opportunity to enjoy the horses grazing in the pasture; to hear the tinkle of the cow's bell and even the crowing of the roosters. Collectively, we have dogs and cats, chickens and ducks, horses, cows, goats and pigs. It is a great place to live

Under the annexation laws, these animals will be grandfathered; but,

when they are gone, they cannot be replaced.

- Along with them will go the lifestyle that I now enjoy. A lifestyle that was the culumination of a search that covered 12000 miles and took 3 months.

When I bought my house, I bought a lifestyle, one that I expected to enjoy forever. Never did I think that it could be taken from me; without any input on part.

- The law needs to be changed. The homeowner is entitled to a voice

This forced anexation is a money grab by the municipalities and is taxation without representation!

Monkey Junction means $2,000,000.00 to Wilmington

Consolidated sewer & water
State Roads
County Library & County Parks

- go into city to go to county offices

Many of my neighbors have home based business which are impacted by city ordinances

COMMENTS ON ANNEXATION

6

PUBLIC HEARING 9 APRIL 2008

(TOM CLARK, PINEHURST NC)

MR CHAIRMAN, COMMITTEE MEMBERS, THANK YOU FOR THE OPPORTUNTY TO SPEAK ON THIS ISSSUE.

ANNEXATION IS NOT A BAD MUNICIPAL TOOL WHEN EXECUTED IN FULL COMPLIANCE WITH THE STATE'S INTENT. POLICY STATEMENTS CONTAINED IN THE CURRENT LAW MAKE THAT INTENT VERY CLEAR: (IF I MAY PARAPHRASE), TO PROVIDE SERVICES NEEDED FOR PUBLIC HEALTH, SAFETY AND WELFARE.

HOWEVER, WHEN MUNICIPALITIES ARE MOTIVATED BY FACTORS OTHER THAN THOSE STATED IN THE LAW, IT BECOMES BAD GOVERNMENT. I ASSURE YOU, MR CHAIRMAN, THE CITIZENS OF NORTH CAROLINA HAVE ENDURED ENOUGH BAD GOVERNMENT. IT IS TIME TO STRENGTHEN THE CURRENT LAW IN FAVOR OF THE CITIZENS YOU SERVE.

FOR EXAMPLE, LAST YEAR PINEHURST STATED IN ITS NEWSLETTER TWO REASONS FOR ANNEXING NEARBY PINEWILD: "...TO MANAGE THE DEVELOP OF PROPERTY AROUND THE PRESENT JURISTRICTION ...***WE CAN EXTEND OUR ETJ***...THE SECOND REASON FOR THE ANNEXATION IS TO ***ENHANCE THE VILLAGE'S ABILITY TO PAY*** FOR THE SERVICES AND ***AMENITIES*** DEIRED" BY ITS CITIZENS. CLEARLY, THE MOTIVATION HERE IS MONEY, A CLEAR AND SIMPLE TAX

REVENUE BOOST RATHER THAN PROVIDING ***NEEDED*** SERVICES. THAT IS BAD GOVERNMENT.

WHEN TARGETED RESIDENTS LIVE IN MODERN, WELL DEVELOPED COMMUNITIES, THEY HAVE WATER, SEWER, POWER AND, USUALLY, COUNTY FIRE AND POLICE PROTECTION. MANY OF THESE COMMUNITIES PROVIDE THEIR OWN STREET MAINTENANCE. THEY MORE OFTEN THAN NOT HAVE NO NEED OF SERVICES OFFERED BY THE MUNICIPALITY. ON THE OTHER HAND, RESIDENTS OF COMMUNITIES IN DIRE NEED OF MUNICIPAL SERVICES OFTEN CAN'T AFFORD THE HIGH COST OF HOOKUPS AND THE MUNICIPALITY OFFERS NO RELEIF THROUGH COST SHARING. IN BOTH CASES, THAT'S BAD GOVERNMENT.

THE CITIZENS' ONLY REASONABLE RECOURSE IS IN THE COURTS. UNFORTUNATELY, DUE TO THE WEAKNESS IN THE CURRENT LAW, THE COURTS HAVE NOT PROVIDED A REMEDY TO BAD GOVERNMENT. RECENT RULINGS HAVE FOCUSED ON PROCESS AND COMPLETELY IGNORED INTENT AND STATE POLICY. ALLOWING BAD GOVERNMENT ENCOURAGES BAD GOVERNMENT.

HOW CAN THE LEGISLATURE HELP? HERE'S HOW:

1. ***STOP ALL CURRENT ANNEXATIONS*** IN THEIR TRACKS, NOW, VIA A MORATORIUM.
2. ***STRENGTHEN THE CURRENT LAW.*** STRESS POLICY AND INTENT COMPLIANCE; GIVE THE CITIZENS MORE VOICE THROUGH CLEAR, SIMPLE REDRESS PROCEDURES; PUNISH MUNICIPALITIES

WHO VIOLATE THE SPIRIT, INTENT AND POLICY BEHIND ANNEXATION; GIVE THE COURTS WHAT THEY NEED TO RULE PROPERLY ON LEGAL CHALLENGES; PUNISH MUNICIPALITIES WHO DO NOT PROVIDE PROMISED AND REQUIRED SERVICES ON TIME; FORCE MUNICIPALITIES TO SHARE MORE OF THE END COST OF EXPENSIVE TERMINAL HOOKUPS FOR CITIZENS WHO HAVE BEEN ANNEXED (OR WHO WANT TO BE ANNEXED). IN OTHER WORDS, ***SHIFT THE BALANCE OF POWER*** IN THE LAW FROM THE MUNICIPALITY TO THE CITIZEN.

I ENCOURAGE YOU TO LISTEN TO THE VOICES OF THE MANY PEOPLE WHO HAVE ADDRESSED THIS GROUP OVER THE PAST SEVERAL WEEKS. THESE PEOPLE ARE BEING VIOLATED BY BAD GOVERNMENT. YOU CAN HELP – PLEASE DO SO. THANK YOU COMMITTEE AND MR CHAIRMAN.

AGAINST FORCED ANNEXATION

First I want to thank the Committee Members for their time and effort on this very important issue and for holding this public hearing.

I will be very short with my comments. This is the first time I have appeared before any Legislative Committee but I feel this issue is too important not to voice my position. I am against the current annexation law that forces annexation. I am here to support all the speakers that spoke or will speak against the current annexation law for they stated the issues far better than I.

I am not a lawyer but I feel the current annexation law is not constitutional. So I am counting on this Committee to make it right and do the right thing and recommend a law to the Legislators that does not force annexation on its citizens.

Thanks again for your time.

Richard J. Capristo

14 Rathlin Court

Pinehurst, NC 28374

910-215-5722

RJCapristo@aol.com

Forced annexation is an unjust law that is wrong. This committee has been provided information on how the majority of other states seem to be at least if not more successful in growing their cities yet they do not allow forced annexation. Our founding fathers fought against just this kind of unjust law, where individual citizens are taxed without any representation. We are a democracy and in such need to allow the people to vote. This law allows municipalities to tax individuals who have chosen for many reasons not to live in the city. The current law has little or no avenues for citizens to be heard and for cities to fulfill their obligations. In rowan county the city of Salisbury has forcefully annexed two areas where they have not provided water and sewer service and there is only a month or two left for the city to meet the deadlines. Those citizens have been paying taxes for two years and have received nothing. My understanding is if they want to get some of that money back, they have to hire a lawyer and sue the city. With the economy the way it is and the average person living pay check to pay check where are these people going to get the money to hire a lawyer? I am sure this is only one of many stories where cities across the state have not fulfilled their obligations. I believe if the city is required to provide services within a certain time and they do not then they should un-annex the area.

I hope the committee can see how many people this law effects all across the state. It seems everywhere I go there are "No Forced Annexation" signs. I have seen them from the mountains all the way to the ocean. It is very expensive and requires a lot of time to fight cities on annexation and I believe this is why the issue has not been as public as it is now. But I can tell you the citizens of North Carolina want to be heard and the answer is "No Forced Annexation"

The laws of North Carolina are suppose to help all citizens and protect them from unjust actions against them. The current annexation laws are anything but. Any remedy for the citizens requires an expensive and lengthy lawsuit which most citizens cannot afford. People are losing their homes, their land that has been in their family for generations, their businesses because of this law. There is one company I know of that will lose 40% of their business if the city is allowed to forcefully annex our area. The city is not required to be competitive in fact it will be charging the citizens more money for less service. I hate to think I live in a state where cities are allowed to put companies out of business for no other reason than they have overspent their money and require additional revenue. I believe that goes against the grain of every American citizen. We are not asking for handouts, we are asking to be heard and have a right to vote. We are asking for the same thing our founding fathers asked for from the government who ruled without regard of the people they ruled. I would hope if this committee is serious in its endeavors, it would recommend as soon as possible a moratorium state wide on forced annexation until the law can be reviewed and corrected.

Mark Davis
120 Locke Circle, Salisbury, NC 28147

Bob Dawson
Lenoir County
9

Survey results

90 surveys returned from the Crestview subdivision

54% of those are in the 65-85 age group

For the 65-85 age group their average time of residence in their current home was 31 years.

Overall average of residence of all who returned the surveys 23 years.

The vast majority of our subdivision's residence are retired on a fixed income who have escalating medical/health costs. As many people are struggling to keep up with the rising fuel costs, home heating costs, food, and daily expenses when those on fixed incomes do not have a possible salary raise in their futures. Our county is going to undergo property re-evaluation in the next year and our county taxes will be going up as well as the potential for city taxes to be added on to that.

Services now available—

Septic systems that we maintain ourselves

City Water

Progress Energy electric service

North Lenoir Volunteer Fire Department—with a rating comparable to the City's paid firefighters and much closer to our subdivision than the city's nearest station. (There will be no reduced homeowners insurance if we have city fire coverage.)

Sheriff's Department coverage—City police department is already understaffed by 14 men. Only 2 officers cover the area adjoining the city limits to the mall in the east. The rest of the shift covers the eastern part of the city.

Paid garbage pick up (for those who want to pay for it) and the city land fill (for those who take off their own garbage)

The city promises to give us—

City police (they are severely understaffed)

City fire (with no insurance rate decrease)

Sewage service (with an initial cost to each homeowner of $2,500 to hook up, not to mention the fact that our service will not be like the city's service gravity fed vs. individual E/One Sewer system pump)

The sewer system will not be available for at least 2 years from the annexation date, but we will begin paying higher tax fees immediately.

New fees—sewer fee, storm water fee (a current county water bill of 4,000 gallons usage and OCS garbage fee is approximately $56.35; the city fee with all the extras even at a reduced per gallon fee

would be $65.36 per month for the same 4,000 gallons—an additional $9.01 per month), higher property taxes ($.60 per hundred dollars in addition to the $ .84 per hundred county tax which we already pay) , trash pick up (for a $19.25 per month fee, after you buy the city's "provided" container)

Street lighting, however, we will not be getting curbing or gutters

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Mr + Mrs John Sutton	2193 Banks School Rd	522-4343
Wendy Smith	2167 Summerhill Terrace	522-3041
[illegible] Parrott	1767 MAPLEHEAT RD	522-2994
James Rackley	1827 Crestview ST	522-0942
Ralph Culbreth	2221 Spring Wood Ln	527-5969
Richard Kearney	1845 crestview St	523 5338
Richard Barnard	1787 Holly Ridge Rd	523 9399
Gail Barnard	1787 Holly Ridge Rd	523-9399
Audrey S. TYSON	1779 Holly Ridge Rd	522-0607
Leroy Rivett Terry Rivett	1769 CRESTVIEW ST	522-4830
Rob CRAVEN	1716 HARRIETTE DR "MEADOWBROOK"	523 3790
Mr. + Mrs Walter Ramsey Jr	1831 Holly Ridge Rd	527-8665
Lemuel Sutton Hardy	2544 Banks School Rd	522-2135
Inez W. Hardy		
Charles Hill	1801 Crestview St	522-5703

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Cecil Harrison	2092 Banks School Rd	522-3825
Buddy Aitch	2215 Stallings Dr.	522-3375
James EASON	Hill Farm Rd.	933-9052
FRANK PARROTT	1763 MAPLE LEAF RD	522-2874
GRAHAM Stroud	3033 Kelly ROAD	378-5858
MARK CHAPPS	1639 EASTWOOD DR.	522-5922
Aaron & Tonia Cannon	1818 Crestview st	527-0420
Lucinda Newborn	2074 Banks School Rd	527-3351
Diana Tyndall	2103 Oakview St	522-1244
Tommy Grady	2081 Banks School Rd	208-7272
Kim Grady	↑	
Heather Rouse	1715 Hill Farm Rd.	526-9757
Cliff Rouse	1715 Hill Farm Rd.	526-9757
MICHAEL L. BRANCH	1759 CRESTVIEW ST.	522-0822
Betty BRANCH	1759 CRESTview ST.	522-0822

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Bill Cole	1855 US Hiway 258 N	522-4520
Edna Cole	" " "	" "
Jean Smith	2109 Summerhill Terr. K.	522-5626
Sue Williams	1720 Hill Farm Rd Kin.	522-2733
Stu Smith	2133 Oakview St	522 2675
Kermit West	1799 Holly Ridge Rd	527-2555
Joyce West	" " " "	
Remus Lee	1856 Hwy 258 N	5224586
Shelby Lee	" "	"
David Heath Jr	1614 Eastwood Dr.	527-8773
Shirley Heath	" " "	" "
ERIC ROUSE	2856 HILTON PHILLIPS ROAD	526-0000
Jeff Stephens	122 Kristin Leigh Dr.	523-6742
ANDREW THOMPSON	2101 BANKS SCHOOL RD	(252) 527-7921
Hattie W. Thompson	2101 Banks School Rd.	(252)-527-7921

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Vivian Harrell	1763 Maple Leaf Rd K.NC	252-522-2874
Frank Harrell	" " " " "	" " "
Grace Barnett	1750 Crestview St. Kinston	252-522-2074
Francis Barnett	" " "	" "
HELEN EVERETT	1742 CRESTVIEW ST. KINSTON	252-468-7776
DONNA MILLHORN	1836 Crestview St.	522-3089
ROBERT MILLHORN	1836 Crestview ST	522-3089
TINA Faulkner	1867 CRESTVIEW ST	527-3493
J.B & Geraldine Dawson	1857 Crestview St.	523-3523
MARION RICH	1819 CRESTVIEW ST	522-1541
Minnie Marshall	1725 Hill Farm Rd.	522-1118
Garland Deaver	1640 Hill Farm Rd	522-0390
Eloise Henley	2039 Banks School Rd.	522-4889
Edna Taylor	1919 Holly Ridge Rd.	523-8793
William + Ethel Jarman	1687 Hide Farm Rd	527 7098

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
BJ Murphy	905 Cleveland Dr.	468-2206
Linwood Thompson	1755 Hillcrest	522-5421
O Dell L Lee	1756 Hillcrest	522-0397
Lynn Wiley	2569 Pine Knoll Dr.	522-5497
Franklin Floyd North Lenoir Fire-Rescue	2715 Buckingham Ct	523-5128
JERRY A KOONCE NLVFD	3769 HWY 258 N.	522-0709
Stephen LaRoque	2264 Springward Lane	523-7700
George Logan Scheltzinger	2489 Dogwood Lane	527-9310
Tyler Everett NLVFD	2402 Fire Everett Rd	522-9029
Brent West NLVFD	2105 St. Edmunds cir.	523-4168
M. Meskus NLVFD		520-0021
LYNN EVERETT CHIEF NLVFD		
Morgan Everett NLVFD		560-3356
Justin Tart NLVFD	2591 Forrest Dr	286-5008
Michelle Johnson NLVFD	2219 Martha-Ann Blvd	252.526.2305

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Thigpen, Woodrow	2046 Banks Sch. Rd.	522-3054
CHARLES ROMAN	2088 SUMMERHILL TER	522-2688
Joyce Roman	2088 Summerhill Terrace Kinston, NC	522-2688
Betty Wilkins	1829 Maple Leaf Rd.	527-6091
Patricia Ann Dawson	1927 Holly Ridge Road, Kinston	522-4874
Carol M. Koonce	1921 Holly Ridge Rd. Kinston	520-7716
Ann Harrison	1733 Crestview St. Kinston	522-4210
William Harrison	1733 Crestview St. Kinston	522-4210
Gerald & Marlene Dixon	1697 Hill Farm Rd Kinston	522-5241
Herman & Marie Williams	1824 Hwy 258 N Kinston	522-0116
Richard & Patty White	2045 Sleepmeadow Lane, Kinston	527-9650
Johnnie Weeks	2240 Northridge Pl Kinston	522-5096
Carl Sm. Jr.	3373 Alton Phillips Rd.	526-1445
Tony Smith	2550 Old English Rd	523-5430
Cornell Edwards Jr	1807 Hwy 258 N	522-5914

City of Kinston
Annexation Public Meeting
January 24, 2008

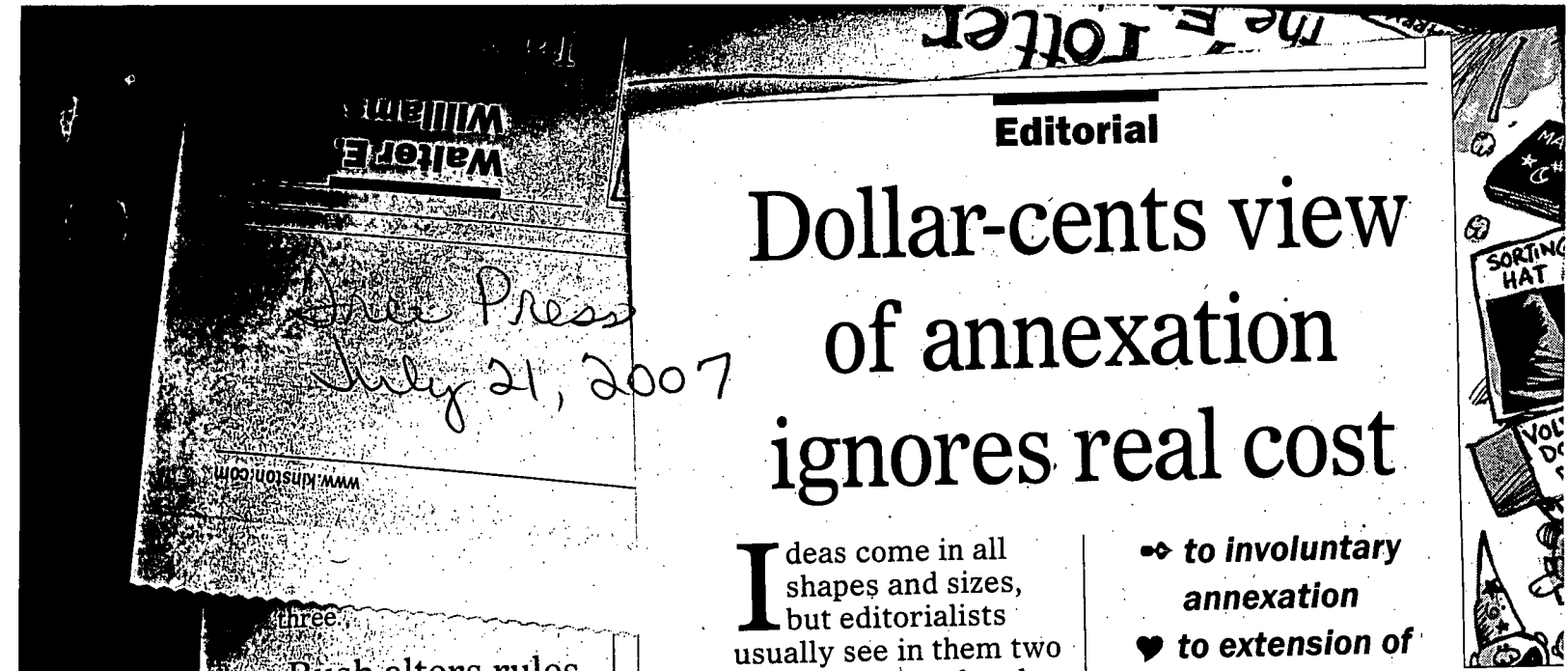
Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Brian Taylor NLVFD	3487 Harold Sutton Rd	566-4096
Bonny L. Cobb	1514 Memory Lane	527-3965
Lawrence & Alice Boone	1728 Holly Ridge Rd	522-2924
Tim + Paula Sanderson	1729 Holly Ridge Rd	527-5304
JACK & MARY BELL	1690 Hill Farm Rd	527-6666
Bob & Laura Dawson	1831 Hollyridge Rd	522-0922
JAN Smith	1660 Hill Farm Rd	522-1106
Michael J. Ward (MICHAEL J. WARD)	2174 Summerhill Terrace	523-8023
Linda H. Ward (LINDA H. WARD)	2174 Summerhill Terrace	523-8023

City of Kinston
Annexation Public Meeting
January 24, 2008

Please PRINT your Name, Address and Telephone Number.

NAME	ADDRESS	TELEPHONE
Nick & Diane Manning	1745 Hollyridge Rd	523-8866
Paul Green	1772 Holly Ridge Rd	522-1140
Robert & Jennifer Sprwill	1782 Holly Ridge Rd.	522-2765



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Bush alters rules for interrogations

WASHINGTON — President Bush signed an executive order Friday prohibiting cruel and inhuman treatment, including humiliation or denigration of religious beliefs, in the detention and interrogation of terrorism suspects.

The White House declined to say whether the CIA currently has a detention and interrogation program, but said that if it did it must adhere to the guidelines outlined in the executive order. The order targets captured al-Qaida terrorists who have information on attack plans or the whereabouts of the group's senior leaders.

Lighters given OK to take on planes

WASHINGTON — Air passengers will be allowed to bring most cigarette lighters on board again starting next month, freeing airport screeners to spend more time searching for explosives.

And travelers without infants along will be allowed to carry more breast milk on planes to accommodate working mothers.

Starting Aug. 4, air travelers will be allowed to carry-on disposable butane lighters, such as Bics, and refillable lighters, like Zippos. But torch-style lighters, which have hotter flames, will still be banned.

No injuries in

Editorial

Dollar-cents view of annexation ignores real cost

- to involuntary annexation
- ♥ to extension of Carey Road

Ideas come in all shapes and sizes, but editorialists usually see in them two varieties — good and bad. We had some of both in the news this week, simplifying the process of parsing hearts and darts.

The notion of annexation is never far from the mind of any city government, so that it resurfaced in Kinston recently was no surprise. Neither was the reaction in Crestview and other subdivisions along U.S. 258 North that are in the crosshairs. Most residents don't like the idea of being sucked into the city limits without their consent, and we understand why.

The advice of Goldsboro Mayor Al King when he spoke to the Kinston City Council on Monday night — pursue involuntary annexation because the conscripted city residents will stop kicking eventually — sums up the usual attitude of municipalities in these circumstances. It boils down to dollars and cents. If the return on investment warrants it — that is, if revenue in taxes and fees exceeds the cost of providing required services — it's a good idea, regardless of how the annexed property owners feel. Besides, state law makes it easy to do.

Kinston pulled the plug on an involuntary annexation process last year because of the cost of extending sewer service to the targeted areas. This year, a couple of factors make annexation more feasible, or threatening, depending on where you sit. For one, the city has developed a less expensive plan for extending sewer lines and is being encouraged in that endeavor by a few out-of-town businesses that want the service.

For another, property revaluation coming next year in Lenoir County presents the potential for significantly higher ad valorem tax revenues not only in the county, but in its municipalities as well. What may look like a slim difference between cost and revenue now could be a considerably larger margin when the recalculated tax bills go out in 2009, about the time annexation would be effective.

Dollars and cents figure into property owners' opposition as well. The disadvantages of being annexed — primarily, having to pay both city and county taxes — outweigh the value of police protection, garbage

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Dollars and cents figure into property owners' opposition as well. The disadvantages of being annexed — primarily, having to pay both city and county taxes — outweigh the value of police protection, garbage pickup and city water and sewer. In short, Kinston has little to offer a county resident satisfied with the sheriff's department, a septic tank, private (or do-it-yourself) garbage collection and the out-of-town rate for city water.

But the cost that property owners should begrudge most — whether threatened by city government's big-foot tactics or not — is the cost to freedom. Involuntary annexation is an affront to property rights, to the right of people to control their property and to live as they choose. Self-determination, a concept that Americans ostensibly celebrate, disappears in the face of such coercion.

A city interested in expanding its territory has a less trying, less costly option in voluntary annexation, where county residents ask to become part of the city. To pursue that strategy a city has to create better value in services, convenience and prestige, compared to unincorporated areas. Of course, doing all that might reverse Kinston's population decline without annexation of any kind.

♥ The extension of Carey Road is apparently an idea whose time has come. Actually, it's an idea long overdue for action, so it's encouraging that both Kinston and Lenoir County have made that project their top road priority.

The Kinston City Council is considering acting in advance of the state Department of Transportation to build a two-lane extension between Rouse Road and Paul's Path Road on a right of way that could eventually accommodate four or five lanes. The thinking is that the state could widen the road later.

The extension makes sense for motorists who now have to go around their elbow to get to or from U.S. 258 and for property owners along the proposed route who would benefit from the increased commercial activity. But it could also make sense for the city, according to City Manager Scott Stevens.

Instead of building two fire stations on the west side of town, the city could build one station and spend about the same amount — from $1.5 million to $2 million — on the two-lane extension, which would improve response times for all emergency vehicles, fire trucks included.

Page design by Patrick Holmes

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THE FR

This newspaper is dedicated to being an indispensable source of information and entertainment in our community while promoting the spirit of freedom.

A Freedom Communications Inc., newspaper

Patrick Holmes / Publisher and Editor
Billy Moore / Advertising Director
Darrell Snyder / Circulation Director
Larry Powell / Production Director

Editorial

Forced annexation easy way out for towns with 'issues'

Thankfully, a state House committee is studying a half-century-old law that allows municipalities across North Carolina to annex land without property owners' consent.

It's encouraging to see a state House committee begin a study of the half-century-old involuntary annexation law that allows cities and towns across North Carolina to swallow up land against the residents' and property owners' will.

For decades, municipal councils across the state have used their heavy-handed annexation powers to increase their tax base and exert their zoning and regulatory influence over property whose owners don't want to be a part of the city. This is wrong and must stop.

City officials argue that people who live outside a city are taking advantage of city services yet unfairly avoiding city taxes. They should be paying for those taxes, they say.

That reasoning might sound good on the surface. But a deeper examination is in order.

People who commute from unincorporated areas into the city to work or shop are indeed benefiting from the

Educati

RALEIGH — We are about to see nomination battles heat up for several state offices, including North Carolina's governor, lieutenant governor, state treasurer and state Legislature. In all of these cases, look for education to be at or near the top of the list of debated issues — and for the candidates to assert with great passion answers to the usual, wrong questions.

Listening to the politi-

cal rhetoric North Caroli-

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For decades, municipal councils across the state have used their heavy-handed annexation powers to increase their tax base and exert their zoning and regulatory influence over property whose owners don't want to be a part of the city. This is wrong and must stop.

City officials argue that people who live outside a city are taking advantage of city services yet unfairly avoiding city taxes. They should be paying for those taxes, they say.

That reasoning might sound good on the surface. But a deeper examination is in order.

People who commute from unincorporated areas into the city to work or shop are indeed benefiting from the city. For example, police are helping to prevent crime while the person is at the department store and fire departments are nearby ready to assist in fire prevention and save lives should a fire erupt at a business.

But are the commuters getting those services without footing the bill? No. While they're shopping, they're paying a sales tax, including a local sales tax. And the merchant is paying property taxes, which are reflected in the prices that consumers pay for products.

Businesses employing out-of-town commuters are also paying property taxes to the city.

Kinston has made limited use of its annexation powers of the past few decades, but now has involuntary annexation on its mind. The city sees the expansion of its borders as a way to increase population and pump up its tax base. That is one strategy certainly, but not the right strategy. Better that the city should attend to policies that discourage population growth, from electric rates to crime rates, and adjust to living within the means allowed by living within its border.

To be sure, many property owners and developers want to be part of a municipality, want to be annexed. They want city water and sewer. They covet faster response times that city police and fire departments can provide or the regular garbage pickups that municipalities offer.

They see being a part of a city as a mutually beneficial move between the city and the development.

More power to them. We have no qualms with such voluntary annexations.

The use of force, which is inherent in involuntary annexations, causes us heartburn, and causes those who are involuntarily swallowed up by cities more problems than that.

We hope this effort being undertaken by a House committee to review the state's annexation laws will put an end to the practice of involuntary annexation.

Educati

RALEIGH — We are about to see nomination battles heat up for several state offices, including North Carolina's governor, lieutenant governor, state treasurer and state Legislature. In all of these cases, look for education to be at or near the top of the list of debated issues — and for the candidates to assert with great passion answers to the usual, wrong questions.

Listening to the political rhetoric, North Carolina voters could be forgiven for believing that the state's mediocre educational performance is caused by teacher pay that is lower than the national average, school funding that is too inequitable, a school year that is too short and school leadership that is too diffuse. What are we to do about these problems?

The truth is that it doesn't much matter, as these are really not pressing problems.

North Carolina's teacher pay, for instance, is hardly low by national standards. The teacher union claims otherwise, but it fails to adjust nominal teacher salaries for differences in living costs, experience and non-wage benefits. If you were making $40,000 in Lexington, N.C., and someone offered you $45,000 to move to Lexington, Mass., would you simply assume that you would be getting a $5,000 raise, or would you check to see how much more it would cost you to buy a home, drive a car or purchase goods and services? Of course you would do the latter.

As my John Locke Foundation colleague Terry Stoops demonstrated in a recent

2008 alrea

RALEIGH — Who would have thought that just a few

All submissions to The Free Press must be accompanied by the author's name, address and phone number. We may reject or edit any submission. Letters of 300 words or less will be given preference and longer letters may be edited for length. Open letters, letters to third parties and petitions are not acceptable. Letters writers are limited to one letter each two weeks.

Private insurance companies' overhead and profits are 13 to 16 percent, and in 2006 totaled $140 million. To cover 46 uninsured people would cost $54 billion per year. Both the Congressional Budget Office and the General Accounting Office say that we could cover everyone for what we spend now.

The advantages of "Medicare for Everyone" are that it would provide a minimum level of care for everyone, patients would have physician choice unlike some other systems, higher income individuals could still have Medigap insurance as they do now, and it would reduce the health care cost burden on U.S. businesses competing globally.

The health care crisis is becoming an issue in the 2008 presidential campaign. A recent CNN poll showed that 64 percent of Americans said that we should have a national program, even if it would require higher taxes. A number of very large corporations have changed positions and now support a single payer system. I do not know if the health care system will be reformed soon. Several candidates are proposing minor changes on the edges, and several candidates are proposing increasing insurance coverage. There are some very powerful lobbies against reform, including the insurance industry.

America needs a solution for the health care crisis.

Donald B. Boldt
Kinston

The rule on length was waived for this submission due to content. — Editor

City fire protection will cost more

There have recently been various articles published regarding annexation in and around the North Lenoir Volunteer Fire District. We would like to clarify a few details for the taxpayers currently in our district.

North Lenoir Fire Protection Association, Inc. was formed in 1965 to provide fire service for citizens in the area not protected by the city of Kinston. Since that time, the department has evolved into a multifaceted organization providing services ranging from first responder, water rescue, advanced vehicle extrication, and aggressive interior fire attack, just to name a few. It brings us great pride to be able to offer this service on a 100-percent volunteer basis.

As the busiest department in Lenoir County, we are still able to maintain one of the lowest fire tax rates assessed within the county. This is of great concern to us as we strive to keep expenses at a minimum. A prime example of this low-cost approach is the recent construction of living quarters at North Lenoir Station 1. This project was completed by the department volunteers on the weekends, free of any labor costs. Since the completion of these facilities, we have maintained 24-hour staffing about 70 percent of the time, on a 100 percent volunteer basis. This staffing has enabled us to increase our already unrivaled response time to less than 1 min 50 seconds, on average.

With facts and figures from the National Volunteer Fire Council, we were able to estimate the annual savings North Lenoir brings to the taxpayers of our community at $5,297,728. This savings comes with no loss of service to the community. If anything, we feel our residents are provided a higher level of service. The city of Kinston does not provide a first responder service. North Lenoir Fire Rescue does provide first responder coverage throughout the entire fire district.

The primary role of the first responder program is to arrive before the ambulance, assess the situation, provide care and update the ambulance on the condition of the patient. North Lenoir Volunteer Fire Department has medical equipment located at each station that includes oxygen, automated external defibrillator, spinal immobiliza-

county, protected by the North Lenoir Volunteer Fire Department can expect to pay 88.5 cents per hundred. After annexation, the same resident, now living in the city, can expect to pay $1.44 per hundred. This difference results in a tax increase to the newly annexed resident of about 62 percent.

Capt. Justin Tart
North Lenoir Volunteer Fire Department

According to Tart, the information in this submission does not represent the opinion of North Lenoir Fire Protections Association Inc. or any of its affiliates. The information provided is strictly based on the research and views of the individuals who produced this article, including Tart, Asst. Chief/EMT Brian Wade, Secretary/Firefighter/Paramedic Jeremy Hill and Battalion Chief/EMT Greg Arnette. — Editor

Firemen make a big impression

On behalf of the Pre-K Kindergarten class of the Lenoir County Home Educators, the Pre-K Kindergarten staff thanks members of the Kinston Fire Department for taking time from their busy schedule to share a critical presentation on the subject of fire safety.

The Pre-K Kindergarten staff thanks personally Officer Woody Spencer for authorizing and arranging the visit to the First Baptist Church. Captain Carlos Jones, Officers Andy Eubanks and Brad Parker established a humorous and fun-filled educational and learning environment for serious subject matter on "Hot Spots," the techniques of "Stop, Drop and Roll," followed by "Extend The Ladder" demonstration. Several adults joined in on the fun participation, too.

The Pre-K Kindergarten class of LCHE is forever grateful for an important afternoon. Thank You. Kinston Fire Department.

Gwendolyn Lemon
Hannah McLawhorn
Pre-K Kindergarten Staff
Lenoir County Home Educators

Letters to the Editor

Your opinion counts

WRITE: Mail your letters to:
Letters to the editor
The Free Press
P.O. Box 129
Kinston, NC 28502

FAX: Letters may also be sent by fax. The number is:
(252) 527-9407

E-MAIL: Letters may be sent by e-mail to:
pholmes@freedomenc.com

The Free Press must be accompanied by the author's name, [illegible] may reject or edit any submission. Letters of 300 [illegible] erence and longer letters may be edited for length. [illegible]rs to third parties and petitions are not acceptable. Letters writ- [illegible] one letter each two weeks.

ınce companies' profits are 13 to id in 2006 totaled To cover 46 unin- would cost $54 ar. Both the Con- ıdget Office and \ccounting Office ould cover every- we spend now. tages of "Medi- ryone" are that ride a minimum for everyone, ld have physician e some other sys- income individu- l have Medigap s they do now, and uce the health rden on U.S. busi- peting globally. h care crisis is n iss[illegible] the 2008 l ca[illegible]n. A poll showed that of Americans said uld have a nation- , even if it would her taxes. A num-

formed in 1965 to provide fire service for citizens in the area not protected by the city of Kinston. Since that time, the department has evolved into a multifaceted organization providing services ranging from first responder, water rescue, advanced vehicle extrication, and aggressive interior fire attack, just to name a few. It brings us great pride to be able to offer this service on a 100-percent volunteer basis.

As the busiest department in Lenoir County, we are still able to maintain one of the lowest fire tax rates assessed within the county. This is of great concern to us as we strive to keep expenses at a minimum. A prime example of this low-cost approach is the recent construction of living quarters at North Lenoir Station 1. This project was completed by the department volunteers on the weekends, free of any labor costs. Since the completion of these facili-

tion devices and basic airway devices.

Based on the information we've seen provided to residents, it seems the tax issue surrounding annexation is another area that seems vague. We did some research and got the following numbers from the Lenoir County Tax Department and the office of the Lenoir County Fire Marshal — county tax rate, 84 cents per hundred; city tax rate, 60 cents per hundred; North Lenoir fire tax rate, 4.5 cents per hundred.

A resident living in the county, protected by the North Lenoir Volunteer Fire Department can expect to pay 88.5 cents per hundred. After annexation, the same resident, now living in the city, can expect to pay $1.44 per hundred. This difference results in a tax increase to the newly annexed resident of about 62 percent.

Capt. Justin Tart
North Lenoir Volunteer Fire Department

According to Tart, the information in this submission does not represent the opinion of North Lenoir Fire Protections Association Inc. or any of its affiliates. The information provided is strictly based on the research and views of the individuals who produced this article, including Tart, Asst. Chief/EMT Brian Wade, Secretary/Firefighter/Paramedic Jeremy Hill and Battalion Chief/EMT Greg Arnette. — Editor

Firemen make a big impression

City of Kinston
Annexation Public Meeting
January 24, 2008

Scott A. Stevens
City Manager

Chris Hill & Diadra Powell
Project Coordinator

939-3110

Purpose of Tonight's Meeting

- We are here at your request to share information about the impact annexation might have on you.
- Discuss the annexation process and why these areas are of interest to City Council.
- Hope to answer general questions you have about annexation.
- Provide accurate information based on what we know today, current tax rates, and current fees.

Why do Cities Annex?

1. City's fiscal health
   - Additional revenue
   - Additional population
2. Determined to be fiscally fair to citizens of the city.
3. Heath and development of urban fringe

Source: Annexation Law in NC, Volume 3, UNC School of Government

Areas Under Consideration

Area 1-A

Crestview

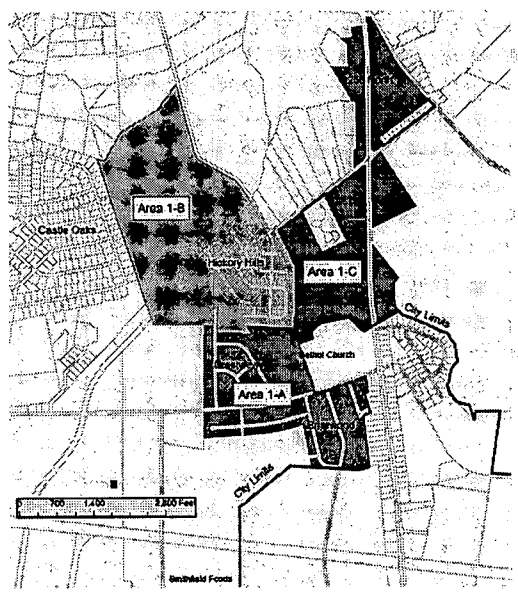
Briarwood Terrace

Area 1-B

Hickory Hills

Area 1-C

Hwy 258 North



Area Information

(Crestview, Briarwood, Hickory Hills, and Hwy 258 N)

Total Parcels		493
Residential	*412*	
Commercial	*21*	
Vacant	*60*	
Population		1,183
Assessed valuation		$39,415,172
Property Tax Revenue		$ 236,491
Other General Fund Revenue		$ 202,800
Total Additional General Fund Revenue		$ 439,291

Proposed Annexation Calendar

Adopted Resolution of Consideration	9/20/2007
Adopt Resolution of Intent	2/20/2009
Approve Annexation Report	3/6/2009
Hold Public Information Meeting	4/10/2009
Hold Public Hearing	4/18/2009
Adopt Annexation Ordinance	5/1/2009
Effective Date of Annexation	7/31/2009

Note: Dates are tentative

Area Considered for Annexation in 2004

- In 2004 - Resolution of Consideration Adopted acknowledging study of possible annexation of areas to the northwest and south of Kinston.
- In 2006 - an analysis was completed that identified the costs involved with providing services to these areas.
- The cost of providing gravity sewer, estimated to be more than $5,200,000, created a negative cash flow for the City and the process ended.

Alternative to Gravity Sewer System

- The use of small on-site sewer pumps is widely used in some communities as an alternative to gravity sewer. For some installations, use of this technology cost less to install than gravity sewer.

- Myrtle Beach, SC and Brunswick County, NC both use hundreds of these pumps and have reported excellent reliability and performance.

- Cost is estimated to be $2,600,000 or less depending on number of customers who connect

Annexation Annual Net Gain/Loss 2006 vs. 2007

	2006	2007	*2007*
Overall	**-$20,748**	**$145,900**	***$227,050***
	gravity sewer	force main 100% connected	force main 25% connected

Note: 2007 figures include a $1,500 per unit sewer tap fee

Services That Will Not Change as a Result of Annexation

- Street maintenance will be provided by whomever is currently maintaining the street unless the City is asked and accepts the street for maintenance.
- Your electric provider will not change (most properties in the subject area are served by Progress Energy and will continue to be served by Progress Energy).
- EMS Service, which is provided by the County, will remain the same.

Changes that Result from Annexation

- Elimination of Fire District Tax ($0.045/@100 valuation)
- Elimination of Annual $60 County Solid Waste Fee
- City would collect garbage, trash, recycling, provide bulk leaf collection, and provide mosquito control services ($19.25/month)
- Water bill would reduce to 1/2 of current cost
- Sewer would be available within 2 years
  - All developed properties would pay minimum sewer bill of $11.80/month once sewer was available
  - If connected to sewer system would pay minimum and for volume discharged into sewer system

Changes that Result from Annexation (continued)

- City would install street lighting
- Begin paying stormwater fee ($4.00/month)
- Business customers would get dumpster service from City (rate varies by frequency and size of dumpster)
- Paid firefighters on duty 24 hours per day
- Additional Law Enforcement patrol
- Begin paying City property tax ($0.60/$100 valuation)

Financial Impact on Residential Homeowner

- Assumptions: $100,000 home with $30,000 in personal property (cars, boats, etc), does not currently pay for garbage collection, connects to City Sewer, and uses 4,000 gallons of water per month

• North Lenoir Fire District Tax	- $ 58/year
• County Solid Waste Fee	- $ 60/year
• Cost for City Water reduces by 1/2	- $212/year
• Cost for City Sewer	+ $281/year
• City Taxes	+ $780/year
• Stormwater Fee	+ $ 48/year
• Environmental Services Fee	+ $231/year
	+$1,010/year
	+$ 84/month

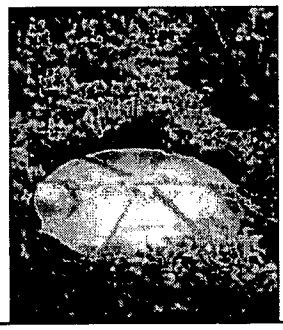
Answers to Questions Submitted to City Council in October 2007

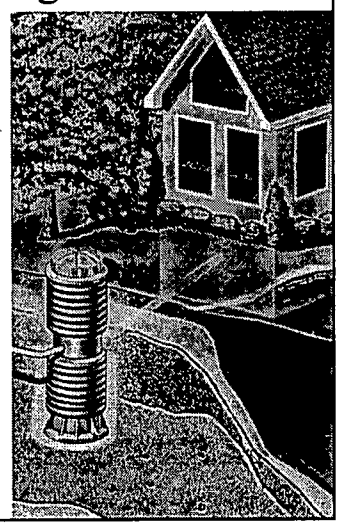
(based on best information available as of January 2008)

1. Explain what would be done regarding our current septic tank system?
   - May continue to use septic tank until it needs repair
   - Would need to abandon septic tank once connected to sewer system
2. How would it connect to City sewer?
   - Onsite sewer pump station would be installed near building to be served

Answers to Questions Submitted to City Council in October 2007 (continued)

3. What is the pump we are hearing about?
   - E/One Sewer System pump
   - 2"- 4"sewer main along roadway in small trench





Answers to Questions Submitted to City Council in October 2007 (continued)

4. What is the estimated cost of the pump and connecting?
   - Current tap fee is $1,500 for residents
   - For pump services, where residents don't have to pay plumber to bring service to street, City likely to charge $2,500.
5. If we elect to keep our current septic tank system and not take the pump, will we still be charged for sewage? If yes, why?
   - Yes, to help pay for the debt service associated with installing and maintaining the sewer force main

Answers to Questions Submitted to City Council in October 2007 (continued)

6. Will water rates go down or will a sewage charge be added to make the water bills higher?
   - Water rates will reduce by 50 percent
   - Minimum sewer charge would be $11.80 plus usage
7. What would be the rate of our taxes?
   - County tax rate is currently 0.84/$100 valuation
   - City tax rate is currently 0.60/$100 valuation

Answers to Questions Submitted to City Council in October 2007 (continued)

8. Will there be a letter sent out before this annexation process starts to explain what the added cost would be to the residents of Crestview?
   - Letters will be sent to the owners of each tax parcel located within the areas at least four weeks in advance of the Public Informational Meeting
9. Why is annexation so important to Kinston?
   - Increased population and tax base

Questions?

Scott A. Stevens
City Manager

Diadra Powell
Project Coordinator

939-3110
P.O. Drawer 339
Kinston, North Carolina 28502

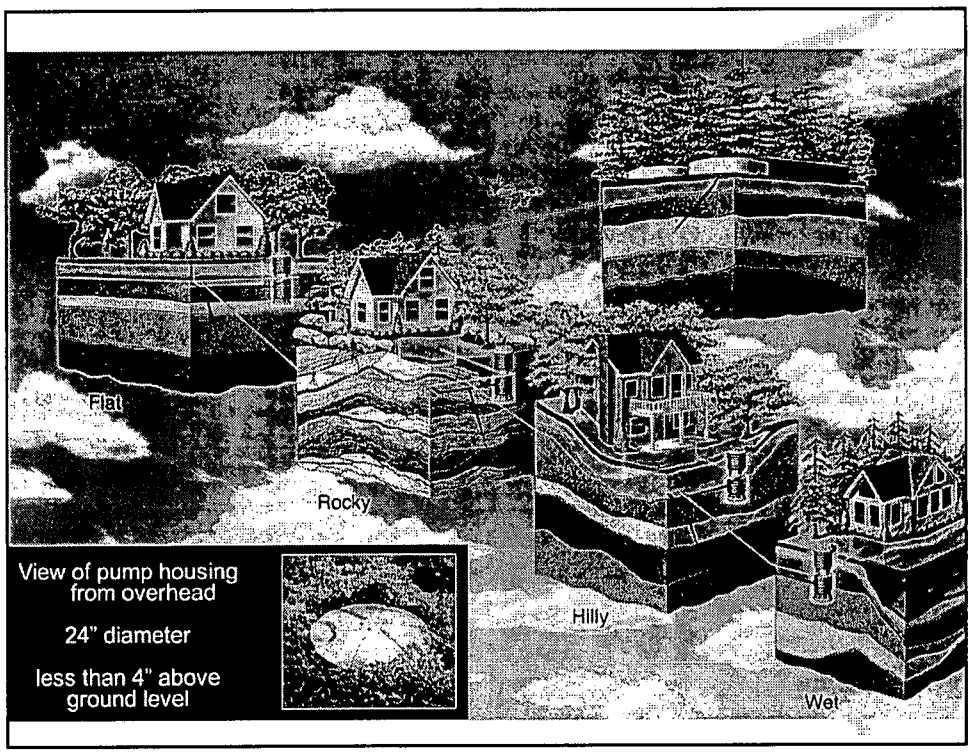
Annexation Summary

	Crestview & Briarwood	Hickory Hills	Hwy 258 N	Total
Total Parcels	195	217	81	**493**
Population	513	524	146	**1,183**
Assessed valuation	$18,983,751	$8,052,858	$12,378,563	**$39,415,172**

	2007	*2007*
Customers connecting to sewer	100%	*25%*
General Fund net (minus one-time costs)	$206,400	*$206,400*
Enterprise Fund net (minus one-time costs)	-$64,500	*$16,650*
Total net (minus one-time costs)	**$145,900**	***$227,050***

Area Information

	Crestview & Briarwood	Hickory Hills	Hwy 258 N	Total
Total Parcels	195	217	81	**493**
Residential	*178*	*182*	*52*	***412***
Commercial	*5*	*2*	*14*	***21***
Vacant	*12*	*33*	*15*	***60***
Total households	178	182	52	**412**
Population	513	524	146	**1,183**
Assessed valuation	$18,983,751	$8,052,858	$12,378,563	**$39,415,172**



Annexation Annual Net Gain/Loss Summary

	2007 w/ 100% sewer connectivity	2007 w/ 25% sewer connectivity
COSTS		
Police	$192,000	$192,000
Fire	$8,000	$8,000
Public Services (solid waste, street lights)	$87,500	$87,500
Utilities (water, sewer)	$166,800	$41,700
REVENUES		
General Fund (taxes)	$430,600	$430,600
Enterprise Fund (solid waste, water, sewer, stormwater fees)	$128,600	$84,650

Annexation Now Feasible?

- The use of small force-main sewer improves the financial viability of annexation for the City.

- Sewer system costs are based on financing approximately $1.82 million over 20 years at 5% interest. The $1.82 million financed is derived from subtracting $783,000 in sewer tap fee revenues from the cost of $2.6 million to install the sewer system.

- Current sewer tap fee is $1,500 per tap for gravity sewer. The City supplies the sewer main along the road and the customer is responsible for piping from their structure to the road.

- With small force main sewer, there is a basis to charge a higher tap fee since the City is responsible for installing the pipe and all associated piping on the customer's property and along the roadside. A fee of $2,500 would help recoup more of the expense.

Devlin

Before I start I would like to know how many Rep. would like to move to Salisbury NC 10

(1) We want to speak out + voice our opposition to the current Annexation law that effects Hwy 150 area in Rowan County

(2) We have no need for any of the city services being offered. We spent 5,500 to drill a new well on our property recently and we are perfectly happy with our existing septic tank + private garbage service.

(3) I don't think it is fair that the city can take in property by force. (4) N.C. is only 1 of 6 states that still allow cities to annex against the people's will

(5) If this law is not change our city will continue to ~~take people's~~ Annex any piece of property they choose.

~~(6) Our city council is either really out of touch or desperate for money to annex people at a time like this.~~

(7) Gas prices are up, jobs are slow, small business in Salisbury have told us how their business is ~~slow~~ down due to the economy. In Rowan County, Freightliner one of the largest employer in the County is going to have a ~~temporary~~ permanent layoff of 1500 ~~workers~~. June 4th

(8) Alot of citizens are wondering what is a savings ACCT ???

(9) It could cost citizens 2,600 to tap in $5-8,000 ~~for~~ to hire a private plumber to run lines to their homes.

10. Who has that kind of money. There are plenty of folks on a fixed income these days that just don't have it.

11. All State Rep ~~will~~ need your Help !!!
~~Abortions~~. This has got to stop.
It reminds of the Boston Tea Party
~~Taxation without Representation~~.

12. Join us ~~State Rep~~ Rep's elimate Forced Annexation in N. Carolina

thank you -

Linda Holshouser
2015 Monroeville Rd
Salisbury, N.C.

Jack Fisher
11

Speaking against Forced Annexation 4/9/08

North Carolina officials like to refer to the taking of county citizens into the city as annexation of citizens into the benefits of the city.

Our officials like it because it helps them to avoid the more realistic term, Forced Annexation. Forced Annexation has a bit of an Anti-American ring to it...It is also true.

Why forced annexation? Why not annexation by choice?

It would seem to boil down to one interested and self-serving private lobby group: The North Carolina League of Municipalities. What are the benefits to the NCLM?

- More collections in dues from the citizens being taxed without their knowledge or consent...Due are based on the number of citizens of a given city.
- No accountability of the use of the funds taken from the taxpayers.
- Undue influence with elected officials in the State. This was evidenced at a recent meeting when the representative from the lobby informed this body they would take a look at any changes to the forced annexation laws and would let you know what they would be willing to accept...An added comment was a warning that the league would not be willing to really change the forced annexation laws...
- Allows the members, consisting of former and current mayors, city attorneys, city managers, etc., to exert undue influence on the elected body to do what the league wants, not what the citizens want. Frankly, I have never had any League member express the slightest concern or interest in what I might want to see my elected representative do.
- Most of the people I've had tell me they know about the League are Developers...Why is that? Have they ever told a Developer no? Ever?

What happens to all the money collected?

- Does it go to pay lawyers who will be fighting the citizens whose money is being used against them?
- Does it finance, in any way, elected officials campaigns? If so, we may have a whole new issue to explore, and has already been put in motion.
- I believe we're talking millions of dollars...I hardly believe it all goes to feed you that little bit of Bar-B-Q and greasy French Fries once a year...

The bottom line is, we the citizens of NC do intend to take back control of this state and put that control in the hands of elected officials, not some shadow government that has operated outside the knowledge of the average taxpayer for so long.

The League is looking for, I'm told, a PR person...They will be needing one...That individual will have to be a very good dancer because as more and more information is made known to the 'left-out' taxpayer you can believe the demand for action will grow at faster and faster rates.

You are our elected officials. You were elected to look out for the citizens of this state. It is embarrassing to hear you talked to like a hired-hand by a shadow government official who doesn't even seem to try to hide a contempt from years of getting their own way.

Thank you for your time,
Jack Fisher
3408 Mill Run Ln
Pfafftown, NC 27040
fishbbtnc@aol.com

Leg. Comm. on Annexation II

4.9.2008

FREDERICK RICHARD FLOWE
2720 READY MILL LOOP
KANNAPOLIS, NC 28081
704-784-2022

REPRESENTING:
CABARRUS CHAMBER OF COMMERCE
AS:
CHAIRMAN – TRANSPORTATION & LAND USE COMMITEE

POSITION:
SUPPORT CURRENT LAWS FOR BOTH MUNICIPAL INITIATED & CITIZEN INITIATED ANNEXATIONS

BASIS:
- STRONG CITIES MEAN STRONG ECONOMIES
- PLANNED INFRASTRUCTURE SAVES TAX PAYERS MONEY BY BEING PROACTIVE NOT REACTIVE
- MUNICIPAL STANDARDS BENEFIT NEW GROWTH AREAS FOR QUALITY OF LIFE

Mr chairman, members of the committee I am 4/9/08 RICHARD FOSTER 165 MILES RD, SALISBURY ROWAN COUNTY

~~I live at 185 Miles Rd in Mt Ulla~~ a resident of Rowan county, and also an owner of several properties within the incorporated limits of Salisbury. (1) 1/2

I oppose forced annexation. It is, as many others have told you, undemocratic and unfair.

Annexation has its place, when it is needed to enable services to be provided, including ~~the~~ new subdivision, commercial or industrial development but when it is used as nothing more than a blunt tool to expand the tax raising powers of a municipality by annexing an already developed area then it is wrong.

Annexation laws in North Carolina currently talk about annexation being "to provide quality services to residents", but this provision is apparently worthless when residents already have all the services that they want or need, services that are already good quality and are arguably better and certainly more efficient than the annexing municipality can provide. Forced annexation is being used to ride rough-shod over the rights of residents in favor of a decision made by a municipality that the residents not only *did* not elect but *could not have elected* because they lived outside the municipal boundary.

There is one aspect of annexation that needs to be fixed, no matter what other reforms to the law are made. The process, ANY annexation process, needs to be open, honest, and take enough time to consider all the pros and cons, make plans for new contracts and the provision of necessary services, and to consider the funding alternatives. The current process runs backwards with the timescale being so short that little planning can be done before annexation is completed, and the plans for capital and revenue funding are still little more than vague budgets. When this happens it leaves newly annexed residents paying higher taxes, but without all the services that they were supposed to receive. I should add, services that they may neither want nor need.

The current process also appears to encourage stealth and subterfuge in local government. A current annexation proposal for Salisbury has, according to a consultant

RICHARD FOSTER,
165 MILES DR, SALISBURY

from the Centralina Council of Governments, been under consideration by the city of Salisbury since August of 2007, yet just last night a councilor told a public meeting that the elected councilors were not told about the annexation plans until the end of January 2008, just 3 days before being asked to vote on the "intent to annex" motion. This indicates that not only were the residents of the annexation area ambushed, so were the council members who are suppose to be running the council.

This ambush of the council and the residents of the annexation area was deliberate and carefully planned by the consultant from the Centralina Council of Governments. When he presented his plan to Salisbury councillors in January 2008 he took great glee in explaining how he had worked back from the proposed annexation date of July 1st, 2008 to schedule the *latest possible* day for the vote by the council, and backwards from that date to propose the *latest possible* dates for each of the required steps in the process. That is not the way that government should be operating, it is unethical, sneaky and dishonest.

I sincerely hope that the law is changed to require annexation to be a more democratic process, but in any case annexation needs to be made into a more honest and open process.

Thank you for taking the time to listen to me.

13

DEMOCRATIZING NORTH CAROLINA ANNEXATION

PRESENTATION TO

THE SELECT COMMITTEE ON MUNICIPAL ANNEXATION

APRIL 9 2008

John Frank
616 Indian Wells Circle
Lexington, NC 27295
Email: jnonef@lexcominc.net

A fair annexation law shold promote synergism. The theory underlying annexation is the old two plus two equals five. In a proper annexation, both parties agree and both parties gain. Under the present draconian law, the annexing party wins short term and the target victim loses forever. Immeasurable is the added factor that when you pull somebody into the city kicking and screaming, society as a whole suffers.

The present NC annexation law is a Jim Crow law that should have died with the enactment of the Civil Rights Act of 1964. Placing such absolute power in the hands of a few is unconstitutional. In exercising this power, city managers offer several pretextual justifications for the proposed annexation, none of which can be supported. The fact is that every annexation in process today is a desperation move to solve a short term cash flow problem by forcing annexees and annexors to shoulder a long term debt problem. This will always fail because the root cause of the problem is management malpractice. Annexation does not solve the problem, it simply postpones it.

Forced annexation is a taking. Once the statutory requirements of the law have been satisfied, the raising of a few hands is all that is required to effect an annexation. While City residents have no choice on shouldering their future burden of the annexation they do have resort to the polls. The horse, however, has already bolted. The victims of a forced annexation have only a statutorily limited access to the courts. If a City is able to show that this land grab satisfies a compelling interest, and is the most effective way to satisfy that interest, then our U.S. Constitution permits the taking, but demands just compensation. Anything short of this deprives the victims of Constitutional Due Process.

The existing law has spawned a lobbying entity that overwhelms the legislative process. Of course the reference here is the NC league of Municipalities, the organization located next to the legislature which operates with a ten million dollar budget, directly employs about a hundred people and exists entirely through membership dues of municipalities ...taxpayer dollars. Wherever forced annexation is taking place, the finger of the league is seen moving relentlessly through. To the bystander, the appearance of improper influence is everywhere.

Unfettered annexation within the state is a cancer. A healthy state is a complex, dynamic mix of counties and several flavors of political entities with citiesdominating. The state is a finite area. As cities expand thru annexation, their circumference grows like an expanding universe, spawning greater annexation possibilities with each annexation. City growth comes at the expense of the counties. Taken to the extreme, the State winds up with a hodge-podge of sprawling, debt-ridden cities, leaving in its wake, counties, who have no power to stop the annexation frenzy, with dregs of areas not worth annexing. The county, in effect, becomes a dumping ground for areas that are not worth annexing.

JOHN FRANK 4/9/08

The NC annexation law is a cover for unlawful discrimination. The annexation pre-planning process compiles all of the potential annexation candidates. The planning committee then selects from these, the most lucrative candidates and recommends these to the governing council for annexation. The resulting gerrymander ignores those areas that are in need of the services which the city must provide and includes areas which already have the services they need. The poorer, blighted, less-affluent areas are by passed and continue to languish.

An annexation moratorium should be declared pending the final report of the Select Committee on Annexation Reform. Now that there is a recognition that the present law is suspect as being flawed, all annexations presently under way should be subject to the reformed legislation. It would be a grave injustice for an annexation to become final the day before the law that would have barred it takes effect.

Minimum requirements for the revised annexation legislation.

The new annexation law should place a burden on the city to show that the annexation is needed. Such a showing must include evidence that the city has utilized all of its present resources; that there is a need to expand; and that the proposed annexation is strictly tailored to satisfy this need. Secondly, there must be a provision for a referendum of all those affected by the annexation. No annexation should be allowed to proceed if most of the people directly affected are opposed to it. It is hard to imagine a more one-sided situation than the present law promotes.

JOHN FRANK 4/9/08

April 8, 2008

Donna Giles

14

Rep. Paul Luebke, Co-Chair
Rep. Bruce Goforth, Co-Chair
House Select Committee on Municipal Annexation
NC House of Representatives
16 West Jones Street
Raleigh, NC 27601

Dear Rep. Luebke and Rep. Goforth:

I am writing regarding municipal annexation issues of great personal importance to me. I regret that I cannot attend the committee hearing on April 9, but instead I have asked a friend to deliver this letter to you at the hearing.

I live in Brunswick County several miles from the town of Shallotte, in a (formerly) single-family residential area called Shallotte Point. Several years ago we bought property here and ultimately invested our savings into building a home not far from the Shallotte River. Our neighborhood was quiet--a diverse mix of homes large and small, old and new, fancy and plain. It suited us very well, and though we anticipated more growth and development in the area, we never dreamed that we would be faced with the prospect of having condos directly across the street from our property. But that is exactly what has happened.

My primary complaints about our current situation are:

(1) The town of Shallotte is engaging in an unbridled, unmonitored annexation and rezoning of county land, with residents on adjacent properties having no control and no recourse.
(2) There is no land use plan that guides these decisions, no shared vision for what would constitute good growth and development for our community.

Approximately 2 years ago the town of Shallotte began a continuing series of voluntary, satellite annexations of single-family properties, and virtually all of them have included a rezoning to high-density, multi-family. These annexations have occurred with disregard to a significant amount of input from area residents who are against the zoning change. Furthermore, the town treats county residents who have not annexed (including a citizens group called the Shallotte Point Preservation Group, numbering over 100 people) with blatant rudeness. We have been told that we are "wasting time" when we go to Aldermen or Planning Board meetings to express concerns about what is happening.

These annexations, though voluntary, are made without any land use plan as a guide. The Brunswick County Land Use Plan (which says that my neighborhood should remain single-family) is clearly being disregarded. Citizens are not privy

to the reasoning behind the decisions being made, and since I am a county resident, I have no standing within the town government, no way to influence decisions (beyond being allowed to speak for 3 minutes during town government meetings, during which time most officials gaze at their watches to determine when 3 minutes expire). I cannot vote for (or against) any of these officials, since I'm not a town resident. And yet they make decisions that drastically affect the quality of my life. The phrase we use around here (and I'm sure you've heard it before) is "Annexation Without Representation."

I am not a person who is, strictly speaking, anti-annexation. Nor am I, strictly speaking, anti-development. There are times and situations when annexation may be appropriate. There are locations where condos make sense. HOWEVER, I strongly oppose any annexation and/or rezoning that does not adhere to a carefully thought-out planning document created through diligent research and well-reasoned input from citizens and officials and experts (environmental, economic, transportation, sanitation, etc.). The town of Shallotte is not adhering to any such document, nor does it appear to feel any obligation to do so. This is an outrage.

As you may know already, Shallotte has been granted an exemption to the usual rules governing annexations of more than 10% of the town area. However, they are extending their reach by annexing properties miles away from the ETJ, with no stated plan for providing services to those outlying areas---again no planning, no vision for what would constitute good growth to benefit the entire community.

Please, through your hearings and deliberations, enact laws and regulations that, (a) guarantee a more rational and transparent approach to annexation; (b) insist upon adherence to an approved land use plan; (c) require more strict monitoring of city/town procedures and adherence to those laws; (d) ensure citizens' concerns are taken into consideration and responded to; and (e) show fairness to all and respect for our environment. Thank you for your consideration.

Sincerely,

Donna Lee Giles

Donna Lee Giles
3845 Bill Holden Road SW
Shallotte, NC 28470
Phone: (910) 755-7907
Email: donna.giles@alumni.duke.edu

Steve Goodnight
240 Roger Dr
Homestead Hills

The proposed annexation in Rowan County will mean an additional financial expense to each household involved. All of these households will have to pay additional taxes on their property and vehicles, plus face even more, significant expenses should they hook up to city water and sewer. The total of all these expenses will directly impact people lives, yet they have no say in the matter, which is wrong.

My household will be dramatically affected. My wife and I have twin 16-year-old sons, and a 5-year-old boy. For the past 2-½ years, we've been on my income alone. My employer, Performance Fibers, announced last week there will be a reduction in their workforce. Like everyone, we also struggle with the rising cost in energy, fuel and food expenses. Unlike the city, we have to tighten our budget, and can't expand to take in more money.

We face the uncertainty of when my wife will find employment, in a soon to be saturated local job market, as well as the "what ifs" of my own job security. That makes the "extras" of driver's licenses and college education for our teenagers, challenging enough. Should this annexation take place, those "extras" will be basically impossible.

The entire community will be affected when 1500 lose their job from Freightliner June 6th, and this annexation on top of that, could sink many people who are struggling to stay afloat as it is! People should have the right to vote on matter that will affect their life so much. Our state law needs to be, and should be changed. Please consider the negative, and/or extreme effects this annexation will have on many families. As a citizen, I ask for you to do what is right by the very people, who seem to have been completely ignored.

ONCE AGAIN, CITY DEFENDERS CAN'T SEEM TO DISTINGUISH BETWEEN FORCED & VOLUNTARY ANNEXATION

Demographic Changes spurred Municipal Reaction _ Time to Evaluate

Catherine Heath

16

The 1950's saw dynamic changes to the demographics of municipalities.
Some of the changes for municipalities are well known. The Interstate highways, suburbia, post war affluence and rising civil rights controversies.
Richmond VA's 1960's legal disputes over annexation were propelled by these changes.

During the 1950's, the Federal Government authorized an Advisory Committee on Intergovernmental Relations to study the interaction between Federal, State, and Local Government. The Commission dedicated a separate report to address the "municipal problem" caused by the changing demographics. The cities were seeking subsidy to preserve the status quo against the tide of change.

The NCLM cites parts of the Commission's resulting report as validation of their position on forced annexation. Never mind that the Committee was well represented with city advocates.

Prior to the ACIR report, the NCGA had authorized a committee to study NC annexation laws and recommend changes that would relieve the legislature of the task of dealing with annexations. The NCLM worked as usual to advance the interests of the cities.

Removing the voice and vote of the people was their solution to municipal "problems".
This radical change was justified by reasoning that urban services needed to be provided to developing outlying areas. Also cited was the need for "orderly expansion" of the growing population centers.

What do we have today as a result of these 1959 laws and the expansions of the municipal power to annex? The 1959 Committee did not recommend the power to annex satellite areas. It recommended the discontinuation of Legislative annexations.
Does the law as it is today accomplish the "orderly expansion" or the provision of urban services to those remaining areas truly in need?

Cedar Grove Institute for Sustainable Development has documented the exclusion of areas in need from inclusion in the cities. The Institute, along with the UNC Center for Civil Rights have shown that these low income and racially defined areas are annexed around and often left in political limbo by keeping them as an ETJ forever.

Looking at these organizations maps, or any NC map, you can easily see that many annexing NC municipalities have borders that look nothing like "orderly expansion".

The goals of Growth Management for orderly growth are circumvented.
The cities complain that unincorporated islands inside their borders pose problems for efficient provision of services, yet they approve outlying islands that create even greater problems. These islands become expensive to serve and they are out of character with their rural or low density suburban neighbors. They create more "donut holes" and I believe that this may be intended.

The laws as they are and the results that they have achieved, have not justified the removal of the right of the affected landowners to agree or disagree to be taxed to support a municipality as an unwilling resident. The 1959 Committee did have considerable anguish over justifying the decision to remove the vote of the people regarding taxation and inclusion into an additional level of government. The laws today are being primarily used as a tool to generate additional revenue to the neglect of the originally stated goals.

Many of the negative consequences of the Forced Annexation laws could be resolved simply by giving the affected landowners some type of direct voice, direct representation, or third party review over whether the decision to annex is needed or desired.

CATHERINE A. HEATH
WAKE - STOPNCANNEXATION

The city boosters continue to DEFEND CHANGES TO THIS LAW AS IF THEY JUST JOINED THE CONVERSATION & MISUNDERSTOOD THAT WE ARE DISCUSSING FORCED ANNEXATION.

NO ONE HERE HAS ANY INTEREST IN PUTTING AN END TO ANNEXATION. I'D LIKE TO HELP THEM GET UP TO SPEED WE ARE ONLY ASKING FOR AN END TO FORCED ANNEXATION

I'VE BEEN WAITING TO HEAR THEM STICK TO FACTS THAT JUSTIFIES FORCED ANNEXATION.

THEY COME HERE, AS THEY DID LAST FALL, AND IN EVERY OTHER DEBATE, AND SAY THE SAME THINGS THEY'VE BEEN TOLD TO SAY BY THE NCLM. THE SAME THINGS, THAT HAVE BEEN INTELLIGENTLY REFUTED, BUT IT'S ALL THEY HAVE,

THEY CALL US FREE-RIDERS, THEY COMPLAIN ABOUT US USING CITY ROADS, AND THEY TALK AS IF THE BENEFITS BETWEEN CITY & SUBURBS IS A ONE WAY STREET.

THEY FORGET THAT BOWELL BILL FUNDS COME FROM TAXES WE PAY. CLEAN WATER GRANTS, OPEN SPACE FUNDS, AND COUNTY TAXES

OUR COUNTY TAXES SAVED THE CITIES FROM BUILDING COURTHOUSES, JAILS, PARKS & LIBRARIES AND SCHOOLS.

WE HELP PAY FOR THIS AND LAND RECORDS, TAX COLLECTION, & ELECTIONS THAT THEY DON'T HAVE TO USE THEIR CITY REVENUE FOR,

CATHY HEATH
WAKE CO.
STOPNCANNEXATION

FREE-RIDERS? MYTH vs. FACT

MYTH: 60% of County taxes are paid by municipal residents.

FACT: The 60% ratio is a 'rounded up' average of every NC County. Over 60% of the Counties in NC have over 60% incorporated land. 100% of the city taxpayers benefit from services paid for with these taxes.

MYTH: City residents are paying for services with their County Property tax that exclusively benefit the taxpayers living outside of the cities.

FACT: Over 95% of the County taxes paid by all are for services used by city and county residents alike. Over 75% of County taxes pay for the schools and the majority of students come from city growth. County libraries and parks are paid for and enjoyed by all inside and outside the cities. Courts, jails, deeds & records, and health services benefit everyone equally.

MYTH: Unincorporated landowners don't pay taxes that help to fund city amenities that they live close to and benefit from.

FACT: Unincorporated county landowners and residents pay Federal and State taxes that fund grants, loans, and other earmarked taxes that go exclusively to cities for urban infrastructure and support services.
Non-city taxpayers fund CDBG, Powell Bill, Open Space, Clean Water, Parks & Recreation funds, Regional Transportation and Hospitality taxes, gas taxes of which 1% goes exclusively to cities, special assessment fees impacted by local sales taxes, a 3% franchise tax on utilities that goes exclusively to cities, alcohol excise taxes, intangible personal property taxes on savings investment profits and other Federal, State, and County grants and loans.

MYTH: Cities provide services to non-city residents that couldn't exist with the city.

FACT: Water and sewer can be, and often is, provided by Counties or Independent Sanitary Districts.
Roads are built by the State and private developers.
Shopping,
Parks,
Libraries,
Hospitals,
Courthouses and Jails,
Universities and Community Colleges,
Solid Waste and Sanitation,
Planning & Zoning,
Code enforcement,
Employment centers,
Can all be built and exist outside of municipal governance or dependence on it.

All of these things can and do exist, and are provided, independent of the existence of a municipality. The one thing that is usually dependent on cities is the existence of higher density living that is a remnant of a past era when commerce and employment opportunity were constrained by limited mobility. **The "Municipal Problem" is an inability to adapt. Forced annexation is artificial life support.**

CATHERINE A. HEATH
STOPNCANNEXATION

NCGA Annexation Public Hearing Doug Hewitt 17

April 9, 2008

Good afternoon, I'm Doug Hewett, Assistant Manager for Fayetteville, NC. I want to start by thanking the General Assembly for allowing me to comment on ~~the value of~~ North Carolina's laws regarding annexation.

Other speakers will tell you about the value of the state's current annexation laws. As such, I would like to tell you about how annexation has affected Fayetteville.

NC's annexation laws allow cities to grow in an equitable manner, in that, urbanized areas adjacent to cities are brought into the city. The urbanized areas adjacent to cities benefit from the services and prosperity of the city, and as such, they too should help maintain them.

To identify what NC might look like without the current annexation laws, you don't need to look outside of the state – even though there are many examples of landlocked cities that can't annex and the economic decline those communities face. No, you only need to look at Fayetteville, which was prohibited from doing city initiated annexations from 1959 until 1983.

The result of which was that as other metropolitan areas flourished, Fayetteville was largely stagnant, with all of the growth occurring outside of the city. Much of that growth on septic tanks serving both residential and commercial development.

In 1983, the NCGA learned of the massive septic tank problems that developed in Cumberland County largely due to urban development without urban services and gave the city the ability to initiate annexation.

Upon gaining that authority, the City began an orderly annexation program. The 2005 annexation was the culmination of a 10-year plan for annexing urban areas adjacent to Fayetteville.

The City's 2005 annexation of approximately 43,000 people is still a hot topic in Fayetteville. I would like to stop here and state that while this was a large annexation – the city met all of its statutory requirements on the effective date of annexation.

By virtue of the fact that the city was able to annex such a large area that speaks to how highly urbanized the area was when annexed in 2005.

As the city has expanded, it has made our entire community/region more viable. Further, as the city has annexed, we've been able to address long standing public safety and public health issues that have improved the quality of life of residents.

While I have spoken largely of Fayetteville, I think problems experienced in Fayetteville during the 24 years we were without annexation authority really speaks to need of cities to have this capability.

North Carolina has seen phenomenal growth over the last 40-50 years. Much of that growth is due to North Carolina having strong cities. North Carolina has strong cities because we also have progressive annexation laws that allow cities to grow in an orderly manner.

Doug Hewett
dhewett@ci.fay.nc.us | 910.433.1990
433 Hay Street | Fayetteville, NC 28301

Reasons Against Forced Annexation

- Citizens have no voted until it to late to vote for annexation or for the City Council.
- Higher taxation
  - Davidson County $.54 per $100 in value
  - Lexington NC $.535 per $100 assessed valuation
  - Have to pay both city and county
- Lack of serves
  - No new PD officers or Firefighters
    - More Calls for PD and FD
  - No need for sewer
    - Have septic systems
  - No need for trash pick up – County provides dump sites
- Decreased rights
  - No hunting- Ordnance against firing weapons
  - No "farm animals" – Ordnance against farms
  - No lose guard dogs – leash laws

The following was presented at the Salisbury City Council Annexation Hearing Meeting on April 8, 2008.

18

My name is Dorothy Hinz and I live in Summerfield. I used to live within the municipal boundaries of ~~Salisbury~~, but my husband and I **chose** to move into the county. Without the burden of city taxes we were able to build a home that was a step up from what we previously had, and still have quality fire and law enforcement protection, street maintenance, garbage pickup, and a water and septic system for which we have had to pay no monthly usage fee. In addition, our neighborhood has large lots, underground utilities, and certainly not a "city" feel. We, like many people in the identified area, are retired and on a fixed income. Due to the current economy and out-of- sight fuel prices, the cost of living is sharply increasing. The increases are felt by all businesses, which, in turn, are passed on to us consumers, as higher prices at the checkout line. Two large businesses in the area have just announced layoffs, and some of the affected persons live in the targeted annexation area. In light of all this, finding an additional $1,000+ each year (not including cost of obtaining and using water and sewer utilities, which could also be forced by a failed well or septic tank), is financially impossible for some residents.

The outdated general statute which allows involuntary annexation is legal. But, you know what, one time slavery, segregation, and poll taxes were legal, too. But like slavery, segregation and poll taxes, involuntary annexation is neither just nor moral. The statute states quote, "that municipal boundaries should be extended... to provide the **high quality** of governmental services **needed** therein for the public health, safety and welfare, end quote. Note it states" high quality" and "needed". As I stated before, we already have high quality fire and law protection, street maintenance, garbage pickup, and water and septic system, so **no** need has been established. And the city council must agree that we already have high quality services since they intend to continue to provide fire protection from our excellent Locke volunteer fire department, and solid waste pickup by our current haulers. Our streets are in better condition than many in Salisbury, so I can't imagine that you would provide us with "high quality" street maintenance, when you do not do so for all your current citizens.

I beg you to reconsider your intent to annex this large area which would entail undertaking a huge debt which probably could not be paid off during my lifetime.

Thank you.

The following was presented at the Public Hearing on State Annexation Laws before the House Select Committee on Municipal Annexation on April 9, 2008, in Raleigh, NC.

Mr. Chairman, Committee Members.

My name is Dorothy Hinz and I currently live outside the city limits of Salisbury. I appreciate this opportunity to speak to you today. The area where I live is currently targeted for annexation by Salisbury. They are proceeding by using an outdated, oppressive law that allows involuntary annexation. I used to live in the city, and twenty years ago my husband and I **chose** to move to the county, where we enjoy high quality fire and law enforcement protection, street maintenance, garbage pickup (at a cost of only $15 per month), and a water and septic tank system for which we pay no monthly usage fee. Now, because of that 1959 general statute, that says citizens in affected areas have no vote or say so, if Salisbury is successful in its attempt to annex, we will once again live in the city, this time not by choice, but by force. This is totally lacking in fairness and is fundamentally wrong, even if it is legal. Slavery, segregation, and poll taxes were once legal also. Women were denied the right to vote, but legislation was passed to right these wrongs. Still there is this statute that denies both men and women the right to vote on an issue that without their votes, will impact both those to be annexed and the current city residents in a very negative, costly way.

The statute states that extending municipal boundaries should be "to provide the **high quality** of governmental services **needed** therein for the public health, safety and welfare" In the case of Salisbury, and I am sure in many other areas across the state, this provision of the law is being ignored, in that we already have high quality services at much less the cost, and therefore, there is no need. Again, in our case, Salisbury must feel our existing services are "high quality" because they plan to use our excellent volunteer fire department and current solid waste haulers.

I urge you to do the right thing, to listen to the outcry of ordinary citizens, and press to make involuntary annexation illegal, as it is in 90% of the states in this great nation of ours. For those in the Salisbury proposed annexation area, time is of the essence, as the City Council votes on the matter in just 12 days. I do not know what can be done prior to that date to put in place a moratorium until the General Assembly can address this issue, but I urge any action that would place the vote on hold until further action can be taken to revise the current unjust law.

Thank you very much for your time.

The following was presented at the Public Hearing on State Annexation Laws before the House Select Committee on Municipal Annexation on April 9, 2008, in Raleigh, NC.

19

Mr. chairman, committee members. My name is Dennis Hinz and my wife and I reside within the proposed forced annexation area by the city of Salisbury.

Many laws are passed wherein on the surface seem unfair, but after objective review, the positive elements often outweigh the negative. However, after objective review of the forced annexation law, the negative elements seem to outweigh the positive by a substantial margin.

City officials claim they will provide "needed quality services". Please, we have quality well water, quality sewage disposal, quality garbage collection, streets in good repair, quality law enforcement and fire protection, and a low crime rate.

City officials are going to provide these things for us, but there is a catch 22 ! You see, they plan to use the same firefighters and garbage collection. Let me say that again, they are planning to use the same firefighters and garbage collection, at least for a period of five years or more. At that time the current firefighters will be practically out of business with limited financial support, and the garbage collectors will be out of business. Another caveat: all these services will cost each homeowner, regardless of financial status, $5000 to $8000 for the total hookup to water and sewer which won't be in place and funtioning for who knows how long.. And even while many wait to hook up, we will be paying taxes, at the increaed rate of about $1000 a year!! That' right, paying for something we don't have !! This will put an unwarranted hardship on many families. It's all about taxes !!

This antiquated and unfair law seems to include some elements of a good old fashioned flim-flam. You know, the part about getting back more than you invest. In this case were getting what we already have. Oh yeah, I forgot about the cost of water and sewer hookup and increased taxes totaling nearly $10,000 in the first year. Reminds me of the old cliche: "If it sounds too good to be true, it probably is." This entire process neither sounds nor feels good.

So, my appeal is to this intelligent committee to show your compassion for the people you represent, and ask the rest of the legislators of the great State of North Carolina to take a continued leadership role in striking down this outdated and unfair law. Forty six other states see it as we do. Our freedom is in your hands, please, do everything in your power, do the right thing. Strike down this law.

Thank you, for taking the time from your busy schedules to listen to our plight.

The City of Kinston
Annexation ~~Talking~~ Points

20

- Annexation provides the ability for the City of Kinston to expand its corporate limits. Currently, the estimated population is 23,000 with personal property taxes that generate 7.4 million in revenue.

- Kinston has adopted a Resolution of consideration to study the annexation of 493 properties which would increase the population by approximately 1183 persons or 5% and increase tax revenues by $236,491 or 3%.

- Annexation helps to provide funding necessary for organizations such as Grainger Hill Performing Arts Center, the Arts Council, SPCA, Kinston Indians Ball Park at Grainger Stadium, SAFE, the Public Library, and Parks & Recreational facilities. These organizations and its facilities are often utilized not only by residents of the City but those citizens that are in close proximity to Kinston's corporate limits.

- Annexation has helped to increase Kinston's tax base and increase our bond rating which in turn allows a cost savings by allowing Kinston to borrow at a lower interest rate and to utilize funds in other areas.

- Increased revenues allow Kinston to improve it's infrastructure and roadways as well as the ability to expand and provide additional services. All of these improvements help to attract new businesses and industries who bring with them the opportunity for new jobs, additional tax revenues, and monies to our city.

- Kinston must explore ways to grow and to make the city stronger and more viable. The ability to annex provides Kinston with an avenue to increase population and revenue. These factors are important for the present and future growth of Kinston. The City of Kinston supports the ability to annex around its corporate limits.

- We request that the legislature support the existing laws related to annexation so that local communities, like Kinston, can grow and allow residents to help pay for the amenities which make living in and around Kinston attractive.

Holly Long

Shallotte Point Preservation Group 21

I am a resident of Shallotte Point, as is my 90 year old mother, as were her parents before her and their parents before them, and their parents before them. In fact, I can trace my heritage back to the early 1700's at Shallotte Point. Shallotte Point has been home to generations of families over the past several hundred years. It is a quiet community where people still sit on their front porches and are always willing to help their neighbors.

This quaint community is being destroyed by the Town of Shallotte, because of annexations and indiscriminate rezonings to multi-family high-density development. This has been allowed because of the Town's exemption to NC State Annexation Laws, an exemption granted by HB 370 on July 11, 2005. Since July 2005, satellite annexations by the Town of Shallotte have more than quadrupled.

Shallotte has justified satellite annexations in Shallotte Point by claiming to provide sewer service. In fact, Brunswick County has acquired the Town's outdated sewage treatment plant, and provides all sewage treatment for Shallotte. The claim of providing sewer really comes down to just laying a line. The Town has acknowledged that it cannot afford to build the lift station on which this line relies.

All other services mentioned in annexation law are provided by the County. It is quite telling to note that the County recently also took control of the Shallotte Rescue Squad, to relieve the Town of the associated debt.

The actions of the Town of Shallotte have caused concerns with the Brunswick County Commissioners. The County Commissioners passed a resolution on December 17, 2007 asking the Town of Shallotte to abide by the County Land Use Plan, which calls for low to medium density residential use for Shallotte Point. To date, Shallotte has ignored this resolution, in spite of repeated requests to adhere to it.

The County's request was addressed by a former Town Alderman, out of office for only one month, when he made a public statement at the January 7, 2008 Aldermen meeting, saying, "The Town has no obligation to Brunswick County to follow their Land Use Plan." This is an Alderman that constantly voted in favor of all multi-family satellite annexations. IF THIS DISPLAY OF ARROGANCE DOES NOT REFLECT THE ONE-SIDED WEIGHT OF POWER, THEN NOTHING EVER WILL!!!!!!!!!

The Shallotte Town Aldermen have a long history of ignoring those concerned residents who suffer the direct effects of the Town's careless actions. In one annexation hearing, approximately 60 residents concerned about a multi-family high-density rezoning on their quiet road, attended a Town Aldermen board meeting, only to hear the approval of the multi-family rezoning without having their concerns addressed.

Residents of Shallotte Point have simply been insulted and rebuffed over their concerns when they addressed the Town of Shallotte Aldermen.

Our annexation laws are broken; they are one-sided in favor of the towns and cities over the hard working, law abiding citizens who have no voice in the say of what a few people sitting in power decide.

Regards,

Holly Hewett Long
1664 Village Point Road, SW
South Brunswick, NC 28470

Holden's Landing gets OK from board

BY CAROL TRAPANI
EXPOSITOR

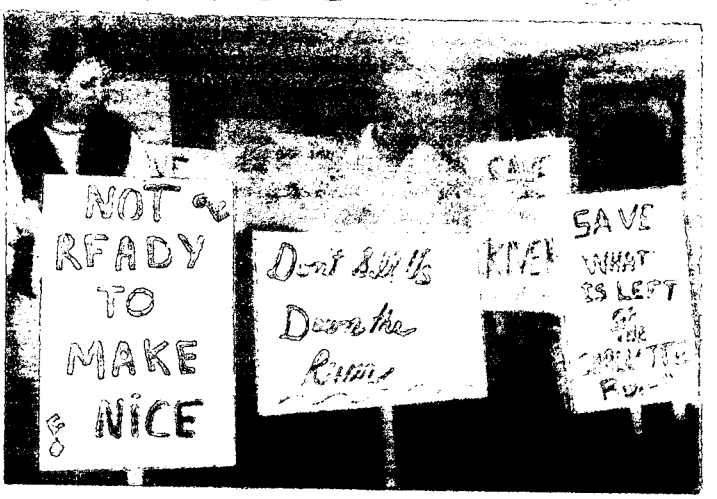
Impassioned, even pleading pleas from residents opposing proposed condominiums in their neighborhood along the Shallotte River, Shallotte aldermen Tuesday approved requests to annex and rezone about 11 acres comprising the Holden's Landing project.

The project is at Bill Holden and River Bend roads.

The vote was unanimous among four voting board members. Alderman John Kinlaw, who opposes the project and who owns property that would be affected by its development, recused himself from the vote but reserved the right to comment.

"Does it make one bit of difference what any of us says tonight?" Donna Giles, who lives on Bill Holden Road, asked town board members before the vote.

The aldermen's approval means portions of the property will be rezoned from R-7500 to RM-10, MF-1 and R-10.



STAFF PHOTO BY CAROL TRAPANI

Bonnie Anderson, left, who lives near the Holden's Landing project proposed at Bill Holden and River Bend roads, and another neighbor adjust protest signs at Tuesday's town board meeting at Shallotte Middle School.

to accommodate single and multi-family uses.

R-7500 zoning requires 7,500 square feet for each lot. Manufactured housing is allowed in RM-10; under MF-10, up to 10 units per acre can be built.

The project also includes a marina, boat storage facility and clubhouse with swimming pool.

Although there were a slew of public hearings scheduled to take place at the town board meeting, it was the one for Holden's Landing that apparently lured many people to Shallotte Middle School.

Shallotte officials had scheduled the session earlier than usual and at a venue that could accommodate more people than Shallotte Town Hall, anticipating a sizeable and vocal crowd.

That's what they got. **About 60 people attended, some opposing and some in favor of the project.**

It was the opposition that took the time at the podium.

"My home is not a commodity to me," said Pam Sabalos, who with her husband, Chris Musi, owns a home on River Bend Road. Sabalos said Christian Pigott, an agent for Holden's Landing, had offered her and Musi $1.8 million for their property.

Sabalos, Musi and others who spoke in opposition to the re-zoning and annexation said Jason Stegall, the developer, already has the project for sale.

"My neighborhood lost its character, peace and serenity" when the Shallotte Planning Board recommended the town board approve the project, she said.

Sabalos also cited environmental and other authorities' opinions that the project would be harmful to the

See OK, A-4

BRUNSWICK BEACON, MARCH 8, 2007

MARCH 6, 2007 BOARD OF ALDERMEN MEETING: 60 PEOPLE

OK: Opposition says its harmful to the environment

FROM PAGE 1A

neighborhood and the river.

These experts, some who came from as far as Raleigh, were not permitted to speak at a planning board meeting, when the developer suddenly withdrew the application, she said. The Holden's Landing project was added to a subsequent planning board agenda.

Thomas Johnson, lawyer for the owners of the Holden's Landing property, objected to some of the remarks made by Sabalos and others, saying they were not relevant to the matter of annexation and rezoning.

[redacted] you imagine 40-foot co[redacted] towering over my 1,500-square foot house?" Sabalos asked.

Musi said he and other opponents of the development had spoken to state officials and legislators about the project, saying it violated Coastal Area Management Act and other regulations.

"You will put 1,500 people, 75 percent of Shallotte's population, across the street from my house," he said.

Johnson again objected when Musi brought up issues relating to a new town sewer line that will be installed to Shallotte Point, with much of the funding coming from a Rural Center grant. The Holden's Landing project would tie into that sewer line.

The grant was awarded on the condition it be utilized to help pay for sewer service for three businesses, not for residential development growth, Mu[redacted]aid, charging the town had not adhered to the grant's purpose.

"We have nothing to hide," said Town Administrator Paul Sabiston. When Musi said he had not been able to meet with any Shallotte officials about the matter, Sabiston said he would meet with Musi at his convenience.

"Wednesday at nine," said Musi.

"Make it eight," said Sabiston.

Whether Kinlaw should recuse himself from the vote on the measure apparently was the subject of a closed session at last week's town board meeting. Before that meeting, Kinlaw said he was leaning toward not voting, saying that his recusal prohibited him from fighting for his property.

Johnson had also sent a letter to town officials, requesting Kinlaw recuse himself.

Kinlaw questioned whether the town could annex property that included a non-conforming use--in this case, Holden Seafood--but Johnson and Sabiston said the non-conforming use was an issue only if the business tried to expand.

After public hearings, aldermen also approved a number of requests, including a request from ATMC for a conditional use permit for a wireless communications tower on .38 acres at 118 Holden Beach Road and a request from Blacks Tire Service to annex and rezone about 1.7 acres at 2850 Ocean Highway West.

At press time, aldermen were scheduled to set public hearings for April 3, at 7 p.m., for input on:

- A request from Tidelands Preserve (formerly Village by the Point) to consider the master plan as a conditional use;
- A request from Brookberry Estates to annex and rezone about 11 acres at 1027 Village Point Road SW from county R-7500 to R-10 with PRD overlay;
- A request from Seacrest Lake to annex and rezone about 16 acres at Todd Road from county Heavy Manufacturing to MF-10;
- A request from owner Richard Kesky to annex and rezone about 6 acres at 900 Village Road from county R-7500 to R-15;
- A request from Village Point United Methodist Church to annex and rezone about 2 acres at 1392 Village Point Road from county R-6000 to Highway Business.

As part of the consent agenda, aldermen approved a request from the San Rio development to annex and rezone about 81 acres of Gray Bridge Road from R-7500 to R-10 and Highway Business with PRD overlay.

THE BRUNSWICK BEACON

ISSN 1528-6169
Established Nov. 1, 1952
Telephone (910)754-6890
Published Every Thursday
At 203 Smith Avenue
Shallotte, N.C. 28470

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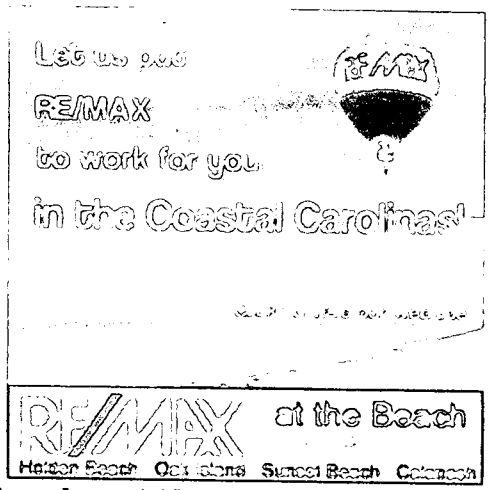
Updated: Tuesday, November 21, 2006 1:25 PM EST

Board recommends condominiums despite objections

BY K.J. WILLIAMS, Staff writer

Without comment, the Shallotte Planning Board with a 6-1 vote decided last week to recommend to the Board of Aldermen the property owners' request for annexation and rezoning of about 11 acres at Shallotte Point for a controversial condominium project.



The proposed Holden's Landing project encircles a riverfront residential property owned by Alderman John Kinlaw, one of the residents opposed to the rezoning of acreage at Bill Holden Road and Riverbend Drive. The property and surrounding area are zoned under the county as R-7500, requiring 7,500 square feet for each lot. Several residents spoke against the rezoning, saying it would decimate the character of their quiet single-family neighborhood and create traffic problems.

Pointing out his property, with its proposed RM-10 zoning on either side of his single-family residential property, and multi-family zoning of MF-10 across the street, Kinlaw said he was "surrounded."

With RM-10 zoning, manufactured housing is allowed and multi-family residential can be approved by aldermen as a permitted conditional use. Under MF-10, up to 10 units can be built per acre.

"I have yet to hear from [legal] counsel on how they intend to buffer everyone from me," Kinlaw said referring to the opening presentation given by attorney Thomas Johnson Jr., who represents the property owners.

"We've really tried hard to work with this application to conform with what is consistent with the town's zoning," Johnson told the board.

Board supports revised project

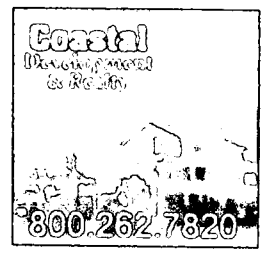
The Planning Board's favorable recommendation Nov.15 took place at a reconvening of its recessed Nov. 14 meeting. The public hearing was held at Shallotte Middle School to accommodate the more than 70 people who attended.

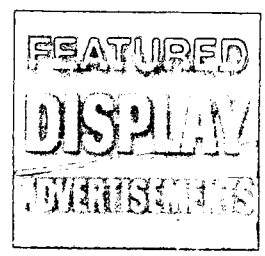
Walt Eccard, an alternate board member, was the sole vote against the applicant's rezoning request for multi-family housing. "So I feel quite strongly that it is neither identical or compatible" with the surrounding area, he said.

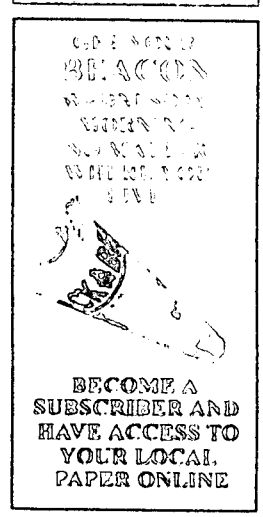
Monroe Enzor, another alternate board member, recused himself because he is a real estate agent involved in the transaction. Board member Dennis Winters was absent.

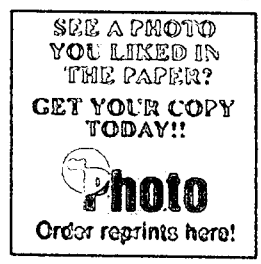
At its Sept. 12 meeting, the board decided against recommending the first Holden's Landing application which proposed more condominiums per acre than the application heard Nov. 15. A last-minute withdrawal of a revised second application on Oct. 10, on the day of the second public hearing, prompted complaints from opponents and discussion by the Board of Aldermen on future sanctions for untimely withdrawals.

Johnson apologized at the Nov. 15 public hearing for that withdrawal, saying that it was withdrawn when it became clear that it couldn't be modified.









Nov. 15, 2006 Planning Board Meeting: 70 people

Project has proponents

Supporters of Holden Landing stressed their connection to the river and shared concern for its well-being, while reiterating that Larry Holden, his family members, and other property owners, should be able to sell their property for development since the land belongs to them.

Lloyd Milliken, owner of Lloyd's Oyster House at 1642 Village Point Road, said his business located on the river has not damaged the river's ecology, adding that water quality is monitored. "New people are moving in all the time," he said of the area's growth. "So, let the man [Holden] do what he wants to do."

Johnson said Holden's Seafood will remain in operation, preserving the area's heritage and providing jobs.

Johnson cited the Planning Board's Nov. 14 recommendation to annex and rezone property MF-10 at the end of Village Point Road as a reason for recommending Holden's Landing. The 2 acre site is owned by Samantha Hughes, her sister, Amy Watkins, Milliken and his son, Timothy.

"And what we're asking for is something you've already granted," Johnson said. "Again, it's along the river with single family [residential] surrounding it as well.

"This [project] is just down the road," he said.

Johnson referred to subdivisions in Shallotte that include a mix of single-family dwellings and multifamily to illustrate Holden's Landing compatibility with the neighborhood.

Raleigh attorney T.C. Morphis Jr., representing husband and wife property owners Chris Musi and Pam Sabalos, who are against the project, said Johnson's examples weren't fair comparisons since the cited subdivisions were golf course communities planned from the start for mixed residential.

County's plan used

Since the land under consideration is part of Brunswick County, the town Planning Board used the county's CAMA land use definition for town and village clusters, and discussed if the project was consistent with the county's existing land use plan, not the town's criteria.

Morphis argued that clustering is more viable near more urbanized areas with access to roads than it is to Holden's Landing.

Several consultants hired by Musi and Sabalos spoke against Holden's Landing, with some saying the development would harm property values and others saying it would harm the Shallotte River.

Mike Mallin, a University of North Carolina at Wilmington professor, said the stormwater runoff created by development would affect the river. "It's going to severely damage the shellfish in the Shallotte River."

Johnson said the developer had to adhere to stormwater requirements, and if applicable, would acquire the state-mandated Coastal Area Management Act (CAMA) permits.

Tree Moore, one of the residents who opposes the project, said the developer would maximize the land, building as much as possible, putting a strain on the river. "We have to be stewards of that river and if we make a mistake, we can't go back."

Strong opinions on project

At the close of the public hearing, the chairman said that it would be unusual for so many people to agree on an issue. "There are passionate views on either side of the issue," said Lewis.

After the hearing, Lewis denied a rumor that the company where he's employed as a civil engineer had accepted an offer to work on the Holden's Landing project. He said an offer was made about three weeks ago, which he rejected, saying he thought it would appear improper.

Raleigh developer Jason Stegall of Mid Atlantic Real Estate has a contract to buy the land for Holden's Landing if it can be annexed and rezoned. In an interview during a recess Nov. 15, Stegall said he had never had such strong opposition to a project. "We're really just trying to work with the neighborhood ... trying to address their concerns."

The property owners in the Holden's Landing project include: Holden and his wife, Hazel; Virginia Holden, Robert and Harriet Holden, Ronald and Clarice Holden, James and Melissa Milliken and Wiley and Kim Snow.

Holden declined to comment after the hearing. He and his family accepted congratulations from their supporters afterward.

The residents who opposed Holden's Landing gathered outside of the school. When Sabalos was asked if she and her husband, would continue to retain attorneys and consultants in their battle to stop the project, she had no clear answer.

"We've devoted six months of our lives to this-we need to take a break," she said.

The Board of Aldermen could consider the applications for Holden's Landing next month and a public hearing could take place in January.

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Condominium project hearing delayed

BY K.J. WILLIAMS
STAFF WRITER

Residents held a rally outside the Shallotte Planning Board meeting Tuesday after hearing that an application to annex and rezone a property for multifamily residences known as Holden Landing had been withdrawn without notice, preventing people from speaking against the project.

The eleventh hour withdrawal was opposed by two attorneys hired to represent some of the residents of the surrounding property, which is currently in the county with single-family residence zoning. The 12-acre site for the proposed condominiums is located in the Shallotte Point-area along the Shallotte River where Bill Holden Road and Riverbend Drive meet.

"Essentially you're giving the applicant a pass to withdraw as many times as they like," said attorney T.C. Morphis Jr., of Chapel Hill, about the last-minute development.

Following a public hearing last month where residents spoke out against the project and the planning board voted against recommending it to the Board of Aldermen, Raleigh-area developer Jason Stegall of Mid Atlantic Real Estate and Development withdrew his first application. He filed a new application days later asking for MF-10 zoning for 10 units per acre, less than the previous request for MF-14 for 14 units per acre.

Alderman John Kinlaw, who owns property in the area along with family members, asked board chairman Alan Lewis to let people speak about Holden Landing even though the application had been withdrawn. "You're pulling the rug out from underneath these folks and this is not fair play," Kinlaw said.

Lewis apologized to the people who had attended expecting to speak about the withdrawn application to annex and rezone about 12 acres. He acknowledged that some people had traveled a long distance to attend. The meeting was held at the Shallotte Middle School to accommodate the expected turnout.

"It also is not appropriate for the planning board to go forward with testimony when the applicant has withdrawn," Lewis said.

Lewis read a letter dated Monday from James MacCallum who represents the developer withdrawing the application so that it could be modified and placed on a later agenda. It was received Tuesday by town staff.

The letter should have read that the application was being withdrawn, not modified, said Monroe Enzor, a planning board alternate member who had recused himself from hearing the matter since he is a real estate agent for the developer.

Board member Walt Eccard later asked if Enzor could answer questions about the modifications.

Enzor said he wasn't prepared to discuss expected changes to the application. "There was a modification that we were going to make to the application that we didn't realize hadn't been made," he said.

Lewis said if the developer filed a new application by Oct. 24, the planning board could hear it at its Nov. 14 meeting, or schedule a special meeting for Nov. 15 just for Holden Landing.

"We'll hear this as many times as we have to," Lewis said.

After Wilmington attorney Marian McPhaul said that residents should be allowed to speak against the project outside of the meeting room at the middle school, about 40 people gathered outside to hear speeches from residents and some of the people hired to present the residents' case before the board.

"This is a major coup and we were all duped and this is the game of politics," said Andy Wood, an environmental consultant who spoke at last month's public hearing. "This was a grievous act of political gamesmanship."

During the rally, board members heard other items.

Board members decided to approve a master plan for 108 single-family units on about 56 acres called the Middle Creek subdivision, with an entrance on Village Point Road. However, the board required the setback be increased from 50 feet to the mandated 60 feet on the entire property. The board recommended approval by the Board of Aldermen.

The board also agreed to recommend annexation of about 80 acres on Hale Swamp Road for a proposed mixed-use development called Blue Berry Farm.

About half of the acreage is wetlands, which Lewis said could not be altered without extensive environmental review.

In another matter, an application for annexation was recommended by the board for about 185 acres on Ocean Highway West. During discussion, board member Dennis Winters said "I have serious problems with the wetlands."

Lewis recommended that a study of the wetlands on the property be obtained and a zoning map developed. The board agreed to table the rezoning request until that time.

BRUNSWICK BEACON, OCT. 12, 2006

OCT. 10, 2006 PLANNING BOARD MEETING: 40 PEOPLE

THE BRUNSWICK BEACON

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Condominium project rebuffed by Shallotte board

BY K.J. WILLIAMS, Staff writer

Plans for Shallotte Point condominiums at a site bordering the Shallotte River were turned aside by the town planning board Tuesday at a meeting where more than 25 people spoke either for or against the proposed Holden Landing project.

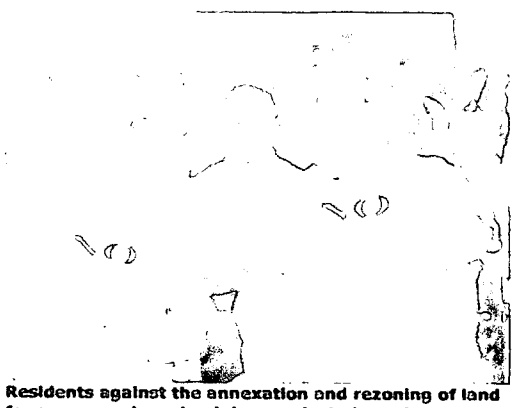
When Chairman Alan Lewis polled the board for its findings, board members determined the project was too high a density for an area currently zoned county R-7500. That zoning requires 7,500 square feet for each lot if public water and sewer is available. Otherwise, lots must measure at least 15,000 square feet.

The board decided not to recommend annexation or rezoning of the property to the Board of Aldermen with a 6-0 vote.

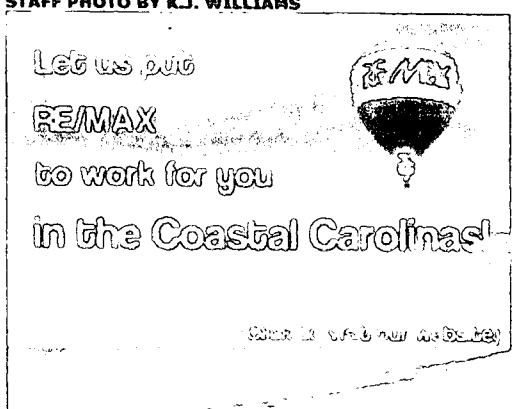
The meeting was attended by board members Elwood Cheers, Walt Eccard, Tim Gore, Bobby Lewis, Evelyn Madison and Dennis Winters. Board member Ray Lyes was absent. Alternate member Monroe Enzor, a real estate agent involved with the project, did not participate in the discussion.

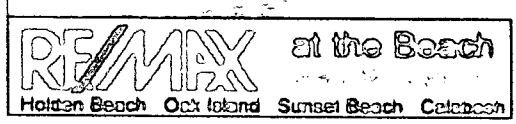
About 50 people attended the 2-1/2-hour public hearing. A number of residents from Bill Holden Road and Riverbend Drive spoke against the project, which could range from 13- to 15-acres, saying that condominiums would ruin the neighborhood and pollute the river.

Resident John Mathies said he used to live in Staten Island, N.Y., an area he said was destroyed by development. "That's the reason I came down here, [it] was to be in a beautiful quiet area."



Residents against the annexation and rezoning of land for a proposed condominium project along the Shallotte River at Shallotte Point wore their opposition Tuesday at a Shallotte Planning Board public hearing. Helen Kinlaw (left) and Carmen Matthies (right) sat in a packed meeting room. Blair Guker also sports a sign. STAFF PHOTO BY K.J. WILLIAMS





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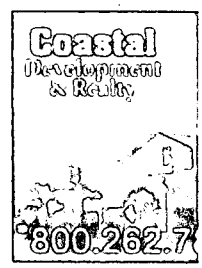

SEPT. 12, 2006 PLANNING BOARD MEETING: 25 PEOPLE

New firefighting shifts deliver faster responses

Board members vote to keep area rural

Students honor 9/11 heroes

Condominium project rebuffed by Shallotte board

Donna Giles expressed concern the condominiums would be used for short-term rentals, turning her neighborhood into a "tourist draw."

Alderman John Kinlaw, who owns property in the area, along with members of his family, said he opposed condominiums. "I think this project is very ill-advised for the area it's intended to be in and I'm against it."

Kinlaw's son, Cameron, also spoke, and the alderman's mother, Helen, wore an orange "No" sign.

Resident Brad James said that his neighbors who were supporting the project planned to move elsewhere after selling their property.

Kim Snow, a resident who hopes to add two parcels to the project, along with her husband, Wiley, denied they plan to leave the area. "I am for the project," she said. "And Wiley and I intend to stay in the area."

She said that an alderman had contacted Shallotte police alleging the couple's signatures on an application to annex and rezone less than two acres for Holden Landing had been forged. In an interview, she declined to identify the alderman.

In an interview Wednesday, alderman Kinlaw declined to say if Snow had been referring to him or another alderman. "I don't want to comment on it, period," he said.

Ronnie and Clarice Holden also are applying to add less than an acre to the project.

After about 15 people spoke against Holden Landing, about 10 people spoke in its favor, including about eight residents.

"I don't perceive the development as a hindrance to me," said resident Hugh Bellamy.

He said he expected property values to rise and the Holden family has the right to profit from the land sale.

"It's inevitable-growth, it's not just at the door-it's happening," said resident Bobby Causey. "What we're dealing with right now is going to be commonplace because this whole county is growing."

Several proponents of the project said the Holden family has the right to sell about 13 acres to the developer, adding the developer has a reputation for quality projects.

In response to previous objections to the original zoning request for multifamily and commercial zoning, an attorney for the prospective owner, said the application did not reflect the decision to withdrawal commercial uses from the proposal.

Attorney James "Jim" MacCallum spoke for Jason Stegall, the Raleigh-area owner of Mid Atlantic Real Estate and Development, who is under contract to buy the property if it's rezoned.

MacCallum said other areas contain a mix of residential units, including single-family and multifamily. "What we're asking for is not at all inconsistent with what's going on around the county," he said.

T.C. Morphis Jr., a Chapel Hill attorney representing residents Chris Musi and Pam Sabolos, called the request spot zoning, saying there was no reasonable basis for allowing that tract of land to be zoned differently than its surroundings. He cited a case that compared incompatible zoning to "a pig in a parlor."

The prospective owner of the land, which still belongs to the landowners, including the Holden family, is requesting annexation into Shallotte, along with multifamily zoning of MF-14. The Board of Aldemen approved changes to its zoning ordinance this month, requiring that multifamily projects with three or more units have a minimum of 2 acres for the project. Under MF-14 zoning, a maximum of 14 units can be built per acre.

A Raleigh engineer hired by Musi and Sabolos said Riverbend Drive is about 15-feet wide, too narrow to accommodate increased traffic. Christa Greene estimated traffic would increase to about 900 trips daily on the roadways there if 150 condominiums were built.

Musi and Sabolos also hired an environmental consultant who said condominiums would adversely impact the river's health since stormwater runoff containing pollution would flow into the river from paved surfaces. "It's a high-quality stream," said Andy Wood, adding its a nursery environment for fish and shellfish.

Mike Giles speaking on behalf of the nonprofit N.C. Coastal Federation, asked the board to consider the development's impact on the environment.

Tripp Sloane, who owns a realty company, said the state's Coastal Area Management Act would require project review by agencies monitoring its environmental impact. "They will go under very close scrutiny."

MacCallum said that town sewer, replacing septic systems, would benefit the area. "I call that a step forward. I'm hard-pressed to believe that it would be anything but an improvement."

On the issue of traffic, he said that condomium residents would have no reason to drive on Riverbend Drive. "There could be a little more traffic," MacCallum said, adding "I'll wait for the laughter to die down."

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SHALLOTTE BOARD OF ALDERMEN
REGULAR MEETING
JANUARY 7, 2008
7:00 P.M.

The Shallotte Board of Aldermen met for a regular meeting on January 7, 2008 at 7:00 p.m. in the council chambers of the Shallotte Town Hall with Mayor Gerald Long presiding.

Aldermen present: Buddy Kelly, John Kinlaw, Larry Harrelson, Walt Eccard and Alan Lewis

Aldermen absent: None

Staff present: Sandy Hewett, Laura Thompson, Cindy Babson, Chris Rogers and Paul Sabiston

I. CALL TO ORDER

Mayor Long called the meeting to order. A motion was made by John Kinlaw seconded by Buddy Kelly to open the meeting. Motion carried 5 yes 0 no.

II. INVOCATION & PLEDGE

Mayor Long gave the Invocation followed by the Board and audience reciting the Pledge of Allegiance.

III. AGENDA AMENDMENTS & APPROVAL OF AGENDA

A motion was made by John Kinlaw seconded by Buddy Kelly to amend the agenda by adding the following items:

- IX. Other Business item #7 – (a) Motion to allocate two (2) additional units of sewer for Rivers Edge Section 10.
- XII. Closed Session (Attorney/Client privilege)

Motion carried 5 yes 0 no.

IV. PUBLIC HEARINGS

A motion was made by Alan Lewis seconded by Walt Eccard to open the public hearing portion of the meeting. Motion carried 5 yes 0 no.

1. **Planning & Zoning Item #07-057** – Willis Tract – Agent Tripp Engineering is requesting annexation and rezoning (from B-2 to HB) of 9.98 acres + or – of property located at 200 S. Willis Drive, tax parcel 1970002713 – No comments were made.

2. **Planning & Zoning Item #07-025** – Willis Storage – Owner Al Willis is requesting annexation and rezoning (from B-2 to HB) of 5.39 acres + or – of property located at 200 and 220 South Willis Drive, tax parcel 1970002709 (portion of) – No comments were made.

CONDITIONAL USE PUBLIC HEARING (S):

3. **Planning & Zoning Item #06-070** – Brookberry Estates- Owners Charles & Rose Hunter are requesting consideration of Master Plan approval as a conditional use – Town Clerk Sandy Strickland administered the Oath to agent Chris Russell. Discussion was held on the installation of a deceleration lane. Mr. Russell stated if one were required, the applicant would have to go to a higher density rather than single-family dwellings. He claims DOT informed him this would not require a full turn lane. Administrator Sabiston stated the Town needs to add these for future, no it is not required but it is a good idea.

No further comments were made so a motion was made by Buddy Kelly seconded by Larry Harrelson to close the public hearing portion of the meeting. Motion carried 5 yes 0 no.

IV. CONSENT AGENDA

- Approval of the following minutes:
  - August 7, 2007 regular meeting
  - August 28, 2007 pre-agenda meeting
  - September 4, 2007 regular meeting
  - September 25, 2007 pre-agenda meeting
  - October 2, 2007 regular meeting

- Instruct Town Clerk to schedule public hearings for February 5, 2008 for the following annexations, pending Attorney certification:

  1. N/A

  2. **#07-069 – Tiny Tots Child Care** – Owner Linda Williams is requesting annexation and rezoning from R-6000 to HB – 1.4 acres + or - of property located at 270 Union School Road NW (tax parcel 19600005).

  3. **#07-073 – Lake Serene** – Agent J.C. Skane is requesting approval of a Master Plan as a conditional use. The 51.68 acre tract is currently zoned

MF-10 with a PRD Overlay and is located at 4215 Shelley Lane and 4311 Todd Road, tax parcels 22900044 & 2290004404.

VI. PUBLIC COMMENTS

Ronald Hobbs, President of the Shallotte Point Preservation Group, asked that the Board follow the County's Land Use Plan and adhere to it.

Donna Giles agreed with Mr. Hobbs and feels there should be a joint planning agreement between the Town of Shallotte and Brunswick County. She strongly supports higher density but is not anti-development.

Holly Hewett Long, Shallotte Point Preservation Group proposed that a meeting be held on January 28, 2008 at 7:00 p.m. with the SPPG to discuss planning and growth with the Town of Shallotte.

Samantha Hughes stated that she needs sewer allocation approval from the Town of Shallotte before she can obtain the permit to begin construction on her restaurant. Administrator Sabiston said a request for the sewer allocation needs to be submitted in writing and all applicable fees must be paid. Mayor Long suggested that she stop by Town Hall in the morning and meet with staff and listen and pay attention to what they have to say about requirements.

Jim Roach said the Town is not required to have a public comment section, but is glad the Town has chosen to have one. He feels the members from the Shallotte Point Preservation Group are not representing all of Shallotte Point. The Town has not obligation to Brunswick County to follow their Land Use Plan. If the Town's number one commitment is not to the property and business owners, then the members of this Board are sitting in the wrong seats.

VII. PLANNING & ZONING

2. **Planning & Zoning Item #07-057** – Willis Tract – Agent Tripp Engineering is requesting annexation and rezoning (from B-2 to HB) of 9.98 acres + or – of property located at 200 S. Willis Drive, tax parcel 1970002713.

    a. A motion was made by Alan Lewis seconded by John Kinlaw to approve Annexation Ordinance 07-048, the annexation of 9.98 acres + or – of property located at 200 S. Willis Drive, tax parcel 1970002713. Motion carried 5 yes 0 no.
    b. A motion was made by Buddy Kelly seconded by Larry Harrelson to approve the Zoning Report. Motion carried 5 yes 0 no.

c. A motion was made by Alan Lewis seconded by Walt Eccard to approve rezoning 9.98 acres + or – of property located at 200 S. Willis Drive, tax parcel 1970002713, from B-2 to HB. Motion carried 5 yes 0 no.

3. **Planning & Zoning Item #07-025** – Willis Storage – Owner Al Willis is requesting annexation and rezoning (from B-2 to HB) of 5.39 acres + or – of property located at 200 and 220 South Willis Drive, tax parcel 1970002709 (portion of).

   a. A motion was made by Walt Eccard seconded by Buddy Kelly to approve Annexation Ordinance 07-049, the annexation of 5.39 acres + or – of property located at 200 and 220 South Willis Drive, tax parcel 1970002709 (portion of). Motion carried 5 yes 0 no.
   b. A motion was made by John Kinlaw seconded by Alan Lewis to approve the Zoning Report. Motion carried 5 yes 0 no.
   c. A motion was made by Buddy Kelly seconded by Walt Eccard to approve rezoning 5.39 acres + or – of property located at 200 and 220 South Willis Drive, tax parcel 1970002709 (portion of) from B-2 to HB. Motion carried 5 yes 0 no.
   d. Acceptance of dedication of roadway and utilities (if complete). A motion was made by John Kinlaw seconded by Larry Harrelson to accept the dedication of roadway and utilities subject upon the Town Attorney's approval. Motion carried 5 yes 0 no.

A motion was made by Walt Eccard seconded by John Kinlaw to excuse Alan Lewis from voting from Planning & Zoning items 3-7. Motion carried 4 yes 0 no.

4. **Planning & Zoning item #06-070 – Brookberry Estates** – Owner Charles and Rose Hunter are requesting approval of a Master Plan as a conditional use. The 11.01 acre tract is located at 1027 Village Point Road SW and is currently zoned R-10 with a PRD Overlay.

   a. John Kinlaw feels the Town should consider a deceleration lane since so much development is and will occur in this particular area. Larry Harrelson asked who would design the deceleration lane and what specs are used? Administrator Sabiston stated that DOT would have to approve. Agent Chris Russell stated if his client were required to install a deceleration lane, the project plan would have to change. Administrator Sabiston stated that multi-family is not allowed in this zone. Buddy Kelly agrees with the recommendation that a deceleration lane be installed, using DOT's minimum requirements. Mayor Long read aloud the findings of fact, in which all Board members were in agreement.

A motion was made by John Kinlaw seconded by Walt Eccard to approve the Master Plan as a Conditional Use for Brookberry Estates, with the following conditions:

1. All recreational areas will need to be transferred to the POA and shall remain intact as recreational area for the life of this project.
2. Provide information on Brierwood lift station from town engineer, as needed.
3. No ser connection until Brierwood lift station is funded and built.
4. 20-foot strip along front of property site to be dedicated to the Town of Shallotte.
5. Deceleration lane on Village Road before first entrance.
6. The applicant shall complete the development strictly in accordance with the plans submitted to and approve by this Board, a copy of which is filed in the Shallotte Town Hall. No requirements of the UDO are waived or modified unless specifically stated herein.

Motion carried 4 yes 0 no.

b. A motion was made by Walt Eccard seconded by Buddy Kelly to approve the preliminary plat and noting on the plan to include the deceleration lane installation on Village Road at the first entrance to the development. Motion carried 4 yes 0 no.

5. Discussion of claim for "vested rights" for **Phase II of San Rio**. (See attached.). The Board was in agreement the vested rights should be attached to the actual annexation ordinance, once approved.

6. **Planning & Zoning Item #07-058 – San Rio Phase 2** - A motion was made by Buddy Kelly seconded by John Kinlaw to set a public hearing for February 5, 2008 - Agent Jim Wiseman is requesting annexation and rezoning from R-7500 to MF-10 with a PRD Overlay – 78.74 acres + or – of property located off Gray Bridge Road (tax parcel 19800002) and conditional use approval of Master Plan. Motion carried 4 yes 0 no.

7. **#07-020 – San Rio** – A motion was made by Walt Eccard seconded by Larry Harrelson to set a public hearing for February 5, 2008 - Agent Jim Wiseman is requesting an amendment to the Master Plan- Tax parcel 19800002, 728.24 acres located on Gray Bridge Road. The property is currently zoned R-10, MF-10 with a PRD Overlay. Motion carried 4 yes 0 no.

8. Request by **San Rio** to allow zoning compliance letters to be issued by the Town for individual house permits and other facility construction before the construction of and acceptance/dedication to the Town of public infrastructure such as water, sewer, and roadways – John Kinlaw feels this is not a good idea at this time, we need to consult with our attorney first. Agent Jim Wiseman stated they couldn't occupy any building until the County has a certificate of occupancy. They are just asking for a building permit, no CO is issued until they are hooked to the sewer. He would like to begin construction on six (6) model homes and a sales center. A motion was made by John Kinlaw seconded by Buddy Kelly to issue San Rio zoning compliance letters for individual house permits and other facility construction before the construction of and acceptance/dedication to the Town of public infrastructure such as waster, sewer and roadways, with hold harmless for builder and developer (use River's Edge sample). Motion carried 4 yes 0 no.

A motion was made by Buddy Kelly seconded by John Kinlaw to reinstate the voting privileges of Alan Lewis. Motion carried 4 yes 0 no.

VIII. ORDINANCES, RESOLUTIONS, PROCLAMATIONS & EASEMENTS

1. A motion was made by Alan Lewis seconded by Walt Eccard to approve Resolution 08-02 In Sympathy to the Family of Roney W. Cheers. Motion carried 5 yes 0 no.

IX. OTHER BUSINESS

1. Sea Wynde Plantation –Application for Sewer Transmission/Water Distribution Line Reimbursement Agreement – John Kinlaw stated that he received a call from Adam Lisk earlier today and he stated he has not been treated fairly by the Town or it's staff. Mr. Kinlaw urged Mr. Lisk to bring his concerns before the Board so this can be discussed in open session. Alan Lewis states he has a problem with requiring these charges up front. Brunswick County tried this once and repealed their decision within 45 days. The Board agreed to hold a workshop on January 30, 2008 at 6:00 p.m. to discuss the Sewer Transmission Recovery Fees Ordinance.

2. A motion was made by Alan Lewis seconded by John Kinlaw to approve the request from John Felkner, 120 Myra Way, to receive out of Town water service. Motion carried 5 yes 0 no.

3. Discussion was held on the budget adjustment in the amount of $7,400 to cover additional architectural fees for services rendered relating to the main fire station and proposed modifications to the existing Town hall

meeting chambers. Buddy Kelly asked what this is for? Administrator Sabiston stated that it was for design services that were in place prior to the contract being signed. The contract was signed before the USDA was involved. Buddy Kelly feels the Town should pay the IRS rate of 50.5 cents and Mr. Stewart is charging .58 cents. John Kinlaw stated that he has problems with fees being charged outside the scope of the contract. The Board agrees that more documentation is needed before this can be approved. It was decided to place this on the next pre-agenda meeting for further discussion.

4. Discussion was held on furnishings for the new fire station. Fire Chief Dunwell stated everything in the building was donated by Brunswick County and it has to go back to them. Buddy Kelly stated that he has been on this Board for over eight (8) years and never knew the County owned everything in the Fire Department. Chief Dunwell said the living quarters only were County property. He feels the $49,050 request for furnishings is not unreasonable. It is needed to support the twenty-four hour shifts. A motion was made by John Kinlaw seconded by Walt Eccard to authorize Chief Dunwell to proceed with purchasing $49,050 to complete furnishings for the new fire station. Motion carried 4 yes 1 no. Alderman Buddy Kelly voting in the negative.

5. A motion was made by Alan Lewis seconded by John Kinlaw to allow the Planning Board to proceed with requiring additional screening for dumpsters. Motion carried 5 yes 0 no.

6. A motion was made by John Kinlaw seconded by Larry Harrelson to appoint Dian McRainey to the vacant Downtown Shallotte Committee position (Post #5), with a term expiring January 2010 and to appoint Mike Pease to the vacant Zoning Board of Adjustment position (Post #6) with a term expiring January 2010. Motion carried 5 yes 0 no.

7. A motion was made by Walt Eccard seconded by Buddy Kelly to recuse Alan Lewis from voting on the following request from Rivers Edge Section 7. Motion carried 4 yes 0 no. A motion was made by Larry Harrelson seconded by Buddy Kelly to approve the deed of dedication for Section 7 of Rivers Edge, conveying water/sewer lines and easements for maintenance. This motion also includes the approval of sewer allocation for two (2) additional lots. Motion carried 4 yes 0 no. A motion was made by Larry Harrelson seconded by Buddy Kelly to reinstate all voting privileges for Alan Lewis. Motion carried 4 yes 0 no.

8. A motion was made by John Kinlaw seconded by Alan Lewis to approve the sewer allocation request from Tiny Tots Preschool in the amount of 4,925 gallons per day (GPD), however this will not become effective

until the successful annexation of the property, which is scheduled for a public hearing on February 5, 2008. Motion carried 5 yes 0 no.

9. Discussion was held on the Sunnyside School building. Alan Lewis stated that Asbury Hall (Camp Methodist Church) is scheduled for demolition within the next 2-3 weeks. Possibly, the two HVAC units there could be donated and used at Sunnyside, if compatible. He will look into this further and update the Board. It was the consensus of the Board to place discussion of Sunnyside School on our agenda for the upcoming retreat scheduled for February 20, 2008.

10. CW'S Bar & Grill Discussion – A motion was made by Walt Eccard seconded by Larry Harrelson to recuse Alan Lewis from voting on the following matter. Motion carried 4 yes 0 no. Representatives for Samantha Lewis approached the Board regarding her request for sewer allocation at CW'S Bar & Grill. Mayor Long asked if anything else would be needed at this time? Administrator Sabiston stated Capital Reserve Fees needed to be paid and a final inspection of the property would have to occur before the County would issue a certificate of occupancy. Payment options were also discussed for Ms. Hughes. A motion was made by John Kinlaw seconded by Buddy Kelly to approve the request from CW'S Bard & Grill for sewer allocation in the amount of 4,650 gallons per day (GPD) with the stipulation that Lloyd's Oyster House ties onto the sewer as well. Ms. Hughes is allowed to may 4 installments for applicable fees, prior to the issuance of the certificate of occupancy from Brunswick County. Motion carried 4 yes 0 no. Lloyd Milliken approached the Board and also requested sewer allocation. A motion was made by Walt Eccard seconded by John Kinlaw to approve 500 gallons per day (GPD) in sewer allocation as requested by Lloyd's Oyster House. Motion carried 4 yes 0 no. A motion was made by John Kinlaw seconded by Walt Eccard to reinstate all voting privileges to Alan Lewis. Motion carried 4 yes 0 no.

X. DEPARTMENT REPORTS

1. Administration – Administrator Sabiston reminded everyone of the DOT TIP meeting being held on January 29the from 2-4 p.m.

2. Public Works
3. Police
4. Fire

XI. MAYOR & ALDERMEN COMMENTS/ANNOUNCEMENTS

There were neither comments nor announcements at this time.

XII. CLOSED SESSION

A motion was made by Walt Eccard seconded by Buddy Kelly to go into closed session regarding the attorney/client privilege. Motion carried 5 yes 0 no.

A motion was made by John Kinlaw seconded by Walt Eccard to resume regular session. Motion carried 5 yes 0 no. No action was taken during the closed session.

XIII. ADJOURN

A motion was made by John Kinlaw seconded by Walt Eccard to adjourn the meeting at 11:40 p.m. Motion carried 5 yes 0 no.

Respectfully submitted,

_____

Town Clerk Date

Shallotte Point Preservation Group

Ronald Craig Hobbs
4210 Happy Valley Lane
Shallotte, NC 28470

Introduction

As the President of the Shallotte Point Preservation Group, I would like to convey to this committee the effects of exemptions from annexation law on our picturesque community. The exemptions given, allowing the Town of Shallotte to accept voluntary annexation applications and re-zonings, have adversely impacted our community.

With jurisdictions of the town and county now abutting and overlapping in our area, the result has been nothing but a patchwork of disappointing planning. We have been left with the unappealing appearance of spot zoning. The mere reselling of services by the town that are actually already provided by Brunswick County does not provide a level of benefit to justify such aggressive expansion. Duplicating layers of government does not improve the life of anyone.

I and members of our group regularly attend town meetings and have found approaching the town to be futile. Allowing a small town to gain the ability to have such authority, while extending its borders, in this case three miles from the current town boundary, has created an unfavorable situation for future growth. The Brunswick County commissioners have sent a resolution to the town asking them to adhere to the County's land use plan, the town has ignored this request. In this plan, our area would be considered low to medium density residential, but the town has predominantly rezoned for high density and multistory, multifamily buildings adjacent to existing and often historical single family structures.

There is a clear need for legislative oversight in cases such as the one I have described involving Shallotte. If towns are given exemptions from parts of existing annexation law, it negates the law and its ability to ensure efficient and practical municipal growth. This appears to be a statewide problem, given the number of exemptions that have been granted. With the inability to vote for or against town leaders or policy, we must rely on the legislature to remedy this situation.

North Carolina House Select Committee on Municipal Annexation
Public hearing April 9, 2008

Involuntary annexation is taxation without representation. Citizens who are involuntarily annexed by definition have no choice in the matter. They are subjected to additional taxes and controls with no chance to vote on the issue. They do not even have a chance to vote on who is making the decision to annex them until after they are annexed. Only after annexation can they voice their opinion at the polling place.

Not everyone needs or wants to live in a municipality. If I wanted to live in the city I would have purchased a home in the city.

I ask you to at the very least declare an immediate moratorium on any annexation that was not requested by the land owner. Then proceed to change the annexation laws to provide the property owners in a proposed annexation the opportunity to choose or reject the annexation through a binding vote.

Stanley Maleitzke
2729 Blaydon Dr
Raleigh, NC 27606

April 9, 2008 – Municipal Annexation Hearing 23

My name is Charlie Mardigian, and I live in Pinewild, a 700 home Gated Community in Moore County. Pinewild is a mature community with all infrastructure in place, fully paid for over the years by the residents. Water and Sewer service is provided by Moore County, an important point which I come back to. We have all the other necessary services. The vast majority of Pinewild property owners oppose Involuntary Annexation by Pinehurst which not provide any additional services, yet increase our taxes by 33%, over $1 Million. In fact, most believe that some post annexation services like Trash Pickup will be inferior. It would also transfer $300K/year in needed Moore County sales and fuels tax revenue to Pinehurst.

While I believe that Annexation Laws **can** provide a benefit to both municipalities and property owners, there are several problems with the 50 year old NC **Involuntary** Annexation Laws. Two are of particular concern.

1. North Carolina is one of 4 remaining states that still allow Forced Annexation without a vote of the people affected. This is simply wrong, and goes against the grain of our American society.
2. The current laws open the potential for Abuse of Power by municipalities, and municipalities like Pinehurst are taking full advantage, under the direction and with support and funding ot the League of Municipalities, which actually provides a "*How To Involuntarily Annex*" manual. Let me pinpoint the real problem with Involuntary Annexation. When asked by the media why Pinehurst was Involuntarily Annexing Pinewild when it already had, and had paid for, all needed services, the response was:" Because the current law allows us to." That statute, 167-A, was created in 1959, 50 years ago. Water and Sewer is referenced 16 times, and in almost every paragraph. Clearly, provision of needed water and sewer services was the basis of the law. **Pinewild is a clear case of how this antiquated law is being abused.**

Why? Because in our case, Pinehurst has nothing to do with water and sewer – we have good service and support provided by Moore County, NOT Pinehurst. The $1.3M net additional tax revenue, with no needed or wanted services provided, explains the motivation of Municipalities like Pinehurst to abuse the intent and purpose of NC Involuntary Annexation law. Interestingly, the law also mentions Street Maintenance, the one thing that might have provided at least some value to residents post-annexation. But in our case, Pinehurst has found another law that says since we are a Gated Community, support for streets, Financial or otherwise, is out. While legislation change may come too late to help Pinewild, I urge this committee to recommend sweeping changes to Involuntary Annexation Laws to prevent greedy municipalities, organized, supported and funded by the all powerful League of Municipalities from abusing other communities. **Forced Annexation**, without the vote of those affected, needs to be relegated to history. **Co-operative Annexation**, which could provide real benefits to both Municipalities and Property Owners, should be the course of the future.

Charlie Mardigian
39 Edinburgh Lane
Moore County

charliem@nc.rr.com

Vance Meek

24

Public Hearing – House Select Committee on Municipal Annexation
NC Legislative Office Building – Raleigh NC
April 9, 2008

Good evening Chairmen and Committee Members. My name is Vance Meek and I live in the Hidden Hut subdivision off Highway 150 in Rowan County near the city of Salisbury. I have been a resident of this subdivision for 33 years.

The City of Salisbury has recently proposed the involuntary annexation of the Highway 150 west area, which includes my residence. The City is using the outdated 50-year old North Carolina statutes on involuntary annexation to justify their actions. It was not until I became a target of this annexation that I became more familiar with the North Carolina statutes, and realized how unfair they are. I am opposed to the current, unfair annexation laws, and request your support to reform them to address some of the concerns that I will mention.

Contrary to what City officials have said, I do not believe that ***involuntary*** annexation is necessary for a municipality to grow and prosper. Obviously counties and states cannot grow by annexation, and yet most have found ways to provide desired services to their citizens in a fiscally sound manner. I believe the intent of the original law was to provide ***needed*** services in an efficient manner for the benefit of both municipal and annexed residents. However, it now seems that these laws are abused, allowing cities to annex for no other reasons than revenue and control, with little regard to the rights or wishes of either the city or annexed residents.

The following briefly summarizes some of the short-comings of the existing North Carolina statutes:

- The current law essentially allows taxation without representation. It allows city officials that were not elected by the annexed residents to impose taxes and fees on them.
- The current law provides no real oversight to insure that cities provide the services that were promised in a timely manner. There is little ***meaningful*** recourse for the average citizen.
- Cities are allowed to fully tax annexed residents for years before they receive full services.
- The current law promotes inefficiency and waste. There are no requirements for the city to access true needs before proceeding with the annexation.
- The existing statutory requirements are far too liberal. They allow cities to create meandering boundaries that cherry-pick valuable property, while bypassing less affluent areas that might benefit from city services.
- Finally, the initial costs of connecting to utilities, plus the burden of additional taxes and fees can be overwhelming to those on low or fixed incomes. There seem to be no considerations on how to lessen the impact for these citizens. The result is often an increase in foreclosures, bankruptcies, and forced home sales.

Please consider these issues, and reform the laws accordingly. Thank you.

Vance Meek
250 Hidden Hut Road
Salisbury, NC 28147-7870

25

Stop Forced Annexation

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Show Header

From: John Moore Add to Address Book
To: cathy@stopncannexation.com
Date: Tuesday, April 08, 2008 7:46:37 AM
Subject: Stop Forced Annexation

John Moore
New Hill

John Moore
3804 Mason Road
New Hill, NC 27562
919.249.6775
jmontara@earthlink.net

April 8th, 2008

To: House Select Committee on Municipal Annexation

While there is so much potential for municipalities to create wealth, it is ironic that municipalities in North Carolina are allowed by law to not only seize wealth but also destroy it. Municipalities create wealth by efficiently delivering and selling services. They seize wealth by compelling purchase of undesired services. They destroy wealth by threatening taxes for something of lesser value. The House should stop forced annexation.

Sincerely,

John Moore

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My name is Paul Morton and we have lived in North Carolina for the past 20 + years when, we retired in August of 1987 from our home in New Jersey where we had resided for 38 years . Since January 1994 we have lived in Pinewild; prior to that we lived in Seven Lakes.

I am here today, as having lived in New Jersey for 38 years, I have seen first hand what restrictive annexation policies can do to established municipalities. Believing strongly that all us owe a responsibility to the overall area in which we live, I ask that you consider the following.

While New Jersey is only 1/6 the size of North Carolina in area, they are both close to each other in population, North Carolina 8,049,313 and New Jersey with 8,414,350; North Carolina has 100 counties with 548 municipalities and New Jersey has 22 counties and 566 municipalities The two states differ greatly on how they treatment annexation. New Jersey law requires that a majority of the population being annexed approve the annexation; North Carolina allows municipalities to annex when the annexed area reaches a certain density and the municipality can furnish the necessary municipality services.

In North Carolina this has allowed for planned and sustained growth of its communities; In New Jersey growth of municipalities has for all intents has ceased. For example I originally lived in Trenton, New Jersey, the capital of New Jersey, from 1934 until 1938 when my father was city manager of Trenton. Trenton's population then was about 125,000. As of 2006 the official estimated shows a population of 83,923. What happened; manufacturing plants closed reducing the overall tax base with a corresponding increase for the remaining taxable property; resulting in a flight to the suburbs by those residences who could afford to do so. Trenton has gone gradually down hill. Visit Trenton and you will see a lot of vacant land where once prosperous manufacturing facilities existed (taxes are less on vacant land then on properties with buildings). What is true for Trenton is also true for the other major New Jersey municipalities, Newark, Elizabeth, Patterson, Jersey City, Camden and etc.

In our own case during the 38 years we lived in New Jersey we saw our real estate taxes constantly escalate. A check of the present tax records for the four homes we once own show that the escalation has increased. Our first home was a 900 square foot slab home in a development in Ewing Township, a suburb of Trenton,. 16 square miles in area with a population in the 1960's of some 25,000 citizens. Our home cost us $10,500 dollars. We paid $300 a year in real estate taxes. That house is sill standing and was repurchased in 2002 for $102.000. Real Estate taxes are now $2,384.94 per year. Our second home, purchased in 1958, also in Ewing Township was a split level, costing us $24,500. Our real estate taxes were $900 per year. Today that house is assessed for $285,000 with a real estate tax bill of $6,473.42. In 1970 we moved to Montclair, New Jersey. Montclair is a bedroom community for New York, with a population of 37,309, and with no major manufacturing It is only 6.3 square miles in area. It is one of the 20 municipalities in Essex County. We purchased a 2 story colonial built in 1945, for $35,000 with real estate taxes of $1800 per year. Today that house is assessed for $260,000 with yearly real estate taxes of $13,218.73.

In 1972 we moved to Oakhurst in Ocean Township New Jersey, one of the 53 municipalities in Monmouth County, New Jersey. We purchased a year old 1800 square foot ranch on 0.6070 acres of ground for $45,000 paying $1300 a year in real estate taxes. In 1986 our property was reassessed for $56,000 with real estate taxes to be $2,850. per year. This property was last sold on June 28, 2004 for $285,000. A small swimming pool had been added and other improvements of some $104,000. The property is now assessed at $408,000 with yearly real estate taxes of $6,586.53.

Why are real estate taxes so high in New Jersey; the highest in the US according to articles in the New York Times and US News and World Report. As mentioned earlier many industries have left the state and in New Jersey where the majority of school funding rest on the local property owner and where there are very few regional school systems, cost are high. Also as mentioned earlier it is almost impossible for municipalities to grow via annexation. New Jersey has 566 separate municipalities each with its own bureaucracy, some much larger than others. Their own police and fire departments, tax departments and other necessary municipal support groups. Just north of where we lived in Oakhurst were the municipalities of Eatontown, Shrewsbury, Little Silver, Red Bank, Fairhaven and Rumson, five of whom in colonial times were part of Shrewsbury. Red Bank a community of 11,850 citizens is only 1.8 square miles in area. Its budget for last year was ten (10) million dollars for general operating expenses and one (1) million for utility expenses. You can imagine what savings could be incurred if all of the above united; but under the present annexation laws that is almost impossible.

As the Brookings Institution, a non profit public policy organization based in Washington, DC and founded in 1916 , stated in its report regarding "Annexation and the Fiscal Fate of Cities" that "A city's ability to annex land from its surrounding county is a primary determinant of its fiscal health and in those cities who were able to annex had a high bond rating and conversely all cities with low bond ratings are those that had been unable to expand their boundaries"

Thank you for giving me the opportunity of expressing my views on the subject of annexation. I feel the present law has secured a steady and prosperous growth of the municipalities in our state. A modification, as proposed by some, would only lead to stagnation as exemplified by New Jersey. I urge you to give a long and thorough study of this problem before making any recommendations to modify the present annexation laws in North Carolina.

The Brookings Institution
METROPOLITAN POLICY PROGRAM

Annexation and the Fiscal Fate of Cities

David Rusk

"Expanding, elastic cities maintain growing tax bases and can sell bonds at lower interest rates, meeting needs for both municipal facilities and major infrastructure with regional benefits."

Findings

An analysis of the relationship between the annexation patterns and fiscal health of the nation's largest cities shows that:

- **A city's ability to annex land from its surrounding county is a primary determinant of its fiscal health. Cities with greater abilities to annex have much higher bond rating scores.** Of cities in large metropolitan areas, every city that expanded its boundaries by as little as 15 percent between 1950 and 2000 had a high bond rating in 2002. Conversely, all cities with low bond ratings are those that had been unable to expand their boundaries.

- **The ability to annex land varies widely by region and state.** Most high-bond-rated cities are located in "big box" states (primarily in the South and West) where land is more easily annexed. Most low-bond-rated cities are in "little box" states (primarily in the Northeast and Midwest) where land is more difficult, or impossible, to annex.

- **Annexation is far from an outmoded, dying practice.** During the 1990s, about 90 percent of the central cities that could annex additional land did so. Collectively, in just one decade they expanded their municipal territory by more than 3,000 square miles.

The flexibility to annex surrounding land and communities was more important to a city's bond rating (a sign of fiscal health) than the area's poverty rate or median household income. Annexing land, therefore, appears to be an important route to economic health and development for the nation's urban areas. State legislatures can play a vital role in ensuring the fiscal viability of their state by reviewing, and revising if necessary, state land development, zoning, and annexation laws. With careful planning, states can promote more compact development, preserve farmland and natural areas, and encourage reinvestment in older residential and commercial areas.

Chris Musi
1352 Riverbend Drive, SW
Shallotte, NC 28470
910-755-7230
riverbendrovers@earthlink.net

April 9, 2008

To: House Select Committee on Municipal Annexation

Re: Satellite Annexation Law

My name is Chris Musi and I live several miles outside the Town of Shallotte, on the Shallotte River. During the past two years, weakness in satellite annexation law has dominated my life. This has been due to Shallotte annexing most of the land adjacent to my property and rezoning it for high density condominium development. In taking this action, the Town ignored the opposition of a number of water quality professionals, as well as a traffic engineer, a real estate appraiser, and an environmental economist. In addition, they ignored dozens of Brunswick County residents, my neighbors, who had no political representation.

This annexation is a direct result of Shallotte's exemption from the state rule which limits satellite annexations to 10% of a town's area. In fact, in less than three years, the Town's satellite annexations have amounted to about two thirds of its primary corporate area.

Shallotte cannot provide services for, or even administer, this magnitude of growth. They have had sewer grant funds suspended due to contractual failures. The two largest satellite developers have had infrastructure negotiations with the Town stalled for roughly a year. Shallotte's outdated sewage treatment plant and debt-ridden rescue squad have been taken over by the County. The capacity of a new sewer line, stalled for over a year by lack of lift station funding, is only about half of what is necessary for buildout on the annexed properties it is supposed to serve. Yet, satellite annexations along this line continue.

Since Shallotte's own CAMA Land Use Plan doesn't cover satellite annexations, the Town has claimed use of the Brunswick County Land Use Plan for these properties. Last fall, the County updated their Plan, which now specifies zoning districts. The Shallotte Aldermen have not adopted the new County Plan despite a resolution by the County Commissioners asking them to do so. When formally asked which plan they are considering for satellite annexations, the Aldermen declined to answer. Lack of a comprehensive plan is contrary to both the zoning statutes and the Coastal Area Management Act (CAMA).

Our community has witnessed abundant evidence to support abolishing exemptions to the 10% rule. I would like to suggest the following changes.

First, require an interlocal planning agreement between a town and the appropriate county before an exemption is granted or before additional annexations are allowed under existing exemptions.

Second, repeal an exemption if a town continues to satellite annex beyond 50% of its primary corporate area.

Third, repeal an exemption if a challenge to a satellite annexation or rezoning, other than those based on procedure, is upheld by the Courts. An example would be illegal spot zoning.

My hope is that such changes would protect the rights and homes of citizens subject to abuse under the current law.

Sincerely,

Chris Musi

Chris Musi

Lora Owen

I am Lora Owen, a lifelong resident of Rowan County. ~~My mother owns a piece of farmland that is the city of Salisbury is trying to annex against our wishes.~~

Forced annexation affects our family personally, and secondly, forced annexation goes against the principals of ~~civil rights and~~ fairness, and the constitutional right of each person having an equal vote in a decision being made affecting them.

Forced annexation will force my 62 year old widowed mother to sell an 8 acre piece of farmland that has been in our family for over 100 year and she has worked hard each year to keep just by paying her county taxes. We don't qualify for the farmland exemption program ~~due to having 8 acres and not 10.~~ If she holds onto her property, paying both city and county taxes will drain her savings account as her job does barely pays enough to allow her to pay her current bills. She lives on a fixed income, ~~and is facing retirement soon due to health reasons and will have to live off of social security and a modest~~ savings account. She will not use city sewer or water, or city services on the property being threatened for annexation since there are no buildings on the property, but if annexed, she will be forced to pay city and county taxes just the same. Double taxes for nothing.

Yesterday, ~~[illegible]~~ people overwhelmingly spoke out against forced annexation, yet our city council replied after our comments that, they would have to "crunch the numbers." To them, it all about money, bottom-line. Getting more tax money to pay for their projects, at our expense, while we have been minding our own business and already doing the best we can, just to survive and maintain what we have.

The NC law that allows Cities to force annexation on people is not fair. ~~Citizens who did not vote on these cities leaders, don't get a say.~~ They didn't elect these officials who are forcing the annexation on ~~them~~ us. The existing NC law is allowing the city to invade us and take from us. The only way a group of citizens can have a chance to overcome the cities' forced annexation is by hiring an expensive attorney, and in a legal fight, cities have boundless amounts of money to spend on legal battles, while ordinary people do not. The NC law needs to be changed to allow people to decide for themselves what they need and what is best for them in terms of annexation. ~~Forced annexation allows the government to push the little person around and thus making new city residents taxes bail them out in loan financial times~~. We are already paying more for gas, bec. we have to have it. We pay more for everything. When they start charging us ~~cities~~ taxes, we can't go to our employers and demand more money. ~~We do not get a "cost in living" increase in the private sector~~. When we shop, we look at the product's options, and what we will be given for our money, and we decide if it is a good fit for us. Forced annexation doesn't give us any choices; it just takes our hard earned money and makes us purchase things we do not need and can't afford. ~~If people [illegible] for annexation, annex us, [illegible]~~ Please change the ~~outdated~~ archaic NC law to give us a voice in the matter. ~~No more taxation without representation.~~ You were elected to serve us. That is why we are all here today. We want change in NC. We want ~~for~~ a fair vote. Our voice to be heard

Thank you for listening,

Lora Owen
1350 E. Ridge Rd.
Salisbury, NC 28144-1268
email lowen@salisbury.net

We do not want forced annexation anymore.

You were elected to see that we have just laws to govern our state. The [redacted] current law allows a city to take advantage of citizen

Ray Parradowski

NoannexRaleigh4/9

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HONORABLE MEMBERS OF THE HOUSE.

THANK YOU FOR THE OPPORTUNITY TO SPEAK IN OPPOSITION TO THE UNFAIR CURRENT LAW ALLOWING FORCED ANNEXATION. THANK YOU ALSO FOR YOUR INTEREST IN REVIEWING THIS LAW AND HOPEFULLY MAKING CHANGES TO MAKE IT AT LEAST DEMOCRATIC FOR OUR CITIZENS.

CURRENTLY AGGRESSIVE EFFORTS ARE BEING UNDERTAKEN IN OUR STATE, AND SPECIFICALLY IN ROWAN COUNTY BY THE CITY OF SALISBURY, TO ANNEX ALMOST 1700 RESIDENTS AND OVER 2000 ACRES OF PRIVATE PROPERTY. THE CITY'S PROPOSAL STATES THAT THOSE ANNEXED WILL RECEIVE ONLY A PART OF CITY'S "BENEFITS" EFFECTIVE JULY 1, 2008. HOWEVER, I WILL BE REQUIRED TO PAY TOTAL TAXES AMOUNTING TO DOUBLING WHAT I NOW PAY, ALSO EFFECTIVE THAT DATE OF JULY 1.

"BENEFITS" WHICH I'M TOLD I WILL RECEIVE ARE TRASH AND GARBAGE PICKUP, CITY POLICE AND CITY FIRE PROTECTION. HOWEVER THOSE "BENEFITS" WILL <u>TEMPORARILY</u> BE PROVIDED BY MY CURRENT GARBAGE SERVICE COMPANY AND CONTRACT WITH THE CURRENT COUNTY FIRE DEPARTMENT. I NOW HAVE ALL THOSE ADEQUATE, AND MORE THAN SATISFACTORY EQUIVALENT SERVICES, AND AT A MUCH LOWER COST THAN I WILL RECEIVE UNDER THE CITY GOVERNMENT'S CONTROL. THE CITY IS FORCING ME TO PAY FOR

THEIR SERVICES WHICH I DO NOT NEED OR WANT.

MY WIFE AND I ARE RETIRED AND ON A FIXED INCOME. GASOLINE IS BEING PRICED OUT OF OUR REACH. WITHIN THE PAST WEEK TWO MAJOR EMPLOYERS IN OUR AREA OF THE COUNTY HAVE ANNOUNCED LAYOFFS EFFECTING MANY OF MY NEIGHBORS. MANY WILL BE FORCED TO LOSE THEIR HOMES. THE ECONOMY IS TEETERING ON THE EDGE OF A RECESSION. IF THERE IS EVER A GOOD TIME FOR THIS ANNEXATION TO TAKE PLACE, NOW AND IN THE NEAR FUTURE ARE DEFINITELY NOT THE TIME. ANYTHING YOU CAN DO TO STOP ANY ANNEXATIONS SUCH AS WE FACE, AND TO RECOMMEND CHANGES TO THE UNFAIR, ANTIQUATED, FIFTY YEAR OLD LAW, IS NECESSARY FOR THE CITIZENS OF OUR STATE.
THANK YOU FOR ALL YOU DO AND ESPECIALLY IN RELATION TO THIS ISSUE.

RAY E, AND LOIS M. PARADOWSKI
155 NOTTINGHAM ROAD
SALISBURY, NC, 28147-8832
704-638-0513
reparadowski@bellsouth.net
lmparadowski@bellsouth.net

Linda + Christopher Pierce

Raleigh, North Carolina
Wednesday, April 9th, 2008

29

My name is Terry Houck and I live at 145 Nottingham Road, Salisbury in Rowan County. My neighbors and I have made the trip today to ask for your support in getting the current annexation laws changed. As it stands now, the Mayor and the Salisbury City Council are the ones who decide which areas get annexed and when that is to happen. Property owners have no say in this. And to make it worse, the residents in the proposed annexation area did not get to vote for the Mayor or any of the City Council because we were outside the city limits at the time. The officials with the City of Salisbury keep telling us that the city needs to grow, and we understand that. But the way annexations happen in North Carolina is just wrong. They basically notify us that "this is the way it's going to be" with no consideration given to the fact that we already have, and are paying for, the services they are offering. For the people who welcome the city and their services, fine--let's have a vote!

Within the past week we have had two major companies in the county announce layoffs. If these properties are annexed, it would create an additional hardship on some of the families affected by this, as well as those on limited, fixed incomes.

Also, I would like to ask that you consider supporting an immediate moratorium on further annexations until all of this information can be discussed and a decision made about the future of North Carolina. There is only a handful of states left that allow forced annexations, and I hope that will change soon for North Carolina. Thank you for giving us the opportunity to speak today and thank you for your time and consideration.

180 Lane Street
Salisbury, NC 28147

04/06/08

To Whom It May Concern:

We are strongly opposed to forced annexation.

Regards,

Linda C. Pierce

Linda and Christopher Pierce

Christopher Pierce

30

HARVEY POLLARD, JR
415 HOLT ST
KERNERSVILLE, N.C
www.hpollard.com

Document1 - Microsoft Word

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Type a question for help

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I believe that most of you have heard many of the positions and argumenst of both the proponents and opponents of forced annexation.
I would like to share with you a view made a few years ago,at a hearing held by Rep.Sam Ellis,by some proponents of forced annexation.
The same prepared presentation was presented by some mayors and managers.
They said.
They,the residents outside our town limits enjoy and use our banks,our theaters,and our roads,why should not these people share in the expenses and upkeep?
I am not aware that the municipalities own the banks,or theaters,and the people who reside out side the municipal city limits have already paid to travel the roads.
EVERY TIME WE FUEL OUR VECHILES WE ALL MUNICIPAL AND RURAL OPERATORS PAY A FUEL TAX,ABOUT 41 CENTS A GALLON EVERY TIME WE FUEL OUR VECHILES ,AND THESE MUNICIPALITIES RECEIVE POWELL BILL FUNDS FOR THEIR ROADS WITHIN THE MUNICIPALITY.

I WOULD LIKE TO SHARE WITH YOU SOME PORTIONS OF A DOCUMENT

NC CONSTITUTION Article 1 Section 1
Article 1 section 3
Article 1 section 12
Article 1 section 25

Thank you

Page 1 Sec 1 1/1 At 7" Ln 28 Col 10 REC TRK EXT OVR English (U.S.)

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Comments for the House Select Committee on Municipal Annexations
April 9, 2008

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Distinguished members of the House Select Committee, my name is Bob Pleasants, and I am president of a community group named Good Neighbors United, a Wayne County citizens' organization that has spent countless hours and over $150,000 fighting the forced annexation of residential neighborhoods which are far removed from developed municipal areas and in need of none of the services a city might provide.

There are good reasons why we have fought so hard these four years and spent so much money. Our story and case, which I shared with each of you by e-mail and through a map sent to Representative Goforth, could be the "poster child" case to illustrate the myriad flaws in the current annexation statutes and the citizenry abuse attendant with those flaws – such abuse as:

1) a planned and choreographed, illegal voluntary annexation of completely undeveloped land designed solely to provide contiguity for forced annexation;
2) gerrymandering annexation boundaries through various residential developments in order to meet contiguity requirements;
3) targeting the community specifically to garner an attractive tax base and to manipulate the racial makeup of the city;
4) completely ignoring overwhelming citizenry input, including municipal citizenry input, in opposition to the annexation;
5) annexing property a mile removed from any municipal residential or commercial development; and;
6) demonstrating partiality and a discriminatory mindset by excluding from annexation the property of one influential individual who was instrumental in coordinating the voluntary annexation that provided contiguity.

In summary, if a North Carolina city can completely ignore the spirit and intent of the statutes in this manner; if it can disdainfully abuse citizens' rights as has been done in Wayne County; and if it can circumvent the rules of the statutes due to technicalities related to citizenry "standing" in court; yet still prevail in litigation because the courts' hands are tied by the statutes themselves, then there are major problems with the law.

I believe that all that you have heard from decent, hardworking citizens these last three months confirms that fact. This state's annexation statutes are severely flawed, severely abused, and in need of a major overhaul.

We must call an immediate halt to the municipal abuse while the legislature addresses this most critical issue. To that end, I respectfully urge this committee to recommend and vigorously support an immediate moratorium on annexations in this state, to include any and all actions in any procedural stage, including those currently in litigation. Without question, if this committee concludes that there are and have been serious problems associated with municipal annexations, it would be unconscionable to allow annexations to continue while the legislature works to correct those problems.

Thank you for your time.

R. H. Pleasants

Bob Pleasants, President
Good Neighbors United
100 Plantation Road
Goldsboro, N.C. 27530

My name is Wayne Remes and I live in Rowan County.

I'm the one mc the Salisbury Post anonymously quoted as suggesting that "The Good Neighbors of Rowan County" anti annexation group be called "Citizens against Fascism". So I think you know my position on involuntary annexation.

Involuntary annexation is a matter of self determination, and as such cuts to the very heart of what the United States stands for. The Declaration of Independence itself listed some of the reasons for our separation as
"The imposing of Taxes on us without our consent"
and
"Abolishing of free system of English Laws in a neighboring province, establishing therein an arbitrary government and enlarging its boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule within these Colonies."

Municipalities throughout North Carolina are engaging in these vary activities as the norm. The idea that free North Carolina citizens having chose to not live within municipal boundaries, should at some later point, against their will, be forced to live within municipal boundaries without so much as a vote by said citizens is an abomination, and laws allowing such should not be allowed to stand

The League of Municipalities and other snake oil salesman supporting involuntary annexation have said that in order to grow, municipalities must involuntarily annex places. Annexed areas receive less benefit from being part of the municipality than they do by being a part of the county, that's why it's involuntary. In finance bringing in new investors to provide the principle investors with more revenue while providing nothing to the new investors is called a Ponzi scheme. Forced Annexation is nothing more than Municipal finance by Ponzi scheme and is just plain wrong.

The words and images associated with involuntary annexations are usually mentioned in connection with Nazi Germany, Imperial Japan, Stalin, and Saddam Hussein. Indeed, when I think of involuntary annexation what comes to my mind are the words "TODAY WE ANNEX THE SUDETENLAND, THIS IS MY LAST TERRATORIAL DEMAND!" This is not a quote that should be associated with North Carolina politicians

Over 500,000 Americans have given their life to bring self determination to other nations, yet here in North Carolina, for some reason, we are not guaranteed this right. Allowing forced annexation to be the law is spitting in the face of every American serviceman who died bringing that right to peoples of the world. Removing forced annexation form the law, is not only the right thing for any American to do, it's really the only thing anyone calling themselves an American can do.

Letters

Beware, county residents: annexation may be in your future

If the citizens who live on the Rowan County side of Kannapolis have not been paying attention, involuntary annexation is beginning to get seriously dangerous to the economic stability of the citizens affected. Yesterday it was just going up a road, now it's growing into a Vision 2020 plan that threatens the tax burdens on thousands of Rowan County residents. Rockwell has plans to also annex 500-plus residents to keep from losing out on tax revenues that Salisbury could potentially get if the town does not act fast.

What's next? China Grove protecting its borders? Landis? Kannapolis? Granite Quarry? Cleveland? City against city to [illegible] who can get the most tax revenue? It's [illegible]e for a change. Support and urge your county commissioners from every county to do what's right to protect their citizens.

Being involuntarily annexed because of a loophole in a 1959 law does not give cities the right to violate the constitutional rights of its citizens, and North Carolina should rewrite or abolish the law to promote the safe welfare of its citizens throughout the state.

[illegible] people stand and protect the [illegible] the flag stands for, or do we [illegible] boys and gals, oversees that the very essence of what they are dying for is being violated here in the United States, especially in North Carolina? Explain [illegible] protect e[illegible] choose and [illegible]

[illegible] children the [illegible]

[illegible]

— *Harry Rivera*
Rowan County

Harry Rivera
33

Salisbury, North Carolina
December 16, 2003

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.; Councilmen William (Bill) Burgin; William (Pete) Kennedy; Mark N. Lewis; City Manager, David W. Treme; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

ABSENT: None.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Councilman Kennedy.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz recognized all visitors present.

RECOGNITION OF W.G. "BILL" HEFNER MEDICAL CENTER - 50TH ANNIVERSARY CELEBRATION

Mayor Kluttz informed Council that she had participated in a celebration of the 50th anniversary of the W.G. "Bill" Hefner Medical Center on December 6, 2003. Mayor Kluttz recognized Ms. Sheila Womack, representing the Director of the V.A. Hospital and presented her with a Certificate of Recognition in honor of the hospital's 50th anniversary.

RECOGNIZE 2003 CITY EMPLOYEES WITH 5, 10, AND 15 YEARS OF SERVICE

Mayor Kluttz recognized the following 2003 Service Award Recipients:

15 Year Honorees:

Becky Albrecht -Information Technologies Division
Daphne E. Beck - Landscape Division - Hurley Park
D. Keith Bowersox - Technical Services Division
Donnie Crowder - Parks and Recreation Department
C. Michael Crowell - Information Technologies Division
William H. Elliott - Fire Department
Vicky K. Jordan - Administration
Jerry B. Kepley - Plants Maintenance Division
Daniel J. Mikkelson - Land Management & Development Department
Jerry E. Pickler - Transit Division
John W. Ritchie - Technical Services Division
Linn Hayes Russell - Police Department
James W. Wise - Wastewater Treatment Division

10 Year Honorees:

Trevor J. Allen - Police Department
Tyrone Bacon - Solid Waste Division
Joel "Jay" P. Baker - Fire Department
Ann Morris Cooper - Police Department
Robert P. Holmes - Water Sewer Maintenance Division
Mark A. Hunter - Police Department
Karen C. Ingram - Human Resources Department
Wiley B. Lamm - Police Department
Tony V. Meece - Information Technologies Division
Brian L. Moore - Solid Waste Division
James E. Woods - Cemetery Division

5 Year Honorees:

Jennifer L. Beattie - Police Department
Clara A. Bost - Finance Department
Michael A. Colbert - Police Department
Marie F. Davis - Water Sewer Maintenance Division
Anthony M. Dito - Solid Waste Division
Samuel Wade Furches, III - Finance Department
John H. Garrison - Wastewater Treatment Division
C. Diane Gilmore - Finance Department
H. Randy Goodman - Fleet Services Division
James B. McAdam - Meter Services Division
Guy W. McGuire – City Office Buildings
Joseph P. Miller - Police Department
Aaron G. Moore - Police Department
Jeffrey D. Parker - Water Resources Division
Kevin M. Rainey - Plant Maintenance Division
M. Scott Ridenhour - Fire Department
Alson G. Siler - Plant Maintenance Division
Jack W. Wilson, Jr. - Street Maintenance Division

Mayor Kluttz thanked the employees noting they make the City a special place.

CONSENT AGENDA

(a) Minutes

Approve Minutes of the regular meeting of December 2, 2003.

(b) Group Development Site Plan G-12-03 - Mt. Zion Baptist Church

Approve Group Development Site Plan G-12-03, Mt. Zion Baptist Church, 1920 Shirley Avenue.

(c) Street Closing - First Fest Night

Approve closing the 100 block of South Church Street and the 200 block of West Fisher Street from 6:00 p.m. until 12:00 a.m., December 31, 2003 for Rowan 250 Fest "First Fest Night."

Thereupon, Mr. Kennedy made a **motion** to adopt the Consent Agenda. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

2003 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Mr. Victor Blackburn, accountant with McGladrey and Pullen, presented Council with the 2003 Comprehensive Annual Financial Report (CAFR).

Mr. Blackburn noted several changes in reporting requirements for the fiscal year. He stated that because of the adoption of Governmental Accounting Standards Board No. 34 (GASB 34), changes were made in the format of the financial statement from the previous year. This year the CAFR includes a Management Discussion and Analysis, which is an executive summary of what has occurred in the City during the past year and how the City performed as compared to its budget and last year. Other changes include new statements called the Statement of Net Assets and the Statement of Activities. Mr. Blackburn stated that these were included this year because under GASB 34 changes were made to use a full accrual basis of accounting. He explained that this meant revenues and receivables are recognized no matter when they are due to be collected. Liabilities will be accrued when they are incurred, no matter when they are paid.

Mr. Blackburn informed Council that another significant change under GASB 34 is the capitalization of infrastructure, noting that this primarily included the City streets.

Mr. Blackburn stated that the audit opinion for the financial statements, including the federal and state awards received by the City, was an unqualified opinion. He explained that this meant there were no questionable items or findings. Mr. Blackburn commended Mr. John Sofley, Finance Director, and staff for their outstanding work on the financial records.

Mr. Blackburn noted that in the general fund the cash account is down; however current assets are up approximately $250,000 from last year. He explained that the cash is down because some receivables were recorded at year end that had not yet been collected as of June 30.

Mr. Blackburn pointed out that in the water/sewer fund there is approximately $900,000 in unrestricted cash to be used as necessary within the water and sewer department.

In the general fund last year there was a deficit of approximately $930,000 due to the State withholding funds that had already been budgeted. Mr. Blackburn noted that City staff tightened the current year's budget, which resulted in an overall increase of approximately $200,000. He noted that this is a $1.1 million dollar swing from last year and added that he felt this is extraordinary.

Mr. Blackburn told Council there was also a $200,000 increase in the water and sewer fund.

Mayor Pro Tem Woodson commented that it sounded as if the City was doing very well financially.

Councilman Lewis asked how long the streets were amortized. Mr. Blackburn replied that the streets are amortized for twenty-five (25) years.

City Manager Treme commented that he had questioned the GASB 34 requirement to amortize streets but noted it insures to the bond rating agencies that the City is budgeting money to maintain the fixed assets.

Mr. Treme noted that Council experienced a deficit last year and many departmental budgets were cut. He stated that he felt this was the third of three very difficult years. Mr. Treme added that he felt the management team has done an excellent job to have a positive result in both funds, and to present an audit with an unqualified opinion and is in full compliance.

Councilman Burgin inquired about the fund balance percentage. Mr. Treme replied that the fund balance is 11% and the state asks that the fund balance be at 8%. He noted that this included funds that are obligated for certain projects.

Mayor Kluttz thanked Mr. Blackburn for his presentation. She recognized the City Finance Department and thanked them for their work.

Mr. Lewis noted that the City is still rated A-1 by the bond rating companies and he commended Council and staff noting that this will save the City money when money is borrowed.

LEASE PURCHASE - TELECOMMUNICATIONS CAPITAL IMPROVEMENTS

Ms. Teresa Harris, Budget and Performance Management Manager, discussed financing telecommunications equipment as approved in the budgetary process. She stated that the City has entered into a contract with Motorola for the purchase of the equipment. She noted that there is a Resolution of Reimbursement in place for the equipment. Ms. Harris stated that staff investigated borrowing money as bank qualified but will not be able to do so again until 2004 because debt was refinanced in 2003. She stated that now is the time to begin the process for Local Government Commission (LGC) approval. She asked Council to adopt a resolution to provide the authority for staff to apply to the LGC for financing approval, and name the City's Finance Director as its representative for securing the financing. The resolution will also direct the Finance Director to solicit financing proposals from qualified financial institutions.

Thereupon, Mr. Woodson made a **motion** to adopt the $1,990,000 lease purchase financing for the financing of acquisition, construction, and telecommunications capital improvements. Mr. Burgin

seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

LEASE PURCHASE RESOLUTION FOR FINANCING OF ACQUISITIION, CONSTRUCTION, AND EQUIPPING OF CERTAIN TELECOMMUNICATIONS CAPITAL IMPROVEMENTS.

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 73, and is known as Resolution No. 2003-55.)

City Manager Treme commented that improving telecommunications was one of Council's top goals for the year.

TIME WARNER CABLE

Mr. Michael Crowell, Information Technology Manager, informed Council that Time Warner Cable has announced a rate increase that will be effective January 1, 2004. He introduced Ms. Sue Breckinridge, Vice-President Public Relations with Time Warner, and Mr. Malcolm Graham, Director of Government Relations, and Ms. Sue Kahn, local office manager. Mr. Crowell also introduced Mr. David Harris with the Piedmont Triad Council of Governments.

Ms. Breckinridge indicated that cable rates will be raised by approximately 5% for 2004. She stated that the rate increase was necessary as a means to recover their cost of operation in this community. Ms. Breckinridge explained that Time Warner must follow guidelines from the Federal Communications Commission (FCC) in determining the rate increases. When Time Warner reviews their calculations for each year they use an estimated figure for the Consumer Price Index (CPI). She noted that they typically underestimate the figure and when the prices are reviewed for the next year they include the underestimated difference in their calculation for the rate increases. Time Warner refers to this as the "true up" process. Ms. Breckinridge stated that another expense in the basic tier of service is the copy right fees that are paid to broadcasters in order to carry their signals. She stated that in the cable program tier the copy rights fees are the single largest cost incurred by cable companies. She indicated that they have to pay their programmers on a per subscriber basis in order to carry the signal. The rate increases Time Warner has received from their programmers have been as high as 60% but average between 12-15%. Ms. Breckinridge stated that Time Warner has worked very hard to keep their rate increases in the single digits, such as the 5% increase for 2004.

Ms. Breckinridge told Council that as the cable provider for Salisbury-Rowan County they are very committed to giving back to the community. She noted that they have given a little more than $200,000 back to the community through donations and in-kind services.

Councilman Burgin stated that as an elected body, Council is responsible to the citizens when increases occur. He added that the hardest increases are the ones over which Council has no control. He asked Ms. Breckinridge about the costs involved with system improvements, asking how much applies to Salisbury's portion of the system. Ms. Breckinridge replied that Time Warner is only allowed to calculate the costs of doing business in Salisbury when determining the rates for the community. They are not allowed to include costs of doing business in other communities.

Mr. Burgin asked if the costs of improvements to services such as Road Runner are included in the costs for basic tier cable or for customers who may not use the other premium services. He asked if the costs are broken down for the premium services and the basic services.

Mr. David Harris, Piedmont Triad Council of Governments, informed Council that in the basic

cable rates only those costs associated with the basic cable services can be used. He added that the other premium services can not be added into the rate structure for basic cable services.

Mr. Burgin asked if the cable system had made improvements that justified the 7.3% basic increase. Mr. Harris stated he had not audited the rates, but that all cable operators have experienced rising programming costs over the last 2-3 years.

Mayor Pro Tem Woodson stated that he had many complaints from citizens concerning the rate increases. He noted that many people can not find a job or are taking jobs at lower rates of pay. He added that with the economy in Rowan County being down he hated to see this increase.

Ms. Breckinridge stated that they felt empathy for the problems in Rowan County and the region and they had worked hard to keep the increase to 5%. She noted that they had trimmed their budgets to keep costs low to their customers.

Mr. Burgin asked about the "true up" process to recoup the underestimated CPI figures from previous years, stating that if inflation is down it will help when the figures are determined for next year. Ms. Breckinridge confirmed that it should have a positive effect.

Mr. Burgin stated that he wanted citizens to know that Council has very little control but he felt it was very important for Council to ask these questions.

Mr. Woodson stated that he felt the rate increases were excessive and he wanted to make sure that Time Warner understood.

Ms. Breckinridge stated that Time Warner has to be responsible in their business in order to stay in business.

Councilman Kennedy asked what the highest rate increase Time Warner could have taken was. Ms. Breckinridge did not have this information.

Councilman Lewis asked how many Time Warner employees were in Rowan County. Ms. Breckinridge replied that there were thirty (30) in Rowan County.

Mayor Kluttz noted that this issue is frustrating for Council because of the economy and the City's efforts to reduce costs for citizens. She added that for some people this is their only means of entertainment and asked Ms. Breckinridge to please keep this in mind and to do all that is possible to keep the rates low.

RESOLUTION OF CONSIDERATION FOR ANNEXATION

Mr. Joe Morris, Community Development Manager, and Mr. Bill Dustin, Centralina Council of Governments spoke to Council concerning a Resolution of Consideration of Annexation.

Mr. Morris told Council that the resolution includes a map, Appendix A, which shows the areas under consideration. He noted that the area is the City's Extra Territorial Jurisdiction (ETJ) area, as well

as an area that is tied to a study with the Vision 2020 Plan.

Mr. Morris explained that the resolution is a tool to establish a method of notification to allow citizens living in the areas that the area could be under consideration for qualification for annexation. He noted that staff may return to Council at the end of 2004 to ask for re-adoption for the area of consideration.

Councilman Kennedy asked what has changed since the City last tried to annex some of the areas in consideration. Mr. Morris responded that there has been more development, but added that staff has not done the qualification study. He noted that the resolution is a broad tool to let citizens know what the City's intentions are and then to proceed to the next step, which will be to qualify the areas subject to annexation.

Mr. Dustin told Council that the Resolution of Consideration does not mandate Council to send notification to everyone within the area that it is under consideration. He added that in an involuntary annexation a one year hiatus is required between the time the City looks at an area and when it actually begins the process. Once the year has elapsed the annexation can be done in a relatively short time period. He noted that cities can annex without adopting a Resolution of Consideration by adopting an Intent to Annex, but this requires a one year hiatus at the end.

Councilman Burgin stated that only a very small portion of the areas under consideration will ultimately be annexed. Mr. Dustin confirmed, adding that not all of the areas shown in the map, Appendix A, are eligible for annexation at this time but it shows areas that the City has potential interest in. He stated that many cities routinely adopt Resolutions of Consideration for their ETJ areas and just keep them active.

Councilman Lewis asked if it is possible that after due diligence the City could find it has no areas it wants to annex. Mr. Dustin answered that the City may not have any areas it can annex, but by having the resolution in place the City is always in a position to perform an annexation in a relatively short time period, if it so chooses.

City Manager Treme stated that this is a strategy to employ and this area is part of the Vision 2020 and is becoming more urban. He noted that Council has suggested that staff look at annexation more comprehensively and this will allow staff to bring the areas back to Council to determine if Council wishes to move forward.

Thereupon, Mr. Lewis made a **motion** to adopt the Resolution of Consideration for Annexation. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

A RESOLUTION IDENTIFYING THE AREA DESCRIBED HEREIN AS BEING UNDER CONSIDERATIION FOR ANNEXATION.

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 74, and is known as Resolution No. 2003-56.)

CENTRALINA COUNCIL OF GOVRNMENTS - ANNEXATION SERVICES SCHEDULE

Mr. Bill Dustin, Centralina Council of Governments, presented Council with a schedule of proposed annexation services. He noted that the schedule recommended Council adopt a Resolution of

Intent in March 2004. Between March and June 2004, the City will conduct the necessary public forum informational meetings. The projected effective date is June 30, 2005. Mr. Dustin explained that there is a one year hiatus at the end of the period because, effective today, the one year hiatus is required up front. Since the Resolution of Consideration has not been in effect for one year, the hiatus will be required at the end.

Mr. Dustin told Council that Centralina Council of Governments will begin working with City staff to compile annexation statistics and qualifications to send to the Finance Department to determine the costs to provide services and what revenue will be generated. He stated that they will return to Council in spring 2004 with the annexation report and if Council wishes to proceed they will adopt the Resolution of Intent. He explained that this means the City has a specific intent to annex a specific area. The effective date will then be June 2005.

Mr. Joe Morris stated that this is provided to Council as information and staff will return in March should there be an area worthy of qualification for annexation.

COLLECTION SYSTEM PERMIT

Mr. Matt Bernhardt, Assistant City Manager for Utilities, Ms. Carol Hamilton, Environmental Services Manager, and Mr. John Vest, Deputy Utilities Director, addressed Council regarding North Carolina Department of Environment and Natural Resources (NCDENR) changes for sanitary sewer overflows.

Mr. Bernhardt informed Council that a new permit for the collection system was received from the state. He told Council that Salisbury-Rowan Utilities (SRU) operates a wastewater collection system of approximately four hundred seventy seven (477) miles of gravity sanitary sewer, fifteen (15) miles of force main and thirty (30) pump stations. In 1999, SRU was issued one of the first collection system permits (Number 19) in North Carolina.

Mr. Bernhardt explained that the new permit has a number of significant requirements and mandates contained within it. These requirements and mandates include:

- New performance standards of effective system management allow zero discharge to land or surface waters.

Mr. Bernhardt noted that between January and October 2003 SRU had 44 reportable sanitary sewer overflows (SSOs) of approximately 850,000 gallons.

- Enforcement actions will be issued for any SSO including Notices of Violation (NOVs) Civil Penalties, Fines, and/or Moratoriums.

Ms. Hamilton informed Council that 80% of the SSOs this year were due to inflow and infiltration (I&I). She noted that 2003 was one of the wettest years on record, with over sixty (60) inches of rain. Ms. Hamilton stated notices of waste spill are reported to the media as well as the state.

Councilman Burgin asked how the spills were quantified. Mr. Bernhardt stated this it is often a challenge to estimate the flow, but it is based off of the capacity. Calculations use the capacity that is flowing and the duration of the overflow. He stated that staff does its best to estimate honestly and accurately.

Additional requirements with the new permit are:

- The new SSO reporting form has quadrupled in length, increased in complexity, and reduces the reporting time.
- Substantial increase in the number of records that will have to be kept.
- Educational and enforcement program for Fats, Oils and Greases (FOG).
- Funding must be designated in Capital Improvement Program (CIP) for collection system infrastructure.
- Changes mandated in construction standards for newly constructed, modified, and rehabilitated pump stations.
- Comprehensive mapping of ten (10) percent of the collection system is required each year for the next ten (10) years or until complete, whichever is sooner.
- Inspections of high priority lines required every six (6) months and observation of entire system every year.

Mr. Bernhardt told Council that in summary:

- SRU will work (and has been working) to comply with the new requirements and mandates as outlined.
- SRU will present a FOG program for Council's consideration early next year.
- SRU will be fined for SSOs, as will other systems.

Mr. Bernhardt commented that the State has begun its increased enforcement and every system will face a stiffer set of rules. City Manager David Treme stated that if the State chooses to fine SRU there is no way to avoid the fines when there are heavy incidences of rain fall. Mr. Bernhardt explained that the sewer lines are placed where gravity will allow water to collect, but this is also where creeks, streams and storm drains run, which puts a lot of water in the proximity of the collection system.

Mr. Bernhardt informed Council that rates will be impacted as the State looks at evidence in each community that I&I problems are being addressed.

Mr. Bernhardt reviewed what staff has done so far:

- Created an I&I crew to work on identification and elimination of I&I on a consistent basis.
- Utilized some contract labor to make repairs when/where identified.
- Centralized compliance, permitting, and SSO reporting within one office of SRU, and improved reporting.

- Spent over $500,000 over the last three (3) years towards I&I reduction.

- Created a GIS unit within SRU to begin mapping of our sewer system.

Mr. Vest informed Council that staff has made excellent progress in mapping the sewer system. He indicated that they have almost completed mapping the Rockwell sewer system and are working into Granite Quarry. He noted that by the end of next summer one-third (1/3) of the system mapping should be completed, which is ahead of the required ten (10) percent per year.

Mr. Burgin stated it is serious to fight the battle of unfunded mandates but it is important to citizens to know why some rates change year to year.

Mr. Treme noted that the last time a review was performed two-thirds (2/3) to three-fourths (3/4) of the dollars spent by the City have been regulatory and not expansions, in response to requirements from the State.

Mr. Treme stated that if the State decides to fine after a heavy rainfall the City will not be able to avoid the fine. He added that staff will do everything they can but the overflows will happen.

Mayor Pro Tem Woodson asked about the amount of the fines. Mr. Bernhardt replied that the fine will depend on the size of the overflow and if the State feels the system is making progress in going after the I&I. Mr. Treme noted that the State has just begun this process. Mr. Bernhardt commented that the fines could be in the hundreds to thousands of dollars and in very severe cases several thousands dollars.

Councilman Lewis asked how Salisbury compared to other municipalities concerning overflows. Mr. Bernhardt answered that the City holds up well considering it is a consolidated system and is extended over a broad area. He stated that forty-four (44) given five hundred (500) miles of lines and thirty (30) lift stations is good.

Mr. Treme told Council that the City reports every overflow, no matter the size. He added that staff will continue to do the best that they can.

Mr. Woodson asked how many treatment plants SRU operates and Mr. Bernhardt replied that there are two (2) plants and one (1) package treatment. He indicated that the Town of Spencer has been connected to the Grant Creek facility.

ESTATES DEVELOPMENT CORPORATION - DONATION OF PROPERTY

Mr. John Vest, Deputy Director of Utilities, informed Council that Mr. Tony Blackwell of Central Carolina Bank (CCB) approached the City concerning the donation of property located on US 29 South. He told Council that the City's welcome sign is located on the property and the City has maintained the property for several years. Mr. Vest noted that the property is approximately two (2) acres and carried a yearly tax bill of $380.00.

Thereupon, Mr. Burgin made a **motion** to accept the two pieces of property and thank CCB/Estates Development Corporation for their gift to the City. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

COMMUNITY APPEARANCE COMMISSION APPOINTMENT

Mayor Kluttz informed Council that Ms. Earlene Turner has resigned from the Community Appearance Commission due to health reasons. She indicated that Mr. Bill Safrit is interested in fulfilling the vacancy and he has experience having served on the Commission in the past.

Thereupon, Mr. Burgin made a **motion** to appoint Mr. Bill Safrit to the position. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

COMMENTS FROM THE CITY MANAGER

(a) Planning Board Recommendations

Council received the Planning Board recommendations and comments from their December 9, 2003 meeting.

(b) Public Water Supply Inspection

Mr. Matt Bernhardt, Assistant City Manager for Utilities, recognized the staff of the water plant. The staff included: Jeff Parker, Floyd Rusher, Radenka Dragas, John Cornelison, Clint Mishak, Earl Short, Carol Hamilton, Keith Bowersox, and Randy Cauble. Mr. Bernhardt informed Council that there have been up to three (3) construction projects at the water plant at one time and staff has worked in the construction on a daily basis. He stated that the State was concerned about the construction projects and performed a special inspection. The North Carolina Department of Environment and Natural Resources (NCDENR) staff was so impressed they sent a letter commending the City staff's performance. Mr. Bernhardt stated that the plant never stopped producing and delivering safe, clean, drinking water to all of the citizens.

Mayor Kluttz quoted from the NCDENR letter, "The entire staff associated with the City of Salisbury Water Treatment Plant should be commended for their continued efforts to produce the highest quality of drinking water possible during such a difficult construction period", and commented that the City and its citizens are very lucky to have these employees and the excellent job that they perform.

(c) Vision 2020 Update and Appointment of Code Revision Oversight Committee

Mr. Dan Mikkelson, Director of Land Management & Community Development, stated that the City is in a transition period between recommendations for things that are not yet in the ordinances. He noted that the community wants staff to move from the transition phase and into straightforward rules that they can depend upon. He stated that the schedule calls for the new ordinance to be prepared by January 2005.

Mr. Mikkelson stated that staff wanted to create a task force to work with staff and to review the proposed ordinances to ensure they are inline with Vision 2020, can be implemented, and that they are fair and easy to work with. He indicated he would like Council to appoint a Council Committee to work with staff to determine the make-up of the task force and recommend the nominees to the full Council.

Mayor Kluttz appointed Councilmen Burgin and Lewis to a Council Committee to meet with staff and keep Council informed.

(d) City Council Retreat

City Manager Treme suggested February 19-20, 2004 for the Council's Future Directions and Goal Setting Retreat to be held at the Waterworks Visual Arts Center. By consensus, Council agreed to the proposed dates.

(e) Fire Department Grant

Fire Chief Sam Brady informed Council that the Fire Department has been awarded a grant through the Firefighters Grant Program in the amount of $244,686. He stated that the money will be used to purchase equipment including radiation monitors. He stated that this will enable the department to purchase a gator all terrain vehicle, a boat, and a trailer to house the equipment.

Chief Brady stated that the grant requires a ten percent (10%) match by the City and asked Council to approve a budget ordinance amendment to receive and appropriate the grant.

City Manager Treme noted that the City received a grant larger than many cities larger than Salisbury. He lauded the Fire Department and staff for their work in obtaining the grant for capital outlay.

Thereupon, Mr. Kennedy made a **motion** to amend the budget ordinance for FY 2002-2003 to accept the grant money of $244,686. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE AMENDING THE 2002-2003 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE ASSISTANCE TO FIREFIGHTERS GRANT

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter II - Administration, at Page No. 48, and is known as Ordinance No. 2003-81.)

(f) Recognition of Finance Director John Sofley

City Manager Treme recognized Mr. John Sofley, Finance Director, and informed Council that Mr. Sofley has written an article published in the Governmental Finance Review. The article details how the City streamlined its purchasing system by moving from paper to plastic. Council congratulated Mr. Sofley for his work.

(g) Open Meetings Law

City Manager Treme distributed copies of the Open Meetings Law book from the Institute of Government to each Council member.

MAYOR'S ANNOUNCEMENTS

(a) Metropolitan Planning Organization Liaison

Councilman Bill Burgin will serve as liaison to the Rowan County Convention & Visitors Bureau and Councilman Mark Lewis will serve as liaison to the Metropolitan Planning Organization.

Mayor Kluttz asked Councilman Burgin and Mr. Joe Morris, Director of Community Development to serve as alternates on the Metropolitan Planning Organization board.

(b) Sustainable Environment for Quality of Life (SEQL)

Mayor Kluttz announced that SEQL will hold a meeting Thursday, January 22, 2004 from 4:00 – 6:30 p.m. in Mooresville.

(c) Attorney General Visit

Mayor Kluttz announced that Attorney General Roy Cooper will visit Salisbury tomorrow and Council members are invited to attend a reception held by Wallace and Graham Law firm.

(d) Donation of Bicycles

Mayor Kluttz announced that Gerry Wood Auto Center purchased 145 bicycles for underprivileged children. The Salisbury Police Department will deliver the bicycles on December 22, 2003. Mr. Wood also purchased teddy bears to go into each patrol car in case an officer encounters a child during Christmas. Mayor Kluttz thanked Mr. Wood, on behalf of Council, for his generosity and the Police Department for working closely with Mr. Wood.

GOALS REVIEW SESSION FY 2002-2003

City Manager David Treme noted that a copy of the goals for 2002–2003 was distributed to Council. He noted that he will go into detail on the goals for this year at the retreat. Mr. Treme stated that he felt the City has done well by the goals that were adopted the previous year.

Mayor Kluttz noted that staff does an excellent job of completing the goals set by Council.

OTHER ANNOUNCEMENTS

(a) National League of Cities Meeting

Councilman Pete Kennedy thanked Council for allowing him the opportunity to attend the National League of Cities meeting in Nashville, TN. He stated that there were many informative workshops. He gave a handout on two of the workshops to the Mayor and City Manager and commented on the outstanding convention center in Nashville.

(b) New Neighbor News

City Manager Treme pointed out copies of the New Neighbor News, the newsletter to new residents of the community in the recently annexed area.

CLOSED SESSION

Mayor Kluttz informed Council that she would entertain a motion for the Council to go into closed session concerning a personnel matter as allowed by NCGS143-318.11(6).

Thereupon, Mr. Kennedy made a **motion** to go into closed session concerning a personnel matter as allowed by NCGS143-318.11(6). Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

****

RETURN TO OPEN SESSION

Mr. Woodson made a **motion** to return to open session. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Councilman Burgin reported that the closed session personnel issue was the evaluation of City Manager David Treme. He stated that Council acknowledged that Mr. Treme has adopted its goals and has implemented them to an exceptional standard. Mr. Burgin noted that Mr. Treme has assembled an excellent Management Team for the City and expressed Council's appreciation, adding they felt this is what makes Salisbury a very special place.

Thereupon, Mr. Burgin made a **motion** to give City Manager David Treme a 4% increase in salary for a job well done and an excellent evaluation. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Burgin, seconded by Mr. Lewis. All council members agreed unanimously to adjourn. The meeting was adjourned at 6:15 p.m.

_____
Mayor

_____
City Clerk

Carolina Journal Exclusives

JLF: Dump Forced Annexation

Report says laws are undemocratic and hurt minority neighborhoods

By CJ Staff

June 14, 2007

RALEIGH — North Carolina needs to scrap forced annexation laws because they violate democratic principles, help cities ignore their budget problems, and exclude minority neighborhoods, concludes a new John Locke Foundation Spotlight report.

"Forced annexation was supposed to promote sound urban development in areas that need municipal services," said report author Daren Bakst, JLF legal and regulatory policy analyst. "Instead it has done the opposite. It has created a system in which cities ignore areas that need the benefits of annexation. Forced annexation is undemocratic, and there is no reason why the state's annexation process has to continue trampling on civil rights, voting rights, and property rights."

Forced annexation takes place when cities and towns acquire unincorporated areas next to their existing territory without the consent of residents who live in the targeted annexation areas. "This process has come under extreme criticism, in large part because of its treatment of individuals living in unincorporated areas," Bakst said.

State legislators are considering a study of municipal annexation laws. The N.C. House Rules Committee held a public hearing on the topic on Wednesday at the Legislative Building in Raleigh.

"The legislature has a chance to recommend and enact meaningful reform," Bakst said. "The question is not if the laws need to be reformed, but how they should be reformed. A good place to start would be to focus on preserving the rights of North Carolinians."

The current annexation system suffers from an inherent flaw, Bakst said. "The system ignores the rational behavior of municipalities to protect their own interest and the interests of their current residents," he said. "Municipalities will annex areas only when there is some financial benefit and not a financial harm."

That means economically disadvantaged areas that could benefit from municipal services will sit outside town limits, while elected leaders target neighborhoods that boost the city's tax base, Bakst said. Studies have shown this selective annexation tends to hurt minority communities, he said.

Because cities and towns can select targets for annexation, they can hide their own budget problems, Bakst said. "When the N.C. League of Municipalities argues that forced annexation helps with bond ratings, it is admitting the economic rationale for annexations," he said. "Adding an appealing unincorporated area becomes a bailout for a municipality that wants to fix its own poor financial condition. As long as that financial bailout mechanism is in place, cities can take unnecessary risks and make poor budgetary decisions."

Meanwhile, the targeted homeowners pay more than just additional taxes, Bakst said. "To add insult to injury, individuals who are forcibly annexed have to pay 'development fees' for municipal water and sewer services," he said. "These fees can cost thousands of dollars. If a municipality wants to forcibly annex an area, it should bear the costs of providing the infrastructure for these services."

Beyond the financial burden, forced annexation violates fundamental rules of democracy, Bakst said. "Residents in areas to be annexed should have a voice in the process," he said. "North Carolina's annexation system should ensure whoever is making decisions on annexation is accountable to the people being annexed. Accountability will protect democratic principles and promote sound urban growth.

"Forced annexation needs to be eliminated immediately, and significant annexation reform needs to be adopted."

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Russ . 34

PUBLIC HEARING
ANNEXATION STUDY COMMISSION APRIL 9, 2008
RALEIGH, N.C.

MR. CHAIRMAN.MEMBERS OF THE COMMISSION;
MY NAME ISONEAL RUSS AND I'VE LIVED IN THE AREA THAT WAS KNOWN AS JACKSON HAMLET COMMUNITY,FOR THE LAST 40 YEARS.

THE CURRENT ANNEXATION AND EXTRATERRITORIAL LAWS OF MY NATIVE STATE, N.C., COMBINED WITH LOCALLY DEVELOPED LAND USE ORDINANCES,

HAVE BEEN DEVASTATING TO THE HOPES OF THE CITIZENS OF SAID COMMUNITY, FOR OVER 27 YEARS.

ZONING,AND SELECT ANNEXATION AND DEVELOPMENT ALL AROUND OUR COMMUNITY,BOXED US IN WITHOUT MUNICIPAL SERVICES AND WITHOUT ANY

VOICE IN MAJOR DECISIONS AFFECTING US ENVIRONMENTALLY. AS A RESULT OF ANNEXATION OF AREAS AROUND US , ZONING, INCREASED TRAFFIC AND

COMMERCIAL DEVELOPMENT, OUR HISTORICAL 100 YEAR OLD COMMUNITY HAS BEEN PHYSICALLY BROKEN INTO FOUR PARTS INCLUDING THE HIGHWAY

COMMERCIAL ZONE. TO ADD INSULT TO MISERY SOME OF THE CITZENS OF OUR LITTLE COMMUNITY HAVE TO TRAVEL ABOUT SIX MILES TO VOTE IN

ABERDEEN, N.C.,WHILE SOME VOTE IN SOUTHERN PINES, AND OTHERS VOTE WITHIN ONE MILE IN PINEHURST,N.C.

LIFE,LIBERTY, AND THE PURSUIT OF HAPPINESS FOR OURSELVES AND OUR POSTERITY,IS GOING TO REQUIRE SOMETHING TO GIVE BY THE POWERS

TO BE. MORE DIALOG BETWEEN LAND OWNERS IN ESTABLISHED NEIGHBORHOODS,MODIFYAND MAKE INVOLUNTARY ANNEXATION LAWS MORE FLEXIBLE,

ESPECIALLY, WHERE IT INVOLVES EXTRATERITORIALLY ZONED CONTIGUOUS COMMUNITIES, RIGID ADHERANCE TO THE PRESENT LAW IN OUR PARTICULAR - Historically Significant

SITUATION AND PROBABLY IN SEVERAL OTHER COMMUNITIES, DENIES THE MAJORITY INDIGINOUS POPULATION AN OPPORTUNITY TO RECEIVE NEEDED

REASONABLE MUNICIPAL SERVICES ,IN BUILT-UP AREAS.(EXAMPLES: SOLID WASTE,POLICE)

ONEAL D. RUSS
P.O. BX 4611
Pinehurst, N.C. 28374
Jackson Hamlet
Community

Pam Sabalos
1352 Riverbend Drive
Shallotte, NC 28470
riverbendrovers@earthlink.net
755-7230 (home) 754-3459 (office)

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To: House Select Committee on Municipal Annexations

Re: **"The Remedy" for Citizens**

April 9, 2008

Dear Committee Members;

I know you will hear about many issues related to current annexation law. I would like to address my comments to the "remedy" afforded to citizens such as myself.

In March 2007, the Town of Shallotte satellite annexed several parcels in my neighborhood, totaling 11 acres. The Town of Shallotte is geographically several miles from my home. The vast majority of land around me is County residential. As part of the annexation, the Town of Shallotte rezoned the property to multi-family 10 for a condominium development. The lots are immediately next to mine and across a one-lane private road. You can literally "spit" from my kitchen window to the annexed property.

The only "remedy" afforded to citizens after an annexation/rezoning such as this is to sue the Town for illegal spot zoning. During the entire Public Hearing process we hired experts to testify about the dramatic impact the rezoning would have on traffic, water quality (we live on the Shallotte River), property values, character of the neighborhood, etc. These concerns were not even discussed before the annexation and rezoning were a "done deal." I had no representation in the process because I am a Brunswick County resident.

Please let me briefly put the "remedy" in perspective. My household annual income is $80,000. I live in 1500 square foot FHA house built in 1970 and purchased in dire need of repair. I am self-employed as a clinical social worker. I purchase my own health insurance and save for retirement.

The price tag so far in legal fees and for experts to present the facts in the Public Hearing process is in excess of $50,000. I do not have an inheritance or rich relatives. I just work harder. The Town of Shallotte has used every legal trick to avoid going to trial.

As your Committee reviews the current annexation laws, please consider the impact of satellite annexations and how they open the door to the destruction of established neighborhoods via a handy tool for rezoning. After all, the higher the density the higher the tax revenue for the Town.

Please do not leave the burden of "remedy" to hard working private citizens.

Sincerely,

Pam Sabalos

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Testimony of Efton Sager, Wayne County Commissioner

Members of the Committee, I am Efton Sager, a County Commissioner from Wayne County. In our area, hundreds of citizens, some of them here today, are working to stop unwanted and unnecessary involuntary annexation of their community.

Everyone agrees cities and towns need laws to provide for the orderly development and extension of public services as a municipality grows. The question the General Assembly must answer is the extent to which municipalities should have the unfettered and extraordinary right to use governmental power to expand their borders through forced, involuntary annexation.

In a democracy, the law should balance the needs of the cities with real protections for the rights of homeowners who do not need or want city services, and in many cases cannot afford the additional tax burden.

The citizen group, Good Neighbors United, represents the Falling Brook community in Wayne County, are pleading with this Committee and the General Assembly for protection of our rights. People have built their homes, raised families and are now retired on fixed incomes. They have no need for services from Goldsboro, yet if involuntarily annexed, working families and citizens on fixed incomes will have their property taxes immediately increased by 84%. 84%, how can they afford it?

Fire protection for this community will still be provided by the local volunteer fire department. The water system will not change and there will be substantial costs to tie into the sewer system. The families of this neighborhood much prefer the protection of the Sheriff over an occasional patrol by the city police.

It's sad to say, but in response to these families, the Mayor of Goldsboro said and I quote,

"If you don't like it you can move."

This is not fair and it's not right. These families, seniors and honest working folks deserve a real voice. Sadly, we as County Commissioners have no power to protect our citizens from this abuse of the law.

These citizens should be allowed to vote as they do in other states. At the very least, their elected representatives, the County Commissioners should have a role to approve or disapprove an involuntary annexation. Our system of government is based on checks and balances. We need a check on the enormous power to involuntarily annex communities. Allowing County Commissioners to vote on these actions would give citizens some reasonable check on the abuse of power that is being exercised all across this state.

I know there are a number of proposals to balance the scales, and give homeowners a voice. If the General Assembly is not prepared to act on those items, I recommend a temporary moratorium on involuntary annexations until the laws of this State can adequately protect our families and fellow citizens in the sanctity of their homes.

Thank you.

LADIES AND GENTLEMEN, I WANT TO TALK TO YOU FOR JUST A LITTLE BIT TODAY ABOUT THE LAW. 37

IT IS NOT MY INTENT TO GIVE YOU A LESSON ON THE LAW, FOR I REALIZE THAT I AM NOT QUALIFIED. I UNDERSTAND THAT ONE OF THE DISTINGUISHED MEMBERS OF THIS COMMITTEE IS A LAW PROFESSOR AND WOULD BE MUCH MORE QUALIFIED TO TEACH A COURSE ON THE LAW THAN I.

Jim Sides Rowan Co

LAW IS A SYSTEM OF RULES, USUALLY ENFORCED THROUGH A SET OF INSTITUTIONS.

THERE IS CONTRACT LAW, PROPERTY LAW, TORT LAW, TRUST LAW, CRIMINAL LAW, CONSTITUTIONAL LAW, ADMINISTRATIVE LAW, INTERNATIONAL LAW.... THE LIST GOES ON AND ON. BUT THERE IS A GREATER LAW THAN ALL OF THESE, AND THAT IS THE LAW OF GOD. IT IS A LAW THAT DEMANDS TRUTH AND JUSTICE, A LAW THAT SEPARATES RIGHT FROM WRONG, GOOD FROM EVIL. IT IS THE LAW THAT FORMS THE VERY FOUNDATION OF ALL THE LAWS IN OUR SOCIETY.

IN JOHN CHAPTER 19, WHEN JESUS APPEARED BEFORE PILATE AND HE WANTED TO RELEASE JESUS, THE JEWS SAID TO PILATE "WE HAVE A LAW, AND BY OUR LAW HE OUGHT TO DIE, BECAUSE HE MADE HIMSELF THE SON OF GOD." THAT MY FRIENDS, I BELIEVE WE WOULD ALL AGREE, WAS THE CLASSIC CASE OF A BAD LAW.

WE IN AMERICA, ARE FORTUNATE TO ~~HAVE~~ BE A COUNTRY OF LAWS.

LAWS PROTECT US, LAWS GIVE US RIGHTS AS CITIZENS, LAWS EMPOWER US WITH A SENSE OF EQUALITY AND FAIRNESS AND JUSTICE.

LAWS ARE THE VERY FABRIC THAT HOLD OUR SOCIETY TOGETHER AND MAKE OUR SOCIETY WORK BETTER THAN ANY OTHER SOCIETY IN THE WORLD. I WOULD HATE TO THINK WHERE OUR SOCIETY WOULD BE TODAY WITHOUT LAWS.

AND YET, THERE COMES A TIME IN EVERY SOCIETY, THAT NEW LAWS HAVE TO BE WRITTEN... WHEN OLD LAWS HAVE TO BE CHANGED OR DISCARDED.

AND THAT IS WHY WE ARE ALL HERE TODAY.

FOR THE MOST PART, YOU, THE MEMBERS OF THIS COMMITTEE, EXCEPT FOR A FEW MEMBERS OF THE GENERAL PUBLIC, ARE THE "LAWMAKERS". YOU ARE THE DECIDING FORCE BEHIND WHAT NEW LAWS ARE WRITTEN AND WHAT OLD LAWS ARE CHANGED OR DISCARDED FOR THE CITIZENS OF THIS GREAT STATE OF NORTH CAROLINA.

ON THE OTHER HAND, WE WHO ARE PRESENT TODAY, ARE NOT THE "LAWBREAKERS" THAT SOME WOULD PAINT US TO BE. WE ARE THE PEOPLE WHO ARE AFFECTED BY THE NEW LAWS THAT YOU WRITE AND THE OLD LAWS THAT YOU CHANGE OR DISCARD.

WE ARE ALL LAW ABIDING CITIZENS, WHO THROUGH ORGANIZED, BUT PEACEFUL MEANS, ARE EXERCISING OUR RIGHTS, UNDER THE LAWS OF THE STATE OF NORTH CAROLINA, TO PETITION YOU, THE PEOPLE WHO REPRESENT US FOR RELIEF. YOU ASK, RELIEF FROM WHAT? WELL I AM GLAD YOU ASKED THAT QUESTION.

THE ANNEXATION LAWS OF THIS STATE, AS THEY HAVE EXISTED SINCE 1959, ARE ARCHAIC, UNFAIR, UN-DEMOCRATIC, AND ACCORDING TO SOME EVEN UN-AMERICAN. HOW CAN ANY GROUP OF MUNICIPAL LEADERS PRESUME TO REPRESENT PEOPLE WHO HAVE HAD NO VOICE IN ELECTING THEM AS THEIR REPRESENTATIVES? HOW CAN QUALIFICATION FORMULAS, THAT WERE WRITTEN FOR CONDITIONS 50 YEARS AGO, POSSIBLY APPLY IN THE CHANGED WORLD OF TODAY? HOW CAN RULES THAT ALLOW MUNICIPALITIES TO CHERRY PICK THE RICHER DEVELOPMENTS WHICH DO NOT NEED THEIR SERVICES, WHILE SKIPPING OVER THE POORER AREAS THAT DO NEED THOSE SERVICES, BE FAIR IN THE DAY IN WHICH WE LIVE?

PLEASE RECOGNIZE THE NEED TO TAKE A LONG HARD LOOK AT THESE LAWS, AND WITH AN OPEN AND FAIR MIND, DECIDE WHAT IS RIGHT AND JUST AND FAIR... AND THEN ACT ACCORDINGLY. WE WOULD ASK NO MORE AND NO LESS FROM YOU, WHO ARE OUR ELECTED REPRESENTATIVES.

JIM SIDES ROWAN COUNTY COMMISSIONER

APRIL 9, 2008 38

TO: REP. LUEBKE and REP. GOFORTH / Public Hearing of HOUSE SELECT COMMITTEE on Municipal Annexation

FROM: SUE SNEDDON · 3845 BILL HOLDEN RD. SW. · SHALLOTTE · NC · 28470 · (910) 755-7907

BRUNSWICK COUNTY

Sue Sneddon

I moved to NC in 1976. In the next two years I had visited every NC coastal community from Corolla to Calabash. I am an artist and in 1997 found the NEIGHBORHOOD I want to live and work in for the rest of my days. A SINGLE FAMILY ZONED NEIGHBORHOOD ON THE SHALLOTTE RIVER. I followed all Brunswick Co. rules and regulations when building our home.

- How shocked I was to learn that the city/town of Shallotte could annex and rezone the 11 plus acres across the street so the property owners could sell to developers proposing a "CONDO VILLAGE".
- There was NO OFFICIAL NOTIFICATION to any of us adjacent to this property.
- There was NO DISSCUSSION by the Shallotte Town officials when concerns were raised by neighbors and experts on water quality, traffic, noise, lights, density, and property values. NO DISSCUSSION!
- You will hear more from others about satellite annexations/and Brunswick County Land Use Plan for the area.
- My other QUESTION and CONCERN IS ABOUT ANNEXATION and how it relates to SEWER LINE. On January 15, 2007 an equipment operator (E.O.) came to my door to say the sewer line was going through my driveway today or tomorrow. THE NOT YET ANNEXED PROPERTY ACROSS THE STREET (with the proposed condos) had a lot of standing water. The E.O. dug the ditch 1/16/07, hitting ~~an old~~ drainage system. My driveway was about to flood. A lot happened - I can give more details if you want - BUT IT TOOK A LONG TIME and other drainage ditches dug to flood another part of my property, not the driveway - BECAUSE the E.O. said he could not do anything on the other side of the road. Who's his boss.... no pump available... My neighbor finally gave him permission to plug up the pipe on his side of the street. Somewhere in here I called the Town of Shallotte to come and fix the problem as it is their SEWER LINE. He asked me my address SAID I LIVED IN THE COUNTY so he could NOT HELP ME! I think there's some questions about this whole SEWER LINE/ANNEXATION/GRANTS situation. I could not pursue this at the time as my father went in the hospital 1/15/07 and passed away 1/29/07 so my priorities were elsewhere for a couple months - or longer.

Thank you for your attention to these matters,

Sincerely,

Sue Sneddon

City of Wilmington Comments Regarding Annexation
April 9, 2008
Presented by: Councilman Ronald Sparks

- Annexation is a careful, deliberate process where cities in North Carolina can rationally evaluate the pros and cons of extending its municipal boundaries in order to more efficiently provide for City services and defray the costs of providing them.
- It is by no strange fluke that cities in North Carolina are generally healthier than most cities in the U.S.A. (more AAA bond ratings than any other state), and are thus more competitive, yielding the region's of the State more of a competitive advantage in a global economy.
- The present State Law, which may stand some tweaking, is a good law.
- Appropriately, the current state law sets clear benchmarks and thresholds that an area must meet in order to be considered for annexation.
- It recognizes that North Carolina is a fast growing state that is increasingly urbanized and that urban environments require and support urban services, thus the need to extend municipal boundaries.
- One only needs to look to their immediate north in Virginia and their immediate south, South Carolina to validate how the failure to provide local flexibility to extend municipal borders retards the vibrancy of urban areas.
- You will hear from time to time that annexation is a land grab, a way to get people who do not get urban services to pay for them. Because the current law has tangible and measurable benchmarks for consideration, these are species allegations.
- It is essential that when a City annexes an area that the services be made available in a prompt and timely fashion, the current law stipulates that;
- It is essential that when an annexation occurs, affected property owners are notified, in advance of the action. The current law provides for that.
- Healthy cities provide for healthy regions which provide for a high quality of life. An effective annexation tool, such as we have, is critically important to preserving that quality of life.

- At the end of the day, it is about jobs; jobs are created, attracted and retained in communities because of the quality of life in the area. Urban growth and a City's ability to appropriately expand provides for this.
- Please continue to provide local elected officials to appropriately extend municipal limits in order to continue to grow.
- Thank you for your time and gracious hospitality.

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Ladies and Gentlemen,

It is a sad day in this state, when the city council of Goldsboro is allowed to disobey General Statutes 160A-31, which will ultimately harm approximately 1100 + families.

It is a sad day when this illegal petition allows 150' width of land to make over 800 acres contiguous to the city.

It is a sad day when North Carolina laws will not allow these 1100 + families or any city resident not owning this property to contest this illegal petition.

It is a sad day when over 40 annexation bills were introduced this past session, none were heard.

It is a sad day when taxation without representation abounds with the present annexation laws.

It is a sad day when the league becomes our governments SHADOW.

It will be a sad day if these abuses of annexation laws are allowed to continue.

Kenneth Wadsworth
204 Kelly Dr.
Wayne County, NC
H – 919-731-7585
W – 919-580-9900

PETITION FOR ANNEXATION OF CONTIGUOUS REAL PROPERTY TO THE CITY OF GOLDSBORO, NORTH CAROLINA

Date Submitted: 5-1-09

To the City Council of the City of Goldsboro, North Carolina:

1. The undersigned, being the sole owner(s) of the contiguous real property described in Paragraph 2 below, respectfully request that the same be annexed to the City of Goldsboro.

2. The area requested to be annexed is contiguous to the City of Goldsboro and is described by metes and bounds as follows: (Attach separate sheets if necessary.)

See attached

MISSING SIGNATURES =
DOT;
FRANCES R. HOWELL, JR
MARY H. HOWELL.
SEE
SIGN

Name and Signature of Owner(s)	Address	Phone No.
Lou Farm Corp By William L Lou Pres		
O.E. Howell Jr.	3045 Salem Church Road Fallsboro, NC 2[illegible]	
William L. Howell	3572 Meadowlow Loop Rd. Wilm. N.C. 28409	

Contact Person: _____ Phone No. _____

ALL INFORMATION MUST BE LEGIBLE AND CORRECT.
IF THE PETITIONER IS NOT CURRENTLY THE LEGAL OWNER OF THE PROPERTY, THE LEGAL OWNER MUST SIGN THE PETITION.

PLEASE SUBMIT ORIGINAL PETITION TO
THE OFFICE OF THE CITY CLERK

WATKINS
Daniel J. & Juanita H.
3624 S. Pointe Dr.
Apex, NC 27502
Phone: (919) 779-8968

Attn:	House Select Committee
From:	Dan Watkins
Subj:	Municipal Annexation
Date:	04-07-08

As a North Carolina native, I cherish the natural beauty enveloping even industrialized areas of our state. Since relocating to the Raleigh area 31 years ago, I have witnessed a disturbing erosion in quality of life. The drive toward rapid urbanization regardless of impact or consequences increases daily. What once made this state appealing were the rural and natural spaces gradually interspersed into urban spaces. As scenic areas and habitat are exchanged for development dollars, problems and costs of unrestrained growth escalate. Wake County growth now exceeds appropriate infrastructure and economic expansion.

Our predecessors understood the need to control growth. They established land-use plans that defined zones and processes for gradual intrusion of urban growth into rural areas. Original plans did not PREVENT growth; nor did they ENCOURAGE growth. They empowered leadership to methodically MANAGE growth. Towns and developers have repeatedly demonstrated eagerness to bypass stipulations intended to manage growth of townships and communities.

Officials entrusted to uphold land-use plans have instead redefined and adapted them to circumvent original intent. Once precedent is set, remaining land-use rapidly follows suit. When land use plans are disregarded in such manner, they become meaningless. The desire of the many are sacrificed for the benefit of a few.

Elected officials are the only voice ordinary citizens have to determine the direction of development and future growth. Local officials have repeatedly disregarded the voice of the people in favor of political expediency. I implore NC representatives to carefully weigh relentless municipal expansion against the repercussions: reduced public safety, over-extended services, increased water demands, greater traffic congestion, higher costs, compromised environment, bursting school enrollment, and declining appeal. Base your decisions objectively upon wisdom and compassion, rather than short-term expediency and compromise. Voters will respect your devotion to higher ideals even if fellow politicians and developers do not. Consider who you are elected to serve.

I am asking the NC State legislature to provide citizens the redress currently denied them in the existing political arena: a vote! A vote on whether or not to be annexed. A vote on whether or not to become citizens of nearby towns. This is the only true check against current political, economic, and environmental abuses. Give me a say in what happens to me as a citizen. Give me a vote.

Respectfully,
Daniel J. Watkins

Daniel J. Watkins

Rod Whedbee

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House Select Committee on Municipal Annexation
9 April 2008

One of the pillars of the American experiment is that we share a belief that freedom is what makes America strong and successful, peaceful and prosperous, compassionate and competitive. We believe that the individual has unalienable rights endowed by the Creator. Once we negate an individuals right to pursue life, liberty, and prosperity free of government control then we are no longer a free society. For any government or people to restrict the right of the individual to liberty then they are no longer a government for the people and by the people. To make the decisions for the people it strips freedom from the people. This has been the basis of our draconian annexation laws in North Carolina.

Slavery, like involuntary annexation was once legal in North Carolina. According to the 1860 U.S. census, nearly four million slaves were held in a total population of just over 12 million in the 15 states in which slavery was still legal. Legally, the last 40,000 or so slaves were freed in Kentucky by the final ratification of the Thirteenth Amendment to the Constitution in December of 1865. The question is: How long will the south, specifically North Carolina, hold on to the notion that you can tax the people without representation or a vote? The League of Municipalities has deceived you into believing that an involuntary annexation policy is good for our State and that it's even moral. Involuntary annexation, like slavery, is a blight on our nation and a perversion of protected Constitutional rights.

Our towns and municipalities are on an annexation rampage in Rowan County. Citizens are being exploited and coerced into city taxes and services that they do not need or want, led by a non-elected lobbyist group using the taxpayers money against them. This policy will continue to exacerbate sprawl, financially devastate homeowners, and cause an increase in foreclosures in a slowing economy. The real role of American government is to provide basic fire, police, laws, and infrastructure to enable the citizens to freely pursue their ambitions offered by a free people and a free nation. The real purpose of government is to PROTECT the individual rights of its citizens, it's a government which upholds individual rights and does not itself violate them in any way.

The only recourse for the citizens and the only prudent course is to have a moratorium on involuntary annexation until this issue can be further studied and the laws changed to protect the rights of the citizens.

Rod Whedbee
Rowan Property Rights Alliance
502 S Church St
Salisbury, NC 28144

4/9/08 Larry Wright

43

Once upon a time, the annexation laws of NC were fair, and the people being annexed could vote on annexation. That law was fair and equitable. We are asking you to recommend taking us back to that law. We are asking for the right to vote, and let the majority rule. Some votes will be for annexation, and some will not. But please let the people decide what is best for them, and please do not let city officials continue to decide what is best for us. We know what we want - They do not.

Some cities have budget problems and they solve them by taking money from us nearby residents. I recently talked about forced annexation with a city councilman from Salisbury. He told me that annexation is "All about money" . The NCLM says it is about providing urban level services to people who need them. To put it politely, that is HOG WASH. The councilman was right. It is "ALL ABOUT MONEY". They want it, we have some, and they take it. Does that sound fair to you?

The real problem between them and us is that they are politically isolated from us. This political isolation is unique in American politics. On the national, state, and county level, in each case we elect officials BEFORE they make our laws. But with the cities, it is different. They are policitally isolated from us. We can not vote for them, yet they make laws that take our money and subject us to their city laws. This is simply not right. Why should city officials be politically isolated from us when county, state, and federal officials are not?

You often struggle with budget problem for our state. Would you have a budget problem if the laws allowed you to take money from the unwilling residents of VA, SC, and TN? That is what the cities are doing to us. Would the United States have a budget problem if we could impose a tax on Mexico and Canada? That is what the cities are doing to us.

In the 1700s King George decided to solve his budget problem by imposing a tax on the colonies. The colonists declared "NO TAXATION WITHOUT REPRESENTATION". We, the neighbors of the cities are now declaring "NO TAXATION WITHOUT REPRESENTATION". The colonists rebelled and won. Instead of rebelling, we are asking you, our elected representatives to free us

from those who would tax us and rule us without representation.

The current annexation law was passed in 1959, and we are not blaming you for that bad law. We are asking you to be part of the solution by making a recommendation that we go back to the good law that allows a vote only by those being annexed. If you do this, the 2008 legislature will be long remembered in the hearts and minds of NC citizens as our friend, protector and liberator. If you do not, we will long remember that you failed to act in our time of need.

I appeal to you to let us remember you as our friend, protector and liberator. Please repeal this bad law.

Larry Wright
Rowan County
704-633-3881
n4qy@dialpoint.net

4/8/08 Given at Salisbury Public Annexation Hearing

As I begin, let me quote to you a rule that supercedes the state rule on annexation. It is the golden rule.

"Do unto others as you would have them do unto you"

Between my wife and I, we have spoken to 4 of the city council members and I expect to speak to the other member before you all vote. On a personal level all of you have been courteous and polite. For that, I thank you. As a city council, your actions toward us, your neighbors, has been any thing but polite and courteous. One would think that since we live in close proximity to you, that you would want to be friends with us. In fact, you have been very unfriendly. A friend would have mentioned to us long ago, that you have plans to change the relationship you have with us. You have not done that. A friend would have consulted with us and invited us to sit down and discuss any issues between you and us. You have not done that. A friend would have asked us if we are interested in any of the services you offer. You have not done that. A friend would have treated us as an equal in the relationship. You have not done that. A friend would be careful to consider if his actions would be detrimental to us, your neighbors. You have not done that. A friend would not offer to duplicate services we already have and double our taxes as you have done. A friend would not force upon us a new relationship that we have absolutely no interest in as you have done. A friend would not hide behind a state law to subject us to city laws when we could not even vote for or against you. A friend would not hide behind a state law and declare that we are an urban area, when any sane unbiased person could never justify such a designation. A friend would take into consideration that with job layoffs just announced by two major employers, some of us will lose much of our income. You have not done that. A friend would take into consideration that many of us are on fixed incomes and the added tax burden will be difficult for us to bear. You have not done that.

We have done nothing that I am aware of previous to this annexation fight that would be an unfriendly action toward you. So I conclude that the problem of friendship is primarily yours.

With that in mind, I hope, Mayor Kluttz, that on behalf of the city council, you will accept this gift of a brand new copy of a very old book.

"HOW TO WIN FRIENDS AND INFLUENCE PEOPLE."

Larry Wright
170 Heritage Lane
Salisbury NC 28147
704-633-3881

larry wright

From: "Steve & Donna Poteat" <poteat@carolina.rr.com>
To: "'yq4n'" <N4QY@dialpoint.net>
Sent: Wednesday, April 09, 2008 9:29 AM
Subject: Letter

Larry,

Here is a copy of my speech to the City council if you would take it to Raleigh. I was very proud of all the good people that stood up to the five tyrants yesterday. It was very encouraging.

I hope you have a good trip.

Thanks,

Steve

I recently heard it stated that this City has a right to annex areas without the consent of the people affected. The government of the City of Salisbury, as well as all governments, has NO rights! Governments only have the authority that has been granted to them by the consent of those governed. The City has no rightful authority over those people who live outside the City.

Rights are granted to all, individual people by the Grace of Almighty God! These rights are inalienable – irrevocable. Our rights stop when they infringe on the rights of others. This principal is at the very root of the reason government exist, which is to protect our rights – NOT to destroy them!

You as Councilmen of the City of Salisbury, have individual rights the same as people everywhere. Your rights end when they infringe on the rights of others. In this case, your rights stop when you affect our property rights and our rights of self determination.

If you pursue your lust for control of our property and our self determination, you will be guilty of usurpation of the rights of many innocent people. That would be nothing less than criminal.

Steve Poteat
265 Quail Dr.
Salisbury, NC

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Lon Vanhoose 44
Committee Copy

April 9, 2008 (Wednesday)
Study Commission/Annexation Reform

I come in PEACE - I seek fairness & respect for our citizens!

Proponents of forced annexation must be aligned with Moliere when he said:

"being a hypocrite has marvelous advantages".

promise services and then don't deliver - but TAX! always

This is pertinent when one becomes aware of the abuses and the horrific injustices perpetrated by the municipalities forcibly annexing citizens. This gross disrespect toward the taxpayers shall not continue. The General Assembly must have the courage to aggressively deal with this issue NOW.

The strategy to rebuff forced annexations continues to evolve from urban and rural streets to the court room. All must be fully aware by now of our loyal

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opposition to these wrongs that are rampant in this state. We respectively request REFORM. We shall commit our time and effort to achieve our goal of fairness and respect to our fellow citizens.

We have a huge task refuting the influence of the League of Municipalities with its 90+ employees (5th in the U.S.) and the 5-9 PAID lobbyists as they reside 2 blocks from the General Assembly and make almost daily visits to the legislators. Contact with the research personnel for this committee has been made before and after each session thus far. You don't see any others doing this.

The date of May 9, 2007 is significant in our effort to personally visit each

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legislator's office, demonstrating and marching outside. Our visit to each office was followed by the: March of the Blue Suits/The League to mitigate our visit's import. Truly, a comical sight.

I want to empower the General Assembly to make their own decisions and not be intiminated by The League. It is believed by some observers that the League is a SHADOW GOVERNMENT for North Carolina; a concept that has no basis in law. Who died and gave them power and influence. Not me, nor any other taxpayers.

Municipalities, forcibly annexing, have their "pet vanity projects" to protect (such as golf courses/Lexington). It is ALL about.....MONEY (additional revenue). There are 3 "G" words that

More Reviews

apply: GRAB, GREEN and GREED regarding the behavior of those seeking forced annexation.

MY PROPOSAL: A MORATORIUM ON ANY AND ALL ANNEXATIONS!! (be they legislative, city-initiated, or via Disney World).

STOP ALL....until reform is completed.

Ron VanHoover
22 Roslin Court
Pinehurst, NC 28374-8885
910-295-0006

More Reviews

Comments on North Carolina's annexation laws April 9, 2008

My name: Sam Zaffino
Address – 175 Waterford Dr.,
Salisbury, NC 28147

My opinion is that the North Carolina Municipal Annexation laws be changed to provide for a fair and democratic process for annexation.
First and foremost, the law should provide for a means for the citizens in the areas to be annexed to **vote** for or against the proposed annexation.

Furthermore, a separate referendum should be required in the city in question so that the citizens of the city must approve of the annexation as well.

The current law puts too much power in the City council and their hired consultants from the Centralina Council of Municipalities – The process is essentially a business that is run to profit from driving cities to annex when they can find an area that barely meets the guidelines of an arcane law. The consultants get paid for pulling together a plan, and the city carries it out, and the citizens of the city and the annexed area are faced with tax burdens for services that they did not want or need.

The current law dates from 1959 , and may have been appropriate for a state with 4.5 million population and little of the growth that we see today. The suburban neighborhood was virtually unknown at that time – you were either in the city or out in the country on a farm. Today with 8.8 million people, we must recognize that many will live in suburban areas that have no need or benefit from being within a city's borders.

The current law relies too much on a formula to decide when a city can capture an area, and encourages urban sprawl by allowing cities to annex areas that they did little to develop. The laws should encourage the cities to plan for and participate in the growth by building roads, and providing utilities to areas **prior** to the future annexation. Cities should be permitted to annex (with a vote) areas that they had a hand in creating.

Current laws allow cities to benefit from other's efforts, then capture an area solely for the ability to tax it, and with no voting required, it is true "taxation without representation". North Carolina cities should not have this type of totalitarian power. If being part of the city is a benefit to the citizens, the cities should be able to present an attractive plan and the citizens will vote for it.

Thank you for your attention.

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Philip Wright	BOOD NEIGHBORS SALISBURY, NC
Faye Wiles	Neighbor Salisbury NC
Jerry Wiles	Neighbor Salisbury NC
Gloria Matthews	GNORC 185 Waterfood Dr. Salisbury NC
Barbara S. Wilson	303 Meadow Green Dr Salisbury NC
Jack H. S. Ward	303 Meadow Green Dr Salisbury
Edna B. Burger	201 Windmill Rd., Salisbury, NC
Sue Cleary	1060 Jamestown Ct. Salisbury, NC
Dottie Eagle	230 Kent Rd., Salisbury, NC
Ann Ludwig	135 Stanwyck Circle, Salisbury, NC
J.C. Ludwig	135 Stanwyck Cir Salisbury NC

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
William Ludwig	
Christe Ludwig	
Derik Safrit	135 Regency Rd Salisbury NC 28147
Tom HARRELL	265 Rock White Run " "
Marcia Carter	435 Quail Dr. Summerfield Salisbury, NC
M Carter	" " " "
MARY Lee	Salisbury, N.C.
LAWRENCE Lee	" "
Ed Cooley	Salisbury N.C.
ERNIE COWAN	SALISBURY, NC
Charles + MARY Snowberger	Salisbury N.C.

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

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NAME	FIRM OR AGENCY AND ADDRESS
Carolyn & Sam Rankin	Salisbury NC
Margie Howard	Salisbury, N.C.
Donnie Allison	Salisbury NC
Mr & Mrs Jim Whitley	Salisbury, N.C.
PAT Allison	Salisbury, NC
Sue Sides	Salisbury NC
Dewey & Wilma Bryan	Salisbury N.C.
Gail Reynolds	Salisbury, NC
John [illegible]	Asheboro
[illegible]	Peninsula - Penhurst

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
J.R. Johnson	FORSYTH Co.
Clarke Wood	WS NC
[redacted], JR	[redacted] NC
Joan Lee Harman	170 Legacy Rd Salisbury, NC
Keith A. Boot	115 Arrowhead Cir. Lexington NC 27292
Larry Pupree	GNV Goldsboro, NC
Mary Walker	WAXHAW NC 28173
Ed Rampden	Rocky Mt, NC 27803
M. Lawless Bass	City of Wilmington
Stephanie Chatman	City of Wilmington
Joanne Swartz	Pine Knoll NC 28374

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

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NAME	FIRM OR AGENCY AND ADDRESS
Jess J. Fulcher	32 Kilberry Dr, Pinehurst NC 28374
Cal Fulcher	32 Kilberry, Dr. Pinehurst, NC 28374
Ricky Barker	Town of Cary Box 8005 Cary NC 27512
Lisa Stifler	UNC Center for Civil Rights
Diane Standaert	UNC center for Civil Rights
John Finnerty	53 K. Bride Dr. Pinehurst NC
Marty Hamlin	165 Running Lake Pl " "
Larry J. Springer	5301 Deep Valley Run Ral. 27606
Allen Springer	5301 Deep Valley Run, Raleigh 27606
Allen Mull	170 miles Dr. Salisbury NC.
DAVE OTTO	63 POMEROY DR PINEHURST N.C.

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	74 Pomeroy, Pinehurst, NC 28374
Harry Foster	58 Pomeroy, Pinehurst NC 28374
Melanie Enich	417 Primrose Dr. Salisbury, NC 28147
Jean Chamberlain	145 Deerpark Dr, Salisbury NC 28147
DAREN BAKST	John Locke Foundation
Ron + Marge Cherep	STOP FAC
Marilyn Ath	63 Pomeroy Dr Pinehurst STOP
LARRY WITEK	2500 CHELMSFORD CT. CARY, NC 27518
Paul + Sue Barth	2108 New Hill-Olive Chapel Rd New Hill, NC 27562
LEN & JUDY BLOCK	19 STRATHAVEN DRIVE PINEHURST, NC. 28374 STOP
Fred Zimmerman	39 Greyabbey Pinehurst NC STOP

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Richard Jackson	2509 Chelmsford Ct / Cary, NC 27518
John Boesch	Pinewild, NC, 35 Mc Michael Dr. 28374
Candy D. Goins	5212 Theys Rd Raleigh 27606
Glenn Robison	28 Oxton Cir; Pinehurst, NC 28374
Richard & Nancy K Davis	35 White Haven Ln Pinewild Pinehurst, NC 28374
Jerry A Dittrich	22 Dundee Crt Pinewild Pinehurst NC 28374
Dallas Woodhouse	AFP-NC
Rosemary & Harry Fekkes	PO Box 1913 Pinehurst NC 28370
John Wake	Pinehurst, N.C.
Donald Wooten	GMU Wayne County
Chris Farr	Raleigh, NC

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Lakisa Powell	visitors 107 Emma Webb Dr Kinston
Timothy Powell	visitors 107 Emma Webb Dr Kinston
[illegible]	[illegible]
Kathy G. Pierce	5300 Jan Jan Ln Cpel Hill NC 27539
Glenn Pierce	5300 Ten-Ten Rd Apex NC 27539
Ann Myris	8 Mulbren-Pinehurst, NC 28374
KEITH FLANNERY	613 STONEHURST RD RAL 27607
Danny Howell	2324 Tiltonshire Lane APEX 27539
Robin Staudt	NC FreedomWorks
Hal Jolly	NC Freedworks
Linda Jolly	NC FREEDOM WORKS

VISITORS

~~SPEAKERS~~ REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

FOR ANNEXATION

~~SPEAKERS~~: **PLEASE SIGN IN BELOW**

NAME	FIRM OR AGENCY AND ADDRESS
Richard Holoubey	GNIRC
Beth Davis	GNIRC
Sophia Davis	GNIRC
Phyllis Hendrix	GNIRC
Chase Hunter	GNRFRC
Arthur Hattaway	Rowan County
Anne Zaffino	Rowan County
Sharon Skowronek	Rowan Co.
Kevin L. Brown	Rowan Co.
Ruth M. Brown	Rowan Co.
Midgie Bost	Rowan Co.
Larry Bost	Rowan Co.

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VISITORS ~~SPEAKERS~~ REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON
MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS ~~SPEAKERS~~ FOR ANNEXATION

~~SPEAKERS~~: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
R Burt Hoffman	GNDEC
Dudley Holshouser	Lawson
Richard Parker	Lawson
Betty Parker	Rowan
J.P. Smith	Rockfish
Roy Lee Smith	Rockfish
Joe Hall	Rowan
Kathy Hall	Rowan

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~~SPEAKERS~~ REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON
MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

FOR ANNEXATION

VISITORS

~~SPEAKERS~~: **PLEASE SIGN IN BELOW**

NAME	FIRM OR AGENCY AND ADDRESS
TOM MYERS	8 MULBERRY CT PINEHURST (ANGWILD)
Mark Rockett	Raleigh, NC
NICK GOBBLE	LEXington N.C.
Becki Gray	John Locke Foundation
Sherron Atkinson	Deitch Creek Dr.
Jesse Dunham	Whitehurst
MILES HUGHES	RALEIGH
Judith Hughes	Raleigh
Estheine Davis	Electri Cities
Ham Johnson	Electricities
Molly Black	Freedom Works

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HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

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NAME	FIRM OR AGENCY AND ADDRESS
Roy Laffin	Freedom Works
Mary S. Lewis	Freedom Works
[illegible]	
Rick Rhodes	Freedom Works
Jeff Ritchie	3337 Oaklyn Springs Dr. Raleigh 27606
Rhonda Braikowski	105 Indian Walk Circle, NC 27295
Mike Braikowski	Lexington NC
Elizabeth Dawson	Lexington, NC 27295
Gary Fitzgerald	Raleigh, NC 27606
Ben Rhodes	6016 Fordland Dr Raleigh NC 27606
Rep Pat Hurley	NC House - Randolph Cty

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VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

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Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
SAYMAI THAMMAVONG	516 LORBACHER RD, APEX 27539
Fernie E. Williams	302 CROSS LAKE DR FUQUAY VARINA
Celeste Stanley	FreedomWorks
LINDA STRICKLAND	
Ken Melton	Ken Melton & Assoc.
E. P. Watson	
John W Bentley	SWIFT CREEK
Nancy Muskalia	Swift Creek
Linda H Carter	Asheboro, N.C.
RICHARD SUDKAMP	APEX
Jerry King	Raleigh

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 9, 2008
Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
VIRGIL HOUSEHOLDER	RALEIGH
Sharon "	"
Connie Smith	Raleigh 27606
[signature]	" "
Robert Kaufman	Apex-27539
CHRIS CROWELL	SALISBURY, NC Hwy 150. area
Angela Powell	Salisbury, NC Against the Hwy 150 Area
SHIRLEY STEPHENSON	RALEIGH, NC
William Lee	Apex, NC
Yvonne Vickery	Raleigh NC
Phyllis Lewis	apex, N.C.
SARAH Fowler	apex N.C.

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

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NAME	FIRM OR AGENCY AND ADDRESS
Stephenie Monk	Apex, NC
Nathanael Smith	Raleigh, NC
Billy Obremski	Raleigh 27606
Brenda Smith	Raleigh 27603
Hilary Stokes	Raleigh, NC 27612
Joey Stansbury	Raleigh, NC 27604
Stacy Ballentine	Ral. 27603
Jon Chan	Raleigh 27606
Natalie Roskam	Raleigh, NC
Sarah Roskam	↓ same
David Garneau	Salisbury

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VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON
MUNICIPAL ANNEXATION — April 9, 2008

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Rick Roskam	1606 Medfield Road Raleigh N. 27607
Macon Tetterly	1709 medfield Rd, Ral.
Rodney McCallum	6789 Hickory Dr., Raleigh, NC. 27603
Brenda Lee	113 Kelly Ct. Apex, NC 27539
Sharon Frankenfeld	115 Locke Circle, Salisbury NC 28147

H0USE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION

Wednesday, April 23, 2008 – 10:00 A.M.
Legislative Office Building – Room 544

Representative Bruce Goforth, Co-Chair, called the meeting to order at 10:00 a.m. He welcomed the guests and introduced the members of the Committee. Members present were: Representative Bruce Goforth, Co-Chair; Representative Paul Luebke, Co-Chair; Representative Larry Brown; Representative Nelson Dollar; Representative Louis Pate; Representative Edgar Starnes; Representative Fred Steen; Representative Larry Tucker; Representative Trudi Walend; Mr. Doug Aitken and Ms. Judith Wegner.

Representative Goforth then introduced the staff: Steve Rose, Research Counsel, Giles Perry, Research Counsel, Erika Churchill, Research Counsel and Denise Huntley, Research Counsel, Rosa Kelley, Committee Assistant and Ann Jordan, Committee Assistant. He thanked each of these for their good work throughout these meetings.

Sergeant-at-Arms staff present were: Fred Hines, Marvin Lee, Frank Prevo, Young Bae and John Brandon.

Representative Paul Luebke presiding: He opened the floor for comments from the members of an "Outline of Ideas for Discussion" which was presented by the staff. (Attachment No. 1) Representative Goforth made a motion for a moratorium on forced annexation until July of 2009. Representative Luebke called for discussion of the motion.

Representative Pate spoke and said he agreed with what Rep. Goforth had to say relative to a moratorium established on involuntary annexation and get it passed during the Short Session of the General Assembly and then continue our work until the end of the year. He also stated that we need legal advice so that what we do does not end up in the courts.

Representative Walend said she agreed we needed a moratorium on this issue. This would give small towns a chance to cool off. She also asked if we should not ask the Senate to join us at some time and get them involved. We have not heard anything from the County Commissioners Association and perhaps they

would be willing to share their feelings on this issue. Rep. Luebke said he thought it would be quite appropriate to do this.

Paul Myers of the County Commissioners Association told the committee that the Board will look into this matter and discuss it at their meeting on May 13, 2008.

Representative Starnes: In 1998 he co-chaired an annexation committee and some of their suggestions were incorporated into law We need to focus our attention on voluntary annexation rather than involuntary annexation.

Representative Brown: He was also in favor of a moratorium on involuntary annexation. He said the people should have a right to vote on this issue since it affects their livelihood. (Attachment No. 2)

Ms. Judith Wegner: She thinks the moratorium is a bad idea and that some action should be taken now. (Attachment No. 3)

Dr. David Lawrence of the School of Government made some comments on the subject. His comments were, for the most part, of a general nature.

Representative Steen: Agreed that we should have a moratorium on involuntary annexation.

Representative Luebke said that a draft bill should be prepared by staff to present to the Short Session of the General Assembly when it convenes on May 13, 2008.

Representative Jones agreed on the moratorium to be presented to the Short Session of the General Assembly with a set time starting in July. He is against de-annexation.

Representative Dollar: The way the system is now with involuntary annexation, it needs some attention. The people have zero rights. He is in favor of Chairman Goforth's recommendation for a moratorium and also for a time limit to 2009. If we are not going to have a moratorium, we need a third party to review it which would come into place before any future voluntary annexation. He suggested we might also allow the County Commissioners to vote. He said we could not allow the system to remain as it is.

Mr. Doug Aitken: He thinks we cannot do anything on this in such a short time and he is opposed to the motion for involuntary annexation. He wants the motion to include voluntary annexation and satellite annexation. A 4 year payback as suggested by Representative Starnes is a good idea but should be in more detail. We need to have some kind of oversight also. We need more time than we have today to make these decisions. (Attachment No. 4)

Representative Pate: If we try to form a Blue Ribbon Commission at this time, we are going to run into problems especially with the Senate involved because they are not as knowledgeable as we are on this matter. We might be able to have an Oversight Commission on annexation. He thinks a moratorium is the best thing at this time.

Representative Goforth amended his motion as follows: He moved for a moratorium on all involuntary and satellite annexation to cease until June 30, 2009. This would be submitted to the General Assembly in the Short Session.

Representative Luebke stated that he had concerns about problems of African-Americans being ignored on annexation. This is just something he wanted the committee to be aware of. He then called for comments from the public present.

Carol Bennett Dalenko – Town of Knightdale, voted to not support annexation and is in favor of a moratorium.

Geoff Lawrence – John Locke Foundation, said he felt that North Carolina's annexation laws needed to be reformed. (Attachment No. 5)

Andy Romenrt – North Carolina League of Municipalities, spoke in favor of forced annexation.

Kathy Hartkopf – Freedom Works – spoke in opposition to involuntary annexation.

Representative Goforth made comments relative to some towns that went into satellite annexation and practically bankrupt the towns, giving examples of Polk County and Shallotte, North Carolina.

The Chair called for the motion. Voting Yes: Goforth, Brown, Dollar, Jones, Pate, Starnes, Steen, Walend and Aitken.
Voting No: Tucker and Wegner. The motion passed.

Giles Perry, Staff Counsel, said that a copy of the draft bill will be distributed to the members of the committee when it has been completed by the staff. (Attachment No. 6)

The chair announced that a meeting to discuss the proposed draft bill would be on Wednesday, May 14, 2008, thirty minutes after the adjournment of Session on that day.

There being no further business, the meeting adjourned at 12:00 P.M.

Respectfully submitted:

Representative Bruce Goforth, Co-Chair

Representative Paul Luebke, Co-Chair

Rosa S. Kelley, Committee Assistant

(A Visitors' Sheet is attached to these Minutes.)

House Select Committee on Municipal Annexation

April 23, 2008
10:00 p.m.
Room 544

Agenda

I. Welcome and Introductions
   Rep. Bruce Goforth, *Co-Chair*
   Rep. Paul Luebke, *Co-Chair*

II. Approval of Minutes

III. Presentation by Tony Tetterton
   Johnston County Citizens for Justice

IV. Discussion of Proposed Changes to the State's Annexation Laws

V. Adjourn

Att. No. 1

House Select Committee on Municipal Annexation

Outline of Ideas for Discussion
April 23, 2008

(last revised 4-21-08)

1. Moratorium on Annexation

a. Moratorium on Involuntary Annexation
- Length of moratorium
- Effect on annexations in progress

2. Involuntary Annexation

a. Planning/Preliminary Reports/Service Plans
- Encourage greater city/county collaboration on annexation
- Make service plans more accurate and reliable
- Review of service plans by a State Agency
- Consider funding needed to provide greater oversight

b. Public Input/Notice Prior to Annexation
- Institute greater public input prior to annexation
- Require longer, more frequent, and more meaningful hearings
- Require detailed information to be sent to each property owner being annexed

c. Standards for an Annexation
- Change definition of "developed for urban purposes"
- Limit total areas a city can annex each year
- Limit annexation to ETJ area
- Consider method to address legislative annexations that do not meet statutory standards
- Address issue of city annexation of affluent/less affluent areas
- Provide that golf courses count as undeveloped land
- Consider restricting use of voluntary annexations to establish border for involuntary annexations
- Limit total area or population that may be annexed yearly
- Impose cooling-off period for failed/abandoned annexations
- Do not allow subdivisions to be split
- Examine "strip" annexations and current contiguity requirement

d. Provision of Services
- Require water and sewer extension sooner
- Require water and sewer mains to be extended closer to all parcels

- Don't require hookups if water or sewer is operating and adequate
- Institute penalties for failure to provide services
- Don't require citizens to request any services to receive them- should be automatic
- Address unserved islands
- Examine allocation of water and sewer costs

e. Voting/Other input

- Require referendum for:
  - persons in area to be annexed
  - persons in annexing city
  - property owners in area to be annexed
- Require input from county commissioners
- Consider election administration and voting rights issues if changes made

f. Taxes/Bonds

- Defer taxes if services not needed
- Refund taxes if services not provided
- Restrict use of revenue bonds for water and sewer

g. Appeals/Redress Process

- Extend time for appeals
- Expand grounds for appeals
- Give courts authority to de-annex if services not provide in statutorily required time frame
- Prohibit city from making additional annexations until they provide services to areas already annexed

3. Voluntary Annexation

- Satellite annexation issues:
  - Limit satellite annexation 10% exemptions
  - Require interlocal planning agreement if 10% exemptions allowed
  - Eliminate satellite annexations
- Voluntary annexation by petition – allow supermajority, not 100%
- Examine who has standing to challenge voluntary annexation

4. Oversight of Annexation Process

- Provide more oversight by a third party before, during, and after annexation by:
  - Local Government Commission
  - New body to oversee annexations

5. Consultant Issues

- Examine funding of annexation studies by Councils of Governments, others
- Examine reported abuses by consultants

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Attach. No. 2

Rosa Kelley (Rep. Thomas)

Subject: FW: Annexation items to consider changing

From: Ann Jordan (Rep. Goforth)
Sent: Monday, April 14, 2008 12:19 PM
To: Rosa Kelley (Rep. Thomas)
Subject: FW: Annexation items to consider changing

From: Rep. Larry Brown
Sent: Friday, April 11, 2008 11:02 AM
To: Rep. D. Bruce Goforth; Rep. Paul Luebke; Giles Perry (Research)
Subject: Annexation items to consider changing

Gentlemen: Please have a discussion about these possible changes to the law. (In no particular order)

1-Moratorium until further study or the legislation we suggest goes through the General Assembly.
2-Some form of vote by the citizens involved and/or city.
3-Define "urban purposes" requirements for annexation to mean a city must meet density of 2.3 AND 60% developed-NOT ONE OR THE OTHER.
4-When annexing golf communities count the golf course as vacant land toward meeting requirements.
5-Require cities to extend water and sewer lines to each property line and NOT just a trunk line that may be thousands of feet from some residents.
6-Require cities to have financial means to provide infrastructure for water and sewer, fire and police BEFORE beginning an annexing process.
7-Require cities to defer taxes until all municipal services are provided.
8-Require cities to pay a severe penalty for failure to complete water and sewer within the two year period and without requiring the citizens to sign up for services within a five day window.
9-Establish an Annexation Commission similar to the committee that approves incorporation.
10-Establish a "standings" provision so that citizens and/or county commissioners can contest voluntary and satellite annexations.
11-Prohibit ALL annexations outside ETJs-ALL.
12-Do not approve legislative annexations that do not follow established law. (local bills)
13-Strengthen regulations that the Local Government Commission refuse to authorize debt burdens on cities on limited budgets with little fund balance.
14-Eliminate burdensome requirements that citizens must meet narrow time frames to request city services that citizens have no idea what they are. The burdens should be to require all cities to require services within a certain time frame without the citizens having to do anything.
16-Prohibit Clean Water Funds, Conservation Funds, etc from being used to provide

water and sewer lines for annexation purposes. That prevents taxpayer funds being used against them.
17-Establish regulations to prevent Councils of Governments from doing annexation studies for cities. This also prevents taxpayer funds being used against them.
18-Require cities to have true cost figures to determine impact on their own budget-ie: how many fire stations, fire trucks, manpower: how many extra police, vehicles, benefits; how many more paved streets will need to be paved; how many garbage trucks will be needed; NEED DOLLARS so city residents will also know the cost benefit of an annexation.
19-Require city officials to appear AND answer questions during public hearings.
20-Require cities to hold annexation hearings as a special meeting without other agenda items.
21-Require cities to send certified mail to all property owners notifying them of intent to annex their property. If the city has public access television they should run ads to notify the public of all hearings 30 days in advance.
22-Consider requiring cities to get county approval on annexations since it will also have an effect on county budgets.
23-After a city annexation and prior to sewer being in place the city should be responsible for septic tank cleaning and/or repairs of homeowners.
24-Clearly define the law for the different requirements for those with population under 5,000.
25-Limit the size of any annexation to a percentage of existing city and also consider a time between annexations a city may undertake.
26-Establish a document that cities must include with notification that outlines what rights a citizen has to contest an annexation.

Additional remedies should be established when cities fail to perform. Citizens need more of an advocate rather than personally hiring an attorney. The remedies should be spelled out.

There are others that I am sure have ideas to share.
Larry Brown

Attach. No. 3

MEMORANDUM

TO: Rep. Bruce Goforth, Rep. Paul Luebke, Co-Chairs, House Select Comm. on Municipal Annexation
CC: Giles Perry, Steve Rose, NC Legislative Research Division; Robin Johnson, Speaker's Office
FROM: Judith Welch Wegner
RE: Ideas Regarding Annexation Reform
DATE: April 15, 2008

Thank you for the opportunity to suggest possible reforms in North Carolina's annexation laws for consideration by the Select Committee. I raised several of the following points at the end of the April 9, 2008 hearing, but am writing in more detail here to provide both specific proposals and related rationales.

I. Increasing Municipal Accountability

A. Sound and Consistent Financial Impact Analysis.

The Committee heard testimony from Paula Sanford and Betty Hudson of the Carl Vinson Institute at the University of Georgia regarding the benefits of developing careful fiscal impact analysis before municipalities reach decisions regarding annexation. The Committee also heard comments from citizens during hearings that suggested that municipalities may not receive consistently sound advice from consultants used in preparing annexation feasibility studies, or that such analysis is not always transparent to governmental decision makers and citizens.

Based on this testimony, I believe three changes should be considered

1. *More Expansive Coverage For Preliminary Reports.* We should consider strengthening the analysis that must be done in connection with preparation of pre-annexation reports and municipal service plans. These requirements are now found in NC GS 160A-47 (cities over 5,000)[i] and NC GS 160A-35 (cities under 5,000).[ii] These provisions currently address map boundaries, land use planning, provision of water, sewer, fire, police, street maintenance, and solid waste disposal. They also require the city to state how the city's finances and services will be affected, including city revenue change estimates. It may be time to expand the matters to be considered so that additional matters must be addressed. Utah's statutes include a more comprehensive listing of what must be included in an "annexation policy plan."[iii] The elements in the Utah statute that seem especially desirable are highlighted in the endnote. Another way to go about it would be to require municipalities to develop longer-range "annexation policy plans" that cover perhaps five year expectations and treat that as a separate matter, with the "service plan" requirement that currently exists required in addition. Utah is again instructive, since it has an option for municipal boundary commissions and specifications about feasibility studies to be employed. See Utah Code § 10-2-413. The Utah provisions focus on longer-range growth issues, provide more information to citizens, and require more comprehensive analysis. Municipalities would do a better job in decision-making if they had to plan more carefully.

2. *Expanded Role for Local Government Commission.* We should consider developing expertise at the state level through the staff of the Local Government Commission in order to conduct or at least review financial impact analysis relied upon by municipalities wishing to annex. This approach would help assure that solid and consistent analysis is used (rather than resulting on consultants over which there may be little quality control). The Local Government Commission and its staff are there to be sure

that local governments don't get in order their heads financially. The Local Government Commission is also charged under the annexation statutes to review disputes relating to contracts with solid waste collection providers and rural fire departments. They would need to be assured that additional staff resources were made available, but could charge municipalities on a fee-for-service basis for conducting financial impact analysis. There analysis might also be made publicly available for citizens and for government decision-makers in other jurisdictions who are considering possible annexations. Developing centralized expertise in this fashion should also keep costs down. In addition, the Local Government Commission could use its rule-making authority to develop (and seek comment about) its fiscal impact analysis protocols pursuant to NCGS 159-3(f). This approach would make the analysis more transparent for all concerned.

3. *Follow-Up Reports to Local Government Commission on Services Provided and Financial Implications.* The annexation statutes should also be amended to require that municipalities file with the Local Government Commission a certified statement describing their provision of services and related financial arrangements as promised under the municipal service plan. Under the provisions of NCGS 160A-49 (k) and (l) the Local Government Commission has a role in addressing the need for tax abatements if services are not provided in a timely way. In addition, under NCGS 160A-49(h) citizens have a remedy in superior court if services are not provided as required following annexation. Requiring municipalities to "close the loop" and provide the Local Government Commission with an update two years after the effective date of annexation would assist citizens who wish to avail themselves of the statutory remedy. It would also allow the Local Government Commission to create a database regarding plans for service, costs of service, and follow through. Having such a database that would aid the Commission's staff in preparing future fiscal impact studies, particularly in a time when the state is experiencing significant population increase. This approach would also assist the Legislature in its continuing oversight of the annexation process, and might allow analysis that would suggest areas in which future statutory change might be warranted. Once again, however, it would be imperative for adequate staff resources to be provided to the Commission. Some of the relevant costs could likely be recouped by fees charged in connection with financial impact reviews in the first instance.

B. Cooling Off Period.

The Committee heard some concerns about municipalities that had proposed annexation, found mistakes or met opposition, then immediately shifted their proposals again. To the extent that any municipalities engage in such practices, they may wear out and confuse the citizens affected. Practices of this sort would also appear to reflect poor planning at the start (a concern addressed above). In any event, it might be desirable to require a one-year "cooling off" period for municipalities that have started annexation proceedings and then abandoned them. Georgia has a statutory cooling off period used in somewhat different circumstances.[iv] Perhaps a statutory amendment could be crafted to provide for a "cooling off period" in the event a North Carolina municipality repeatedly attempts and abandons annexation of an area without good cause.

C. De-Annexation.

One of the Committee's members raised the issue of de-annexation at an early meeting. Addressing that issue may be especially important if a "cooling off period" is required (since minor errors may not always be avoidable and a minor error affecting a single parcel would not justify precluding a larger-scale annexation to proceed). North Carolina currently permits de-annexation only by action of the General Assembly. Other states have varying approaches to such situations. Some call the issue a matter of "contracting" (that is, contracting back the municipality's boundaries). As a policy matter, it may make

sense to create a simpler remedy in the event of minor errors (for example, due to a mistake in the legal description of covered property) or unanticipated difficulties in providing municipal services (for example if rock formations or other topographical features make it impossible to extend water or sewer services). Missouri's annexation law includes a provision to address a "minor error or discrepancy in the legal descriptions" during the pendency of an annexation procedure). See Mo. Rev. Stat. 72.405(5). Missouri also provides for a "simplified boundary change" in some situations (upon agreement of most of the property owners affected or agreement between affected governments). See Mo. Rev. Stat. 72.405(6). De-annexation should not be permitted lightly, and it would seem that notice and consent of affected citizens, rebate of property taxes paid, and possible consultation with the U.S. Department of Justice (if the Voting Rights Act applies) would be necessary. On the other hand, it may reduce the burdens on the General Assembly if such a change were made. There are a number of de-annexation bills filed each year with the General Assembly, and more information on circumstances warranting de-annexation may be gleaned by those knowledgeable about the bases for these requests.

II. Create Better Mechanisms for Municipal and County Collaboration in Decision Making , Governance, Planning and Service Delivery

A. Authorize City-County Agreements on Transition Areas and Potential Annexations.

Currently, North Carolina cities are allowed to enter into binding annexation agreements, setting out the limits of their intended assertion of annexation powers viz-a-viz each other.[v] See NCGS 160A-58.21 et seq. Although this part of the statutes was adopted in order to reduce the instances in which nearby municipalities engaged in annexation "races" of areas between their existing borders, it would seem very worthwhile to create a means by which counties and cities could routinely reach agreements regarding the areas that would likely receive urban services over a period of time (perhaps 10 years rather than 20 years as a cap on such agreements in light of the pace of growth expected in the state). This approach would also give citizens of the county an opportunity to think ahead and work with their elected officials in advance of possible municipal annexation proposals and would give them better notice about what to expect. Relief through the courts is also available under the existing statute in the event a government breaches such agreements.

B. Create a Blue-Ribbon Task Force to Address Impending Growth and Service Delivery.

The State is expected to undergo significant growth in the next decades.[vi] Such substantial pressure on existing governmental structures, land use planning, natural resources, infrastructure funding and service delivery. The General Assembly has recognized the importance of in-depth study and deliberation when major issues such as these are raised. 2007 legislation calling for careful review of major features of the state's water resources management and delivery system is a good example of that approach. See S.L. 2007-518 and related information at http://sogweb.sog.unc.edu/Water/index.php/Main_Page Key aspects of current debate on annexation policy seems to stem from the patterns of service delivery and land use regulation by counties that have evolved in recent years. Disputes about annexation and municipal boundaries seem to have grown when counties experience population increases and provide more and more services that increasingly make them function in ways reminiscent of municipalities. It is very possible that, in the face of burgeoning growth, more such disputes will arise, along with more contention between counties and cities.

It seems advisable to address these matters before they become more problematic. The General Assembly, and the state's citizens, would benefit from a careful study that would consider how cities and counties could (a) better coordinate their land use planning efforts; (b) deliver public services through cost-efficient means; (c) fund essential public infrastructure including water, sewer, schools, libraries,

information technology, and transportation; (d) divide revenues associated with urban density (such as sales tax proceeds); (e) protect natural resources (including clean air, water, and open space); and (f) address major demographic shifts (including increased aging population, growth in school-aged children, and increase in non-English speaking populations). This approach would provide for in-depth consideration of key issues that may affect policy regarding urban boundaries and services. It would also allow for a broader based form of consultation, a more comprehensive commission involving representatives beyond the House of Representatives, and involvement of experts from the UNC School of Government, Department of City and Regional Planning and elsewhere.

III. Fine-Tuning Existing Law to Address Specific Problem Areas

A. Un-Served "Islands"

The Committee heard testimony about problems facing citizens in un-served islands that are often constitute "doughnut holes" that were "left behind" when the municipality annexed other nearby areas. A variety of circumstances may have led to creation of such "doughnut holes": (a) nearby areas may have been subject to voluntary annexation; (b) property owners in the "doughnut hole" area may not have been able to secure 100% agreement as needed to petition for voluntary annexation (perhaps because of "heirs property" that is held in multiple shares with some property owners unknown to current taxpayers or residents); (c) inability of the municipality to use involuntary annexation procedures (because density or other "urban character" requirements are not; or (d) "cherry picking" by some municipalities that have preferred only to annex economically favored areas.

It appears that other states address such situations in a number of different ways. As the Committee heard from the representatives of the University of Georgia's Carl Vinson Institute, some states have developed options that allow for annexation by petition even if all property owners do not agree. Other states, such as Georgia, have specific provisions that deal with unincorporated "islands".[vii] The Georgia statute, set out in an endnote, provides for notice to the owners of property as listed in the tax records. That approach may deal with the problem of unknown "heirs," who would through such a process not have their property rights 'taken" but only brought to fall within the boundaries of the municipality. In addition, a focus on "islands" recognizes that there are particular reasons that support annexation under these circumstances, such as provision of public safety, water and sewer, and other municipal services (services that it would be much more difficult to provide from the county government under these conditions).

In at least some instances, as the Committee heard at its hearings, those living in underserved islands may lack the financial means to cover the bulk of water and sewer infrastructure costs. Municipalities in parts of the state have sought to assist by providing water and sewer to such areas even if they have lacked the power to annex due to the difficulties noted above. It would therefore be advisable to create a priority for funding water and sewer improvements for such "un-served islands" as part of the state's community development block grant fund program. If such a priority were available, it might also be possible for municipalities to work with such un-served community residents to provide needed services without necessarily annexing the properties if more limited services were all that was needed at the time.

B. More Equitable Approaches to Allocating Water and Sewer Infrastructure Costs

Key portions of existing statutes relating to water and sewer extensions and infrastructure costs are included in the end notes relating to section I. Since provisions relating to cities with more (or less) than 5,000 population, it is important to consider each of these circumstances specifically. Several key conceptual suggestions may be pertinent to both situations, however.

1. *Limitations on total infrastructure costs apportioned to citizens.* Municipalities may to make major infrastructure improvements in connection with annexation in order to address both current and future needs. For example, they may need to address issues of scale associated with anticipated future growth, by putting in larger trunk lines or pumping facilities to enable them to deal with a risk of future septic failures that have yet to occur, scale key infrastructure to address anticipated future needs, and address topographic realities with associated costs that will ultimately be shared by future users. It is relatively common practice for many municipalities not to charge the full costs of special assessment improvements (such as curb, gutter, and sidewalk improvements) to those directly affected, in light of the reality that the community overall is also likely to benefit from the improvements. It might therefore be appropriate to limit the extent of costs allocated to newly annexed citizens for such services to some proportion of the costs of trunk, connector, and collector lines, rather than allocating the full costs. Some municipalities may do this now, but a statutory provision could assure that all in fact use good judgment on this point.

2. *Phased in Infrastructure Charges* During the Committee's hearings, a number of citizens expressed concerns about facing major costs for water and sewer at the same time as they faced property tax increases associated with annexation. In addition, a number of citizens said that they had no immediate need for public water and sewer services since their property had been constructed with well and septic systems that continued to function well. When the Committee heard testimony from Mac McCarley, City Attorney of Charlotte, it learned that some major cities do not require citizens to pay "tap in" charges until the time when they actually tap in to public water and sewer facilities. The Committee also heard from some citizens who had not petitioned for such services at the time of the annexation, then felt frustrated when they had to wait in line for hook-ups at a later date when their septic systems failed. It might be advisable to addressing these concerns by amending the statute to give citizens a longer period to petition for water and sewer services (perhaps within the first year after they have been annexed), and to guarantee them current tap-in rates if they entered into a binding agreement at that time for such services to be provided within a two-year time frame. If no such agreement were reached, then the property owners (or their successors in interest) would be expected to pay current rates and be served in order of their request at a later date.

C. Splitting Subdivisions.

The Committee heard from some citizens about some municipalities' practice of "splitting" subdivisions in order to meet statutory requirements regarding urban characteristics. Currently the statutes relating to satellite annexation provide that subdivisions must be annexed as a whole if they are annexed at all. NCGS 160A-58.1(b)(4). Perhaps similar requirements should apply to involuntary annexations; residents of subdivisions generally function as a community of interest that should not be ignored.

D. "Strip" or "Spaghetti Annexations

The Committee also heard from citizens about situations in which strips of land (often along major roads) had been annexed to reach areas beyond. The state's involuntary annexation statutes already try to address such situations by requiring that 1/8 of the aggregate external boundaries of an area to be annexed coincide to existing municipal boundaries. See NCGS 160A-36(b)(2) (cities with less than 5,000 population); 160A-48(b)(2) (cities with 5,000 population and above). If there is need to address this situation, it may be desirable to review strategies from other states that specify that "strip parcels" connecting existing municipal

boundaries with more remote areas being annexed must be at least a specified width (wider than the typical road width).

E. Standing to Challenge Voluntary Annexations.

The Committee also heard concerns that there is not currently a basis on which citizens can appeal government decisions to grant voluntary annexation petitions. Perhaps the best way to deal with this issue, in fact such action is desirable, would be to amend NCGS 160A-31 (governing voluntary annexations) to grant standing to an adjacent property owner who wishes to challenge the annexation petition on the narrow grounds that the petition for voluntary annexation did not comply with legal requirements, or the city failed to comply with the state's procedural requirements. This approach would allow someone with a real stake in the matter to seek judicial redress in order to assure that procedural requirements were observed, but also maintain the local government's role as legislative policy maker in determining whether the proposed annexation is in the citizens' collective best interests.

F. Caps on Annexation Tied to Population of Annexing City

Currently, the North Carolina statutes differentiate between annexation by cities with less than 5,000 population and those with more. It may well be that in the future the General Assembly should consider whether middle-sized cities should be "capped" in the population they attempt to absorb by annexation at a given time so that they indeed are able to provide needed services and integrate their new citizens into the life of their communities as effectively as possible. Two possibilities come to mind: capping the population that may be annexed at a given time by reference to a proportion of the existing population (perhaps 10%), and capping the size of annexations by reference to the physical area within a municipality's existing boundaries (as currently provided, for example, with regard to satellite annexations, which are capped at 10% of the area of the existing municipality, under NCGS 160A-58.1(b)(5)). Without more information about the patterns of annexation that could be derived from the comprehensive study proposed above, it would be difficult to know the circumstances in which involuntary annexation might be capped in this fashion (for what sizes of cities, and with reference to population or area). This may therefore be a question best addressed at a later time.

IV. Moratorium

Some members of the Committee expressed potential interest in a moratorium on involuntary annexation while the matter is further studied. I strongly disagree with that view.

Most of the state's municipalities are doing a fine job in their handling of annexation issues. Charlotte's City Attorney testified that there had been no successful legal challenge to any of that area's annexations. I (and my law students) were very impressed by the work of the City of Greensboro in providing ample opportunities and assistance to its citizens during carefully planned annexation efforts. See http://www.greensboro-nc.gov/residents/annexation , including the excellent video presentation and description of the "open house" format that assists citizens in knowing how annexation would apply to them. During an era of significant growth, a "hold" on annexations would only result in more difficulty in addressing the need for services and land use oversight. Testimony about Fayetteville's problems in providing for orderly infrastructure improvements and land use planning in the aftermath of a protracted moratorium illustrates that point all too well.

In addition, the Committee should take to heart the analysis of the Brookings Institution and its study on annexation, David Rusk, *Annexation and the Fiscal Fate of Cities,*

http://www.brookings.edu/reports/2006/08metropolitanpolicy_rusk.aspx (Bookings Institution, 2006). I had forwarded that study earlier on for the Committee's records, and hope it could be circulated to everyone in advance of the Committee's next meeting. The speakers from the Carl Vinson Institute were apparently unaware of this study, even though it included more comprehensive and up-to-date information than they had been able to provide. This study provides a solid basis for assertions by municipal leaders in North Carolina that the state's annexations laws play a crucial role in maintaining municipal fiscal soundness and bond ratings, and it references North Carolina's experience in particular. In the face of the current economic downturn, it would seem foolhardy to put a hold on all involuntary annexation, when reported problems appear to involve a relatively small number of municipalities and those problems can be adequately addressed.

The Committee heard about the need to engage in targeted reform, and it should recommend possible solutions to targeted problems. I've spent a good deal of time on this memorandum in order to help the Committee address some commonly expressed concerns, and hope that the references to other states' practices may expedite our consideration (and aid the legislative staff). Other major questions will need attention in the foreseeable future, but the best way to do that is to create a broader-based commission with a more far-reaching charge to address such issues as the relationship between cities and counties in the face of burgeoning growth, with the help of experts who can assist in the extensive work required.

I hope these comments prove helpful to you and to the other Committee members. I look forward to seeing you on April 23, 2008 for our next meeting.

END NOTES

[i] NC GS § **160A-47. Prerequisites to annexation; ability to serve; report and plans** *[applicable to cities with populations more than 5,000]* 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 and sewer interceptors and outfalls, and the proposed extensions of such mains and outfalls 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 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 and sewer outfall lines 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, according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions. If requested by the owner of an occupied dwelling unit or an operating commercial or industrial property in writing on a form provided by the municipality, which form acknowledges that such extension or extensions will be made according to the current financial policies of the municipality for making such extensions, and if such form is received by the city clerk no later than five days after the public hearing, provide for extension of water and sewer lines to the property or to a point on a public street or road right-of-way adjacent to the property according to the financial policies in effect in such municipality for extending water and sewer lines. If any such requests are timely made, the municipality shall at the time of adoption of the annexation ordinance amend its report and plan for services to reflect and accommodate such requests, if an amendment is necessary. In areas where the municipality is required to extend sewer service according to its policies, but the installation of sewer is not economically feasible due to the unique topography of the area, the municipality shall provide septic system maintenance and repair service until such time as sewer service is provided to properties similarly situated.

c. If extension of major trunk water mains, sewer outfall lines, sewer lines and water lines is necessary, set forth a proposed timetable for construction of such mains, outfalls and lines as soon as possible following the effective date of annexation. In any event, the plans shall call for construction to be completed within two years of the effective date of annexation.

d. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed.

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

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

[ii] **§ 160A-35. Prerequisites to annexation; ability to serve; report and plans** *[applicable to municipalities with populations less than 5,000]* 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-37, 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 proposed extensions of water mains and sewer outfalls to serve the annexed area, if such utilities are operated by the municipality. The water and sewer map must bear the seal of a registered professional engineer or a licensed surveyor.

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

(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 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 water mains and sewer lines into the area to be annexed so that property owners in the area to be annexed will be able to secure public water and sewer services according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions. If the municipality must, at its own expense, extend water and/or sewer mains into the area to be annexed before property owners in the area can, according to municipal policies, make such connection to such lines, then the plans must call for contracts to be let and construction to begin on such lines within one year following the effective date of annexation. In areas where the installation of sewer is not economically feasible due to the unique topography of the area, the municipality may agree to provide septic system maintenance and repair service until such time as sewer service is provided to properties similarly situated.
   c. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed.

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

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

[iii] Utah Code Ann. § 10-2-401.5. Annexation policy plan ...

(3) Each annexation policy plan shall include:

(a) a map of the expansion area which may include territory located outside the county in which the municipality is located;

(b) a statement of the specific criteria that will guide the municipality's decision whether or not to grant future annexation petitions, addressing matters relevant to those criteria including:

(i) *the character of the community;*

(ii) the *need* for municipal services in *developed and undeveloped unincorporated areas;*
(iii) the municipality's plans for extension of municipal services;
(iv) how the *services will be financed;*
(v) an estimate of the *tax consequences to residents both currently within the municipal boundaries and in the expansion area;* and
(vi) the interests of all affected entities;
(c) justification for *excluding from the expansion area any area containing urban development within 1/2 mile of the municipality's boundary; and*
(d) a *statement addressing any comments made by affected entities at or within ten days after the public meeting under Subsection (2)(a)(ii).*
(4) In developing, considering, and adopting an annexation policy plan, the planning commission and municipal legislative body shall:
(a) attempt to *avoid gaps between or overlaps with the expansion areas of other* municipalities;
(b) consider population *growth projections for the municipality and adjoining areas for the next 20 years;*
(c) *consider current and projected costs of infrastructure, urban services, and public facilities necessary:*
(i) to facilitate full development of the area within the municipality; and
(ii) to expand the infrastructure, services, and facilities into the area being considered for inclusion in the expansion area;
(d) consider, in conjunction with the municipality's general plan, the need over the next 20 years for additional land suitable for residential, commercial, and industrial development;
(e) *consider the reasons for including agricultural lands, forests, recreational areas, and wildlife management areas in the municipality; and*
(f) be guided by the principles set forth in Subsection 10-2-403(5). [this reference may be in error, given 2007 amendments; Section 10-2-403(5) relates to pending incorporation petitions and annexation by petition;
Section 10-2-403(6) states as follows:
(6) If practicable and feasible, the boundaries of an area proposed for annexation shall be drawn:
(a) along the boundaries of existing local districts and special service districts for sewer, water, and other services, along the boundaries of school districts whose boundaries follow city boundaries or school districts adjacent to school districts whose boundaries follow city boundaries, and along the boundaries of other taxing entities;
(b) to *eliminate islands and peninsulas of territory that is not receiving municipal-type services;*
(c) to facilitate the consolidation of overlapping functions of local government;
(d) to promote the efficient delivery of services; and
(e) to encourage the equitable distribution of community resources and obligations.
(5) Within 30 days after adopting an annexation policy plan, the municipal legislative *body shall submit a copy of the plan to the legislative body of each county in which any of the municipality's expansion area is located.*

[iv] GA Rev. Stat. **§ 36-36-118. Abandonment of proposed annexation**
If at any time during the proceedings the municipal corporation or applicant abandons the proposed annexation, the county shall not change the zoning, land use, or density affecting the property for a period of one year unless such change is made in the service delivery agreement or comprehensive plan and adopted by the affected city and county and all required parties. A violation of the conditions set forth in this Code section may be enforced thereafter at law or in equity until such period has expired. After final resolution of any objection, whether by agreement of the parties, act of the panel, or any appeal from the panel's decision, the terms of such decision shall remain valid for the one-year period and such annexation may proceed at any time during the one year without any further action or without any further right of objection by the county.

[v] See NCGS 160A-58.21 et seq., which provide

§ 160A-58.21. Purpose. It is the purpose of this Part to authorize cities to enter into binding agreements concerning future annexation in order to enhance orderly planning by such cities as well as residents and property owners in areas adjacent to such cities.

§ 160A-58.22. Definitions The words defined in this section shall have the meanings indicated when used in this Part:
(1) "Agreement" means any written agreement authorized by this Part.

(2) "Annexation" means any extension of a city's corporate limits as authorized by this Article, the charter of the city, or any local act applicable to the city, as such statutory authority exists now or is hereafter amended.
(3) "Participating city" means any city which is a party to an agreement.

§ 160A-58.23. Annexation agreements authorized. Two or more cities may enter into agreements in order to designate one or more areas which are not subject to annexation by one or more of the participating cities. The agreements shall be of reasonable duration, not to exceed 20 years, and shall be approved by ordinance of the governing board and executed by the mayor of each city and spread upon its minutes.

§ 160A-58.24. Contents of agreements; procedure
(a) The agreement shall:
(1) State the duration of the agreement.
(2) Describe clearly the area or areas subject to the agreement. The boundaries of such area or areas may be established at such locations as the participating cities shall agree. Thereafter, any participating city may follow such boundaries in annexing any property, whether or not such boundaries follow roads or natural topographical features.
(3) Specify one or more participating cities which may not annex the area or areas described in the agreement.
(4) State the effective date of the agreement.
(5) Require each participating city which proposes any annexation to give written notice to the other participating city or cities of the annexation at least 60 days before the adoption of any annexation ordinance; provided, however, that the agreement may provide for a waiver of this time period by the notified city.
(6) Include any other necessary or proper matter.
(b) The written notice required by subdivision (a)(5) of this section shall describe the area to be annexed by a legible map, clearly and accurately showing the boundaries of the area to be annexed in relation to: the area or areas described pursuant to subdivision (a)(2) of this section, roads, streams and any other prominent geographical features. Such notice shall not be effective for more than 180 days.
(c) No agreement may be entered into under this Part unless each participating city has held a public hearing on the agreement prior to adopting the ordinance approving the agreement. The governing boards of the participating cities may hold a joint public hearing if desired. Notice of the public hearing or hearings shall be given as provided in G.S. 160A-31(c).
(d) Any agreement entered into under this Part may be modified or terminated by a subsequent agreement entered into by all the participating cities to that agreement. The subsequent agreement shall be approved by ordinance after a public hearing or hearings as provided in subsection (c).
(e) No agreement entered into under this Part shall be binding beyond three miles of the primary corporate limits of a participating city which is permitted to annex the area under the agreement, unless approved by the board of county commissioners with jurisdiction over the area. Provided however, that an area where the agreement is not binding because of failure of the board of county commissioners to approve it, shall become subject to the agreement if subsequent annexation brings it within three miles. The approval of a board of county commissioners shall be evidenced by a resolution adopted after a public hearing as provided in subsection (c).
(f) A participating city may terminate an annexation agreement unilaterally or withdraw itself from the agreement, by repealing the ordinance by which it approved the agreement and providing five years' written notice to the other participating cities. Upon the expiration of the five-year period, an agreement originally involving only two cities shall terminate, and an agreement originally involving more than two cities shall terminate unless each of the other participating cities shall have adopted an ordinance reaffirming the agreement.

§ 160A-58.25. Effect of agreement. From and after the effective date of an agreement, no participating city may adopt an annexation ordinance as to all or any portion of an area in violation of the agreement.

§ 160A-58.26. Part grants no annexation authority. Nothing in this Part shall be construed to authorize the annexation of any area which is not otherwise subject to annexation under applicable law.

§ 160A-58.27. Relief
(a) Each provision of an agreement shall be binding upon the respective parties. Not later than 30 days following the passage of an annexation ordinance concerning territory subject to an agreement, a participating city which believes that another participating city has violated this Part or the agreement may file a petition in the superior court of the

county where any of the territory proposed to be annexed is located, seeking review of the action of the city alleged to have violated this Part or the agreement.

(b) Within five days after the petition is filed with the court, the petitioning city shall serve copies of the petition by certified mail, return receipt requested, upon the respondent city.

(c) Within 15 days after receipt of the copy of the petition for review, or within such additional time as the court may allow, the respondent city shall transmit to the reviewing court:

(1) A transcript of the portions of the ordinance or minute book in which the procedure for annexation has been set forth;

(2) A copy of resolutions, ordinances, and any other document received or approved by the respondent city's governing board as part of the annexation proceeding.

(d) The court shall fix the date for review of the petition so that review shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs, and may take evidence intended to show either:

(1) That the provisions of this Part were not met; or

(2) That the provisions of the agreement were not met.

(e) At any time before or during the review proceeding, any petitioner may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) Upon a finding that the respondent city has not violated this Part or the agreement, the court may affirm the action of the respondent city without change. Upon a finding that the respondent city has violated this Part or the agreement, the court may:

(1) Remand to the respondent city's governing board any ordinance adopted pursuant to Parts 2 or 3 of this Article, as the same exists now or is hereafter amended, for amendment of the boundaries, or for such other action as is necessary, to conform to the provisions of this Part and the agreement.

(2) Declare any annexation begun pursuant to any other applicable law to be void. If the respondent city shall fail to take action in accordance with the court's instructions upon remand under subdivision (d)(1) of this section within three months from receipt of such instructions, the annexation proceeding shall be void.

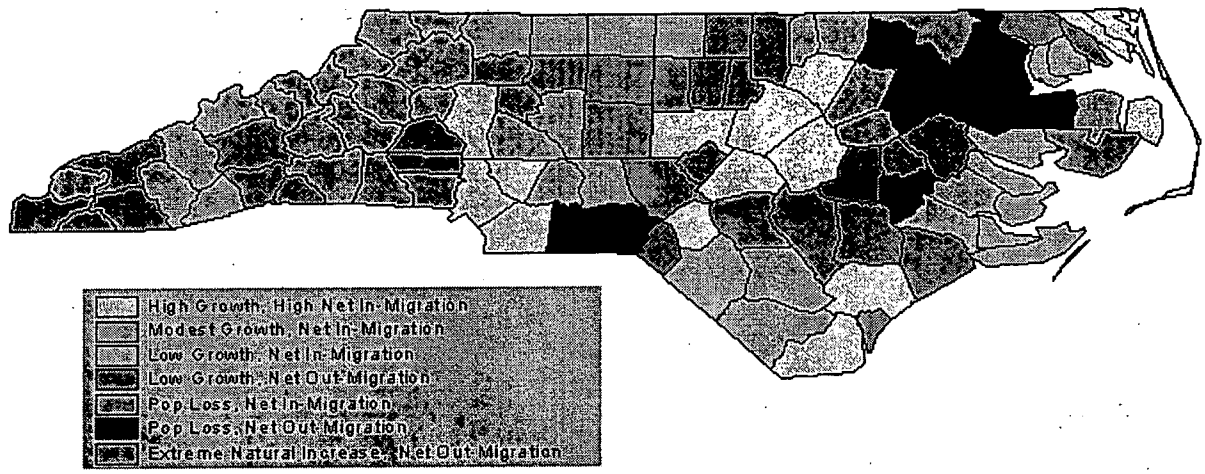
(g) Any participating city which is a party to the review proceedings may appeal from the final judgment of the superior court under rules of procedure applicable in other civil cases. The appealing party may apply to superior court for a stay in its final determination, or a stay of the annexation ordinance, whichever shall be appropriate, pending the outcome of the appeal to the appellate division; provided, that the superior court may, with the agreement of the parties, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the respondent city without regard to any part of the area concerning which an appeal is being made.

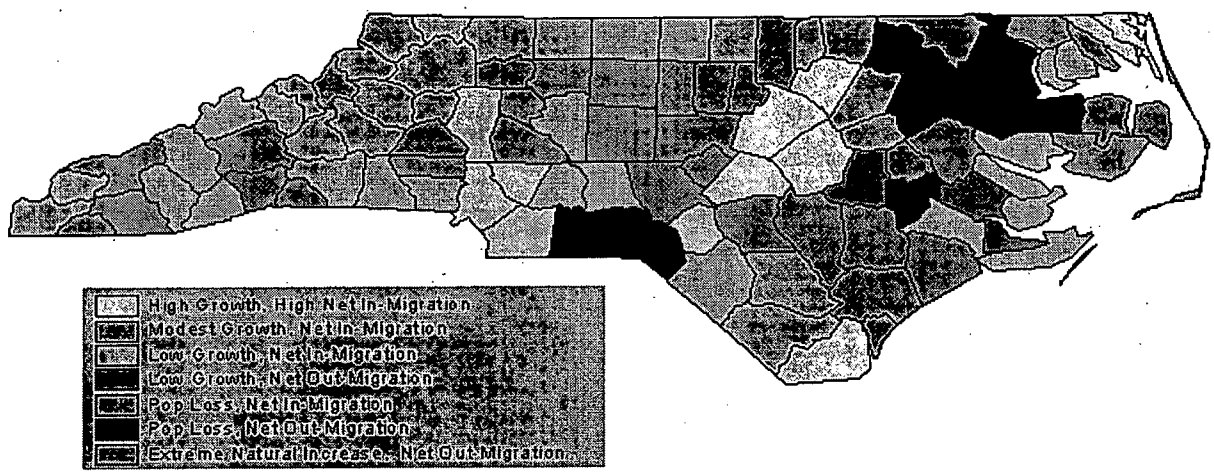
(h) If part or all of the area annexed under the terms of a challenged annexation ordinance is the subject of an appeal to the superior court or appellate division on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the date of the final judgment of the superior court or appellate division, whichever is appropriate, or the date the respondent city's governing board completes action to make the ordinance conform to the court's instructions in the event of remand.

(i) A participating city which is prohibited from annexing into an area under a binding agreement may file a petition in the superior court where any of the territory proposed to be annexed is located, or a response in a proceeding initiated by another participating city, seeking permission to annex territory in the area notwithstanding the agreement. If the territory qualifies for annexation by the city seeking to annex it, the court may enter an order allowing the annexation to proceed with respect to all or a portion of the territory upon a finding that there is an imminent threat to public health or safety that can be remedied only by the city seeking annexation. The procedural provisions of this section shall apply to proceedings under this subsection, so far as applicable.

[vi] For Census projections, see http://demog.state.nc.us/frame_start.html. As of June 2007, the Office of State Demographics projected that between April 2000 and April 2030, North Carolina's population would grown by 52.5 percent (4.228 million people), reaching 12,274 million people at the end of this third year period. Much of this growth (61.9%) is projected to result from in-migration to the state.

Copies of maps showing counties likely to be affected by growth are set forth below:





http://demog.state.nc.us/frame_start.html (last checked on April 15, 2008)

[vii] See GA Code Annotated, **Article 6. Annexation of Unincorporated Islands**

§ 36-36-90. Definitions. As used in this article, the term:
(1) "Contiguous area" means any unincorporated area which, on or after January 1, 1999, had an aggregate external boundary directly abutting a municipal boundary. Any area shall be considered "contiguous" if the aggregate external boundary would directly abut the municipal boundary if not otherwise separated, in whole or in part, from the municipal boundary by lands owned by the municipal corporation, by lands owned by a county, or by lands owned by this state or by the definite width of:

(A) Any street or street right of way;

(B) Any creek or river; or

(2) "Municipal corporation" means a municipal corporation which has a population of 200 or more persons according to the United States decennial census of 1980 or any future such census.

(3) "Unincorporated island" means:

(A) An unincorporated area in existence on January 1, 1991, with its aggregate external boundaries abutting the annexing municipality;

(B) An unincorporated area in existence as of January 1, 1991, with its aggregate external boundaries abutting any combination of the annexing municipality and one or more other municipalities; or

(C) An unincorporated area in existence as of January 1, 1991, which the county governing authority has by resolution adopted not later than 90 days following July 1, 1992, that identifies any unincorporated area of the county to which the county has no reasonable means of physical access for the provision of services otherwise provided by the county governing authority solely to the unincorporated area of the county.

§ 36-36-91. Determination of aggregate external boundary

For the purposes of determining the aggregate external boundary of an unincorporated area, all real property in the area to be annexed, which at the time the annexation procedures are initiated, (1) is unincorporated, and (2) is in the same county as the annexing municipal corporation, shall have its area included in determining the aggregate external boundary.

§ 36-36-92. Procedure for annexation

(a) The governing body of each municipal corporation of the state may annex to the existing corporate limits thereof all or any portion of unincorporated islands which are contiguous to the existing limits at the time of such annexation upon compliance with the procedures set forth in this article and in accordance with the procedures provided in Article 1 of this chapter.

(b) Annexation of unincorporated islands as authorized in subsection (a) of this Code section shall be accomplished by ordinance at a regular meeting of the municipal governing authority within 30 days after written notice of intent to annex such property is mailed to the *owner of such property at the last known address for such owner as it appears on the ad valorem tax records of the county in which such property is located.* After the adoption of the annexation ordinance, an identification of the property annexed shall be filed with the Department of Community Affairs and with the governing authority of the county in which the property is located, in accordance with Code Section 36-36-3.

(c) Annexation of an unincorporated island as authorized by subsection (a) of this Code section, which unincorporated island directly abuts more than one municipality, shall be by the municipality which abuts the unincorporated island along the greatest percentage of its external boundary as provided in this Code section, unless otherwise agreed to by the affected municipalities.

(d) Annexations under this article shall be at the sole discretion of the governing body of each municipality.

(e) Municipal services to the annexed area shall be provided on substantially the same basis and in the same manner as such services are provided within the rest of the municipal corporation; provided, however, the extension of water and sewer services shall be according to the policies in effect in such municipal corporation for extending water and sewer lines to individual lots and subdivisions.

(f) The provisions of this article with regard to annexation of unincorporated islands is severable as to each city and to the annexation of each unincorporated island therein. The implementation of each annexation pursuant to this article is contingent upon preclearance of each annexation by the U.S. Justice Department pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973(c). Any city annexing an unincorporated island pursuant to this article shall submit such annexation to the U.S. Justice Department for preclearance not later than 90 days following the date of adoption of the annexation ordinance by the municipal governing authority.

The Brookings Institution
METROPOLITAN POLICY PROGRAM

Annexation and the Fiscal Fate of Cities

David Rusk

"Expanding, elastic cities maintain growing tax bases and can sell bonds at lower interest rates, meeting needs for both municipal facilities and major infrastructure with regional benefits."

Findings

An analysis of the relationship between the annexation patterns and fiscal health of the nation's largest cities shows that:

- **A city's ability to annex land from its surrounding county is a primary determinant of its fiscal health. Cities with greater abilities to annex have much higher bond rating scores.** Of cities in large metropolitan areas, every city that expanded its boundaries by as little as 15 percent between 1950 and 2000 had a high bond rating in 2002. Conversely, all cities with low bond ratings are those that had been unable to expand their boundaries.

- **The ability to annex land varies widely by region and state.** Most high-bond-rated cities are located in "big box" states (primarily in the South and West) where land is more easily annexed. Most low-bond-rated cities are in "little box" states (primarily in the Northeast and Midwest) where land is more difficult, or impossible, to annex.

- **Annexation is far from an outmoded, dying practice.** During the 1990s, about 90 percent of the central cities that could annex additional land did so. Collectively, in just one decade they expanded their municipal territory by more than 3,000 square miles.

The flexibility to annex surrounding land and communities was more important to a city's bond rating (a sign of fiscal health) than the area's poverty rate or median household income. Annexing land, therefore, appears to be an important route to economic health and development for the nation's urban areas. State legislatures can play a vital role in ensuring the fiscal viability of their state by reviewing, and revising if necessary, state land development, zoning, and annexation laws. With careful planning, states can promote more compact development, preserve farmland and natural areas, and encourage reinvestment in older residential and commercial areas.

Introduction

Politicians, think tank policy analysts, and academics constantly argue why some cities succeed and others fail. One such view was succinctly summarized in 1995 by then-Speaker of the House Newt Gingrich, speaking specifically of Atlanta: "The city's got too many problems. The solution for Atlanta's problems is for city government to get its own house in order. Eliminate union featherbedding. Cut the bureaucracy. Slash high taxes that are driving families and jobs out of Atlanta. Become a lean, well-run, low-cost government like its suburbs. Then Atlanta can compete on even terms."[1]

Gingrich is not alone is espousing such policy prescriptions. However, thorough analyses show that cities' relative fiscal health is not simply determined by virtue or sin at City Hall. Rather, it is determined by their demographic profiles and economic bases within the context of sprawling metropolitan development patterns.[2]

Moreover, recent scholarship has shown that the more a region is broken up into multiple governments ("little boxes"), the more racially and economically segregated its housing market is and the slower its rate of regional economic growth.[3]

Annexation (which results in "big box" local governments) is often dismissed as an effective response to metropolitan decentralization and core disinvestments, primarily because in many parts of the country, annexation is either prohibited (the Northeast) or rarely an option because central cities are often trapped within rings of incorporated suburbs (the Midwest and coastal California).

First explored in the book *Cities without Suburbs*, the striking contrasts between elastic and inelastic cities has a direct relation to fiscal health. This more detailed survey demonstrates the crucial interrelationship between municipal elasticity and municipal fiscal health as measured not by various academic indices, but by financial markets—specifically, the assessment of a city's long-term fiscal health by rating agencies, which must advise investors of the relative risks they face in putting their own money on the line by purchasing a city's general obligation bonds.

Methodology and Definitions

To evaluate the relationship between municipal fiscal health, urban elasticity, and various socioeconomic conditions, this survey uses multivariate, least-squares linear regression analysis. Regression analysis measures the degree to which a dependent variable (typically the outcome of interest) and one or more independent variables (factors potentially affecting the outcome) are interrelated. A correlation of 1.0 (adjusted r-square) means that a change of some magnitude in the independent variable will be accompanied automatically by a completely predictable change in the dependent variable (that is, they are fully correlated). In this case, as annexation increases, fiscal health increases. A correlation of 0.0 means that the two variables are not correlated at all. In other words, annexation has no association with fiscal health. Thus, the nearer to 1.0 the number is, the more highly correlated the variables are. (However, a high degree of correlation does not necessarily mean that changes in independent variables *cause* changes in dependent variables.)

Bond ratings (dependent variable)

This study uses municipal bond ratings as assigned by Moody's Investors Service in the October 2002 edition of *Mergent Bond Record.* A casual review of the listings shows that most municipal bonds are marketed with Aaa ratings ("blue-chip," or the highest rating possible). Offering municipalities with an underlying rating

of less than Aaa will typically pay an insurance premium to one of several bond insurance companies (for example, MBIA, AMBAC, FGIC). These insurance companies guarantee their bonds' redemption to future bond holders; the lower a municipality's underlying bond rating, the greater the insurance premium. Because the interest here is in Moody's assessment of a municipality's long-term fiscal health, the study identified either the most recent "issuer letter rating" or the most recent "uninsured" issuance of general obligation bonds. Typically, general obligation bonds are backed by the municipality's long-term stream of property taxes or (less frequently) sales taxes. (The study did not include revenue bonds backed by utility revenues, revenues from other enterprise operations, or project-based financing given that these are not based on an assessment of the municipality's long-term economic health.)

This survey yielded Moody's bond ratings for 450 of the 581 current or former U.S. central cities (classifications sometimes change due to specific Census Bureau requirements on population and employment). Cities for which ratings could not be established fell into three groups: 1) those that had become too poor to be able to issue bonds (for example, East St. Louis, IL, and Benton Harbor, MI), 2) those that showed neither an uninsured issuance nor an "issuer credit rating," or 3) those that had never used Moody's Investors Service.

Any statistical analysis requires converting a letter grade (Aaa, Aa1, etc.) to a numerical value. Moody's Investors Service was consulted to establish the following scale:

Conversion of Rating Grades to Numerical Values

Aaa = 10.0	A1 = 6.5	Baa1 = 4.5
Aa1 = 8.5	A2 = 6.0	Baa2 = 4.0
Aa2 = 8.0	A3 = 5.5	Baa3 = 3.5
Aa3 = 7.5		Ba1 = 2.5
		Ba2 = 2.0
		Ba3 = 1.5

Any rating less than Ba3 indicates a very high-risk "junk bond" that cannot be purchased by pension funds, insurance companies, institutional endowments, and other investors with fiduciary responsibilities.

Urban elasticity and capture/contribute percentages (independent variable)

To establish the degree to which central cities did or did not expand their municipal boundaries, the study used data from the decennial censuses from 1950 to 2000.[4] It determined the land area for all 541 cities designated in 1950 as central cities and still holding that designation as of 2000. The study excluded those that had come into existence after 1950 (for example, Cape Coral, FL, and Irvine CA); those that had more than 2,500 residents but had reported no municipal area to the Census Bureau in 1950 (for example, Rogers, AK, and Jonesboro, AK); and those that had fewer than 2,500 residents in 1950 and were not listed in the decennial census.

In *Cities without Suburbs*, I employed a measure of the degree to which central cities either "captured" or (through population loss) "contributed" to the growth of the rest of the city's metropolitan region.[5] However, that past practice understated capture/contribute percentages of central cities in regions with multiple, substantially co-equal central cities (for example, Raleigh-Durham-Chapel Hill, NC, or Albany-Schenectady-Troy, NY). Therefore, this survey shifts the geographic framework from entire (often multicounty) metropolitan areas to a city's capture/contribute percentage of popu-

lation change in its host county.

For example, in 1950, Raleigh's population at 65,679 lived within 11 square miles; Wake County, its home county, had 136,450 residents. During the next 50 years, Wake County grew to 627,846 (an increase of 491,396). However, during that same period, Raleigh (a high-elastic city) expanded its city limits through annexation to 115 square miles, for a total population of 276,093 in 2000 (an increase of 210,414). In effect, Raleigh had "captured" 43 percent of Wake County's population growth (calculated as Raleigh's gain of 210,414 divided by Wake County's gain of 491,396).

Had Raleigh's capture rate been measured against the entire six-county metropolitan area, it would have been only 27 percent; other metro shares would have been captured by sister central cities Durham (15 percent) and Chapel Hill (5 percent). Instead, within its own home county context, high-elastic Durham captured 95 percent of the population growth of Durham County, and hyper-elastic Chapel Hill captured 47 percent of the population growth of Orange County. Measuring these central cities' gains against their home counties properly reflects the dominance of these highly elastic, big-box cities (all of which are Aaa bond rated).

The Albany-Schenectady-Troy region is a parallel setting but with very different outcomes. All central-city boundaries were frozen shortly after 1950 (as are all the boundaries of the 1,545 municipalities that make up the "little box" state of New York). As a consequence, while Albany County's population rose from 239,386 in 1950 to 294,565 in 2000 (a gain of 55,179), Albany city's population dropped from 134,995 to 95,658 (a loss of 39,337). Therefore, low-elastic Albany "contributed" -71 percent of its county's population growth.

With smaller county population growth and proportionally larger city population losses, zero-elastic Troy contributed -116 percent of Rensselaer County's modest net growth, and zero-elastic Schenectady's contributed -838 percent of Schenectady County's virtually stagnant population.[6] (In effect, both cities' population losses were so great that they wiped out any small gains that the balance-of-county had made.) Compared with the North Carolina "blue-chip" cities, Albany was rated a mediocre A3, Schenectady a dismal Baa2, and Troy a catastrophic Ba1 (second lowest bond rating to Flint, MI's, Ba2 among all central cities that are bondable).[7]

County-less cities: The study handled cases in which a central city was not part of a county in different ways. For the central-city-county consolidations listed in Appendix A that occurred after 1950, the resolution was easy. The analysis treats consolidation as one large annexation in which the city captured all of the county's net population growth. *Net* population growth refers to the county's growth in population minus that of any unmerged, smaller municipalities.[8]

A thornier issue arose in the case of pre-1950 consolidated cities or with "independent cities." Cities that consolidated with their counties prior to 1950 include New Orleans-Orleans Parish (1805), Philadelphia City and County (1852), and San Francisco City and County (1856). "Independent cities" established by state law (cities that exercise all county powers as well) included St. Louis City (1876) and Baltimore City (1918). The question for the analysis was, during the past 50 years, into what county could they hypothetically have expanded?

The solution was to place them within the framework of abutting counties on the theory that, but for the constraints of state law, these cities could have been annexing suburbanizing areas. Thus, Baltimore City hypothetically could have been annexing new development in sur-

rounding Baltimore County and Anne Arundel County. To assess properly the capture or contribute rate of the central city within this hypothetical "annexation zone," the analysis added the city's population to the population of the two abutting counties. In 1950, the combined population of the city and the two counties was 1,337,373; by 2000, it had risen to 1,895,104 (a net gain of 557,731). However, Baltimore City's population had shrunk from 949,708 to 651,154 (a net loss of 298,554). Thus, Baltimore City contributed -54 percent to its hypothetical "annexation zone's" growth.[9]

Norfolk, VA (Princess Anne County) and Portsmouth, VA (Norfolk County, Nansemond County) represent special cases given that their abutting counties municipalized as Virginia Beach City, Chesapeake City, and Suffolk City, respectively, to prevent further annexation by Norfolk and Portsmouth. For purposes of analyzing Norfolk and Portsmouth's annexation potential, this survey assumes that converting these counties into municipalities never happened. On the other hand, given that both Virginia Beach and Chesapeake are qualified central cities, in analyzing their elasticity, they are treated as post–1950 city-county consolidations. Another special case is 61-square-mile Washington, DC, specified by the U.S. Constitution as a federal district of 100 square miles. In 1846, Congress returned 39 square miles of the District of Columbia to Virginia. Alexandria City, VA, and Arlington County, VA, are included in Washington, DC's, hypothetical "annexation zone" as if retrocession never occurred.

Although this survey analyzes the interaction of urban elasticity and municipal fiscal health for all 450 central cities for which bond ratings could be located, it focuses on the 106 primary central cities listed in Appendix B. They are all (or have been) designated central cities within metropolitan areas of more than 500,000 residents in Census 2000.[10] With one exception, they all have (or have had) populations in excess of 100,000.[11] All are the primary central city within their home county; secondary central cities are omitted from the analysis. (Thus, for example, within Wayne County, MI, Detroit is included, but Dearborn is omitted; within Pinellas County, FL, Tampa is included, but Clearwater is not.) On the other hand, if two or more central cities share a metropolitan area and meet the minimum population threshold but are located in different counties, both are included (for example, Minneapolis and St. Paul, MN).

Appendix B groups the 106 central cities according to the elasticity categories first developed in *Cities without Suburbs*. They are divided into groups by their relative elasticity: hyperelasticity, high elasticity, medium elasticity, low elasticity, and zero elasticity. Elasticity scores are calculated on the basis of the relative rankings of cities' residential density in 1950 and the degree to which they annexed additional land from 1950 to 2000.

Other independent variables

The study tested a wide range of economic and social indicators against bond ratings initially through single variable regressions. Interestingly, long-term trends in job and income growth both at regional and (where it could be isolated) at city level had relatively low (although statistically significant) explanatory power. City and regional poverty rates and city and regional household income rates had the greatest correlation with bond ratings, and were used as the other independent variables.

Findings

A. A city's ability to annex land from its surrounding county is a primary determinant of its fiscal health. Cities with greater abilities to annex have much higher bond rating scores.

Of 106 principal cities in metropolitan areas of more than 500,000 residents, all that expanded their boundaries, even by as little as 15 percent, between 1950 and 2000 had no less than an A3 bond rating in 2002. All cities with low bond ratings (Baa and Ba) had been unable to expand their boundaries in the face of sprawling regional development (see Table 1).

A city's elasticity, as measured by its capture/ contribute percentage of its county's population change, was the dominant demographic (or socioeconomic) variable correlated with its municipal bond rating in 2002 (see Appendix Table C2 and C3). In effect, in the multivariate analysis, city elasticity totally subsumed the influence of the four economic measures, as none was statistically significant (although each had correlated with bond ratings in single variable regressions).

Hyper-elastic cities captured 64 percent of their county's population growth; high-elastic cities, 48 percent; and medium-elastic cities, 29 percent. All groups averaged lofty Aa2 bond ratings.[13]

Table 1. Bond Ratings by Elasticity Grouping

City Type	Average City Capture/ Contribute Percentage	Average City Elasticity Score	Average Bond Rating
Hyper-elastic	64%	33.5	8.2 (Aa2)
High elastic	48%	29.2	8.1 (Aa2)
Medium elastic	29%	23.4	8.0 (Aa2)
Low elastic	-22%	14.7	6.6 (A1)
Zero elastic	-44%	6.9	5.5 (A3)

Source: Author's calculations.

The correlation between five independent variables (city capture/ contribute percentage, city poverty rate, metro poverty rate, city median household income, metro median household income) and the dependent variable (2002 city bond rating) was 0.49 (see Appendix Table C1). That is a robust correlation considering that another entire dimension of rating agency criteria is not captured by these "environmental" variables. Rating agencies weigh such financial factors as the level of a city's outstanding indebtedness, quality of its fiscal management, limitations and conditions on the city's indebtedness imposed by state law, and so forth, as well as demographic and socioeconomic factors in determining a city's bond rating.[12]

Almost without exception, inelastic cities have contributed to (and not captured) their county's populationchange since 1950 through their sustained population losses. The only central cities that added population without adding land during the past five decades were Miami, San Francisco, Elizabeth and Paterson, NJ, and New York City. All five were returned to the positive side of the population ledger by sizable immigration of Hispanics and Asians in the 1990s. As a group, low-elastic cities' population losses contributed -22 percent of their counties' net change, and they averaged A1 bond ratings,

while zero-elastic cities' population losses accounted for -44 percent of their counties' population change and they averaged even lower A3 ratings.

Analyzing 106 cities individually admits some wide variations (sometimes quite anomalous).[14] Grouping them averages out such anomalies and establishes the central trend. Table 2 extends the analysis to 185 principal cities in metro areas of more than 250,000, grouped by their bond ratings, and calculates the average capture/contribute percentage for each grouping.

Table 2. Population Capture/Contribute Percentage by Bond Rating Group

Bond Rating Group	Number of Cities	Average Capture/Contribute Percentage
Aaa	13	57%
Aa1	14	28%
Aa2	34	39%
Aa3	31	26%
A1	33	15%
A2	16	10%
A3	16	-28%
Baa1	11	-54%
Baa2	8	-37%
Baa3	5	-52%
Ba	4	-61%

Source: Author's calculations.

The correlation between bond ratings and capture/contribute percentages for these grouped categories is a 0.91 (see Appendix Table C3). Even the elasticity scores register a correlation with bond ratings of 0.86. Both are extraordinarily high correlations.

A city's elasticity (whether measured by capture/contribute rates or by arbitrary scale of elasticity scores) determines how well it succeeds in maintaining its market share of sprawling growth. Maintaining (or even increasing) its market share appears to be the dominant factor in determining municipal bond ratings. Expanding, elastic cities maintain growing tax bases and can sell bonds at lower interest rates. They can both meet their own need for municipal facilities and undertake major infrastructure investments that can benefit entire regional economies. Inelastic cities can often do neither; they are highly dependent on state bailouts or state financing of major regional investments.

B. The ability to annex land varies widely by region and state.

Because urban elasticity plays such a central role in determining cities' fiscal health, it is worth examining annexation patterns during the past half-century. Of course, all cities were elastic in their youth, but for the past half-century, annexation trends have varied dramatically. Most high-bond-rated cities are located in big-box states (primarily in the South and West) where land is more easily annexed. Most low-bond-rated cities are in little-box states (primarily in the Northeast and Midwest) where land is more difficult, or impossible, to annex (see Table 3).

In big-box states, municipalities are organized only in more urbanized areas; they are surrounded by unincorporated land that falls under the general authority of county governments. As urbanization continues, elastic cities capture the new development by annexation or, more rarely, by city-county consolidation. In little-box states, all territory is divided among a myriad of cities, villages, boroughs, towns, or townships. Throughout New England, New York, New Jersey, and Pennsylvania, all such jurisdictions have full municipal powers, and their boundaries are immutable; there is not one square inch of unincorporated land. In

Table 3. Average City Bond Rating by Region

Region	Average City Capture/ Contribute Percentage	Average City Elasticity Score	Average City Bond Rating
South	34%	25.8	7.6 (Aa3)
West	34%	25.5	7.8 (Aa2)
Midwest	-20%	16.8	7.2 (<Aa3)
Northeast	-34%	7.1	5.2 (<A3)

Source: Author's calculations.

the Midwest, townships' legal status and political power vary from weak (Indiana) to almost politically unassailable (Michigan). Moreover, in many major metropolitan areas, the traditional central city has become surrounded by incorporated suburbs and can no longer expand. (This is also true of the San Francisco-Oakland and Los Angeles regions.) In little-box regions, inelastic cities typically contribute to their suburbs' growth through population and job loss.

As is illustrated in Appendix B, in the big-box South and West (except for Los Angeles and San Francisco-Oakland), most cities generally continued their long history of annexing significant amounts of land during the 1990s. More than three-fourths of Southern and Western cities fell into the most elastic categories (medium-, high-, and hyper-elastic). A dozen others were low elastic, and only Miami, FL, Wilmington, DE, Washington, DC, and San Francisco, CA, were zero-elastic cities.

By contrast, all Northeastern cities were zero-elastic except low-elastic Albany, NY, and Allentown, PA (each added a few square miles to their municipal territory in the 1950s before state laws foreclosed further annexations). The 22 Midwestern cities were evenly split among the zero-, low-, and medium-elastic categories. Four Midwestern cities (Kansas City, MO; Wichita, KS; consolidated Kansas City-Wyandotte County, KS; and Indianapolis-Marion County, IN) edging into the high-elastic category.

C. Annexation is far from an outmoded, dying practice.

During the 1990s, of approximately 400 central cities that could annex additional land (among 568 total central cities), 249 did annex additional land. Collectively, in just one decade they expanded their municipal territory by 3,041 square miles, nearly an 11 percent increase, or an area larger than the entire state of Delaware. During the past five decades, the nation's central cities as a whole almost tripled in area, from 10,604 square miles in 1950 to 31,405 square miles in 2000.[15]

Through annexation, or city-county consolidation, these elastic cities brought new subdivisions, shopping centers, regional malls, and office and industrial parks within their expanding city limits. Many developments sprang up on vacant land annexed by the city in anticipation of such growth; existing developments that were annexed had often been built to city specifications and were already served by city utilities. In either case, annexation added greatly to city tax bases.

It is true that annexation activity in the 1990s was less than in any previous decade since 1950 (see Table 4). However, closer examination shows that the number of square miles annexed was only slightly lower than in the 1980s and about 85 percent of the rate in the 1950s. The significant annexation during the 1960s and

Table 4. Summary of Annexation Patterns by Decade and City/State Type: 1950-2000

City/State Type	City Area in Square Miles					
	1950	1960	1970	1980	1990	2000
Little Box (rigid) (110 cities)	**2,600**	**2,630**	**2,651**	**2,663**	**2,679**	**2,672**
Decade change		30	21	12	16	-7
Little Box (hard) (51 cities)	**1,064**	**1,244**	**1,441**	**1,545**	**1,633**	**1,726**
Decade change		179	197	105	88	93
Little Box (soft) (87 cities)	**1,396**	**1,845**	**2,560**	**2,818**	**3,115**	**3,432**
Decade change		449	715	257	297	317
Virginia (11 cities)	**166**	**215**	**264**	**325**	**364**	**365**
Decade change		49	50	61	39	1
Consolidated City-County (13 cities)	**185**	**384**	**2,194**	**4,688**	**4,704**	**5,103**
Decade change		199	1,811	2,493	17	399
Big Box (296 cities)	**5,194**	**7,876**	**10,858**	**13,124**	**15,868**	**18,108**
Decade change		2,683	2,982	2,266	2,744	2,240
Total (566 cities)	**10,604**	**14,194**	**19,969**	**25,162**	**28,364**	**31,405**
Decade change		3,589	5,775	5,194	3,202	3,041

Source: U.S. Bureau of the Census, various years.

1970s was the result of significant consolidation efforts, especially in Anchorage, AK, Jacksonville, FL, and Nashville, TN.

To determine how annexation plays out under different regulatory regimes, the center cities were organized into categories on the basis of their state's annexation laws—or lack thereof—from rigid (laws make it nearly impossible to annex), to hard, to soft (easy to annex).

Little Box (rigid) contains the six New England states, New York, New Jersey, and Pennsylvania. All these states are fully divided into municipalities with no unincorporated land. Very infrequently, two jurisdictions (a village and a town, for example) will merge. Such a merger expanded Danbury, CT, from 3.9 square miles to 43.9 square miles in the 1960s. Such mergers accounted for most of the net growth in these 110 zero-elastic cities during the five decades. Most variations in municipal area in this category are the result of either better surveying or coast-land reclamation.[16]

Little Box (hard) covers Michigan, Minnesota, and Ohio. All are divided into townships that legally are not municipalities and therefore subject to annexation. However, their state township associations are very politically powerful and, as the category designation suggests, annexations are difficult to accomplish. The modest level of annexations in this category appears to be trending downward, largely a reflection of the decreasing rate of annexation by the city of Columbus, OH.[17]

Little Box (soft) includes Iowa, Illinois, Indiana, Kansas, Missouri, Nebraska, Wisconsin, and North and South Dakota. All have townships, but they are legally and politically weak and, to degrees that vary from state to state, their lands are annexed with some regularity. The large increase of annexed land in the 1960s was driven largely by Kansas City, MO's, acquisition of land north of its downtown as the site for its

new airport. Three-quarters of these cities have doubled in size since 1950, and one-half have grown by at least 10 percent since 1990.

Virginia occupies a category by itself. Counties overwhelmingly consist of unincorporated land. However, Virginia has a unique, statewide system of "independent cities" that are not part of their surrounding counties. Prior to 1972, Virginia's cities annexed regularly, but in 1972 the counties successfully petitioned the state's General Assembly to impose a moratorium that lasted until 1979, when they were given a veto over annexations.[18] Since then, only Danville has undertaken a major annexation (17 square miles) successfully. Four other census-designated central "cities" in Virginia are classified among the 13 city-county consolidations described below.[19]

City-county consolidations can be considered "super-annexations." Three major consolidations took place during the 1960s involving the cities of Nashville, TN, Jacksonville, FL, and Indianapolis, IN. Several took place in the 1970s, including Anchorage's addition of 1,698 square miles. After no activity in the 1980s, Athens (Clarke County), GA; Augusta (Richmond County), GA; and Kansas City (Wyandotte County), KS, consolidated in the 1990s. Louisville's merger with Jefferson County occurred in 2003. See Appendix A.

The big-box category refers to 296 central cities in 28 states.[20] As Table 4 illustrates, this is by far the largest category of cities—both in terms of the number of places represented as well as the amount of land annexed. These cities together grew by 2,240 square miles during the 1990s (about three-quarters of all annexation activity in the nation).

Based on this historical examination, one can make assumptions about where future annexation could occur. Most activity will surely take place in the big-box and little-box (soft) categories where annexation is still widely practiced. But beyond such a broad statement, specific predications are more challenging.

Ascertaining how much annexable land remains in the high-annexation regions is subject to a variety of factors, including how different state annexations laws function, the status of different municipal competitors, and how much land is developable and therefore potentially desirable for annexation.[21]

Policy Implications and Recommendations

In an age of sprawl, municipal annexation remains the nation's most successful urban policy. However, this is not an issue controlled by the federal government.[22] Whether cities can annex is the result of different "rules of the game" adopted by 50 state legislatures (although sometimes the laws' origins have been lost from institutional memory and customary arrangements are enshrined as if written on tablets of stone).[23]

State legislatures everywhere have the constitutional power to rewrite state statutes governing annexation and municipal incorporation as they see fit. States have absolute power over cities, and the extent of that power was extravagantly emphasized by the United States Supreme Court in *Hunter v. City of Pittsburgh* (1907):

> The State ... at its pleasure may modify or withdraw all [city] powers, may take without compensation [city] property, hold it itself, or vest it in other agencies, expand or contract the territorial area, unite the whole or a part of it with another

> municipality, repeal the charter and destroy the corporation. All this may be done, conditionally or unconditionally, with or without the consent of the citizens, or even against their protest. In all these respects the State is supreme, and its legislative body, conforming its action to the state constitution, may do as it will, unrestrained by any provision of the Constitution of the United States.

State legislatures should have a vital interest in ensuring the fiscal viability of their state's municipalities, particularly their major cities.

In the context of practical politics, however, there is no turning back the clock. The New York General Assembly, for example, will not turn New York (no annexation law) into North Carolina (the nation's most flexible annexation law). In fact, the pressure is in the opposite direction. Recent transplants from New York moving into a new subdivision outside Charlotte may shortly find their subdivision routinely annexed by Charlotte by simple city council resolution. As more such little-box natives migrate to big-box states, they often form the core of campaigns to restrict municipal annexation.

Because little-box state legislatures will not reinstitute annexation laws, inelastic cities might appear doomed. However, legislatures could enact progressive *functional* policies to counter current trends of constant peripheral development and core abandonment.

Little-box state agenda

To counteract the decline of central cities and, increasingly, of older suburbs, state legislatures in little-box states must implement three key policies that will allow them to act as a big box on issues that transcend municipal boundaries. Such functional policies might be termed "elasticity mimics."[24]

Implement regional fair-share housing policies. *Use regional inclusionary zoning and other mixed-income housing strategies to integrate low-income households into middle-class communities to diminish racial and economic segregation and eliminate concentrated poverty.*

"Public policy dictates where development occurs," states the National Association of Home Builders (surely no champions of governmental regulation).[25] Through planning and zoning powers, local governments shape what gets built where for whose benefit, affecting, in particular, the local housing market. A broad-based, big-box government is not generally as afflicted with the "not-in-my-backyard" syndrome as is a narrow-based, little-box government. A big-box government can carry out inclusionary zoning policies that require private, for-profit homebuilders to create mixed-income rather than economically segregated housing developments. In many highly fragmented metro areas, however, many little-box governments will not adopt such politically controversial policies without being compelled to do so by state legislatures or state courts (as has occurred most notably in New Jersey through the *Mt. Laurel* decisions).

Promote Regional Growth Management. *Implement regional land use and transportation planning and growth management strategies to control suburban sprawl and reverse urban disinvestments.*

Suburban sprawl does not just happen as the natural outcome of unfettered, "free market" forces. Sprawl is the result of interlocking federal, state, and local policies that set the framework for private investment. State legislatures have delegated broad planning and

zoning powers to local governments to regulate land development. If it has the political will, a big-box government (particularly one with extraterritorial zoning power) can promote more compact development, preserve farmland and natural areas, and encourage reinvestment in older residential and commercial areas. Within a little-box region, it is virtually useless (and even perilous) for a single little box to undertake such policies by itself. Getting all neighboring little boxes to act as one invariably requires state mandates or very powerful state incentives.

Promote Regional Tax Base Sharing. *Implement regional tax base sharing to reduce fiscal imbalances that result from uneven growth and socioeconomic imbalances.*

By taxing a larger share of a region's wealth, a big box matches resources to problems. A big box is implicitly a tax-base-sharing mechanism; it taxes richer neighborhoods to maintain adequate services in poorer neighborhoods. In little-box regions, however, richer and poorer neighborhoods are separate governments unto themselves. Poorer communities have no way of tapping the wealth of richer communities without the intervention of state government. State legislatures should mandate regional tax-base-sharing programs such as the Twin Cities Fiscal Disparities Plan, or greatly strengthen compensatory state aid to municipalities as in Wisconsin's Shared Revenue Program.

Tax base sharing alone would be inadequate; no feasible amount of money can salvage isolated inner cities and declining inner suburbs. Unfettered urban sprawl promotes economic segregation and constantly threatens inelastic cities and older suburbs with slow abandonment. "Fair share" housing programs are slow to take hold and are most effective within a vigorously expanding housing market. All three strategies are inseparable and indispensable parts of a successful approach.

Big-box state agenda

Big boxes also exist within multi-jurisdictional regions, and big boxes would benefit from the same regional tools outlined above, just less so. With the exception of Oregon's powerful, anti-sprawl land use law (now under attack), typical state "smart growth" laws serve big boxes less well than active annexation programs combined with extraterritorial zoning powers. A city's working poor are more likely to escape high-poverty ghettos and barrios and settle into inclusionary housing in mixed-income neighborhoods within an expanding city than in neighboring jurisdictions that, understandably, extend priority for inclusionary housing to their own low-income residents and workers. No regional tax-base-sharing program will match the benefits provided by having 100 percent of a city's revenue-producing property within its own expanding borders.

Defend or Strengthen Annexation Laws

In practical terms, the challenge in big-box states is more to protect than to improve on existing annexation laws. In general terms, a model state annexation statute would:

1. Set forth the standards by which an annexation would be deemed to serve the general public interest;
2. Authorize annexation to be initiated either by petition by landowners or resolution by city council;
3. Require public hearings and due process;
4. Authorize annexation to be consummated by council action alone; and
5. Extend to affected landowners the right of appeal to the state's district court in the event landowners are aggrieved because the annexation was approved or rejected in violation of state standards or should

the city subsequently fail to fulfill its commitments to extend services and needed infrastructure.

Facilitate City-County Consolidation.

A special form of super-annexation is city-county consolidation. Only 15 states have specific statutes authorizing and procedures for city-county consolidation. Of these, six states are in the West, six in the South, three in the Midwest. None are in the Northeast, where counties often hardly exist as meaningful governmental units.

The absence of authorizing legislation, however, does not preclude most legislatures from implementing specific city-county consolidations as legislative acts. Such, indeed, was the path followed successfully in consolidating Indianapolis-Marion County as well as, a century ago, in creating New York City.

Uniform state laws should be enacted to encourage city-county consolidation. The desirable provisions of such laws would include:

1. Establishing a consolidation charter commission by action of city and county government;
2. Authorizing the creation of urban and rural service districts (with different tax levels) within a consolidated government;
3. Authorizing the inclusion of traditional county functions (sheriff, assessor, clerk, and so on) in the consolidated government; and
4. Authorizing approval of the consolidated government by a single referendum of all affected voters (no single-jurisdiction veto).

Limit New Municipalities.

The ease or difficulty with which new municipalities are formed strongly influences how extensively urbanizing areas are fragmented into multiple local governments. Virtually all states in the South, West, and Midwest set some limitations for minimum population, minimum area, or minimum tax base. These limitations, however, tend to be modest. With the exception of New York (whose law is an anachronism given that new municipalities essentially cannot be formed), Northeastern states are silent on the matter. In effect, the geopolitical maps of New England, New Jersey, New York, and Pennsylvania are set in perpetuity.

Requirements for minimum population, minimum area, and minimum tax base should be set considerably higher than prevailing standards. State law should also establish a substantial zone around existing municipalities within which the existing government can veto the incorporation of new municipalities or other public bodies, such as quasi-public water and sewer districts. Sixteen states require a minimum distance between the proposed and existing municipalities. (In New Mexico, for example, the distance is five miles.) This is perhaps the most useful requirement limiting the formation of new municipalities.

Finally, municipalities should be classified on the basis of population size. Large cities should be given the presumptive authority over smaller cities to annex contested lands or even to absorb smaller cities in quasi-consolidation actions. Small municipalities, in turn, should have the right to appeal such actions to the state district court.

Conclusion

None of these changes in the "rules of the game" are easy to achieve politically, particularly in inelastic, fiscally stressed central cities. Legislatures typically delude themselves by adopting "band-aid" remedies for life-threatening diseases, such as placing Camden, NJ, under

state receivership or bringing Buffalo, NY, under a state fiscal control board or extending special state financial aid (Act 47) to Pittsburgh. Without fundamental reform, the list of the Camdens, Buffalos, and Pittsburghs will simply grow decade by decade.

The profound disparities affecting inelastic cities will not be solved by better management alone. "What gets built where for whose benefit?" is always the basic regional issue. For decades the answers have steadily sapped the vitality of inelastic central cities and, more recently, many of their older suburbs. Such trends must be reversed. They will not be reversed by flashy "urban revitalization" initiatives that look significant but do not dramatically reshape the directions of public and private investment.[26]

What *will* motivate state and local governments to change their ways are politically powerful grassroots regional reform movements. Building political coalitions to achieve fundamental reforms in the "rules of the game" is hard, time-consuming work. To reach critical mass politically to bring about fundamental reforms, many different interest groups must come together. Partners in such regional reform coalitions should include environmental groups, affordable housing advocates, civil rights organizations, farmland preservation groups, regional planning advocates, progressive labor unions, urban studies centers, and, of course, alliances of declining central cities and older suburbs.

Two players are essential: business organizations and interfaith coalitions. Respected business groups bring access, influence, credibility, and resources to the regional reform movement. The business groups, however, cannot mobilize large numbers of people. For that, we must look to networks of faith-based coalitions committed to changing the rules of the game through metropolitan- and state-level action. Affiliated with the Chicago-based Gamaliel Foundation, faith communities are organizing across denominational lines, across racial, ethnic and class divides, and across city, town, and township boundaries for political action. Their targets are city halls, county courthouses, and, above all, state capitols—and they are achieving some notable victories.

APPENDIX A

Successful Central City-County Consolidations after 1950	"Stand-Alone" Central Cities Nested Within Their Abutting Counties (in parentheses) Include:
Hampton-Elizabeth City County VA (1952)	New York City (Nassau, Westchester)
Newport News-Warwick County VA (1957)	Philadelphia (Bucks, Chester, Delaware, Montgomery)
Nashville-Davidson County TN (1962)	San Francisco (San Mateo)
South Norfolk-Norfolk County VA (1962)[a]	Baltimore (Anne Arundel, Baltimore County)
Virginia Beach-Princess Anne County VA (1962)	St. Louis (St. Louis County)
Jacksonville-Duval County FL (1967)	New Orleans (Jefferson Parish)
Indianapolis-Marion County IN (1969)	Denver (Adams, Arapahoe, Jefferson)
Columbus-Muscogee County GA (1970)	
Lexington-Fayette County KY (1972)	And Virginia's network of "independent cities:"
Suffolk-Nansemond County VA (1972)	Richmond (Chesterfield, Henrico)
Anchorage-Anchorage Borough AK (1975)	Norfolk (Princess Anne)
Houma-Terrebone Parish LA (1984)	Portsmouth (Nansemond, Norfolk County)
Athens-Clarke County GA (1990)	Roanoke (Botetourt, Roanoke County)
Lafayette-Lafayette Parish LA (1992)	Charlottesville (Albemarle)
Augusta-Richmond County GA (1995)	Danville (Pittsylvania)
Kansas City-Wyandotte County KS (1997).	Lynchburg (Amherst, Campbell)
Louisville-Jefferson County KY (2003)[b]	

[a] - *renamed Chesapeake City*

[b] - *falls outside the time frame of this study*

APPENDIX B. Elasticity-Bond Ratings of 106 Principal Cities in Metro Areas with Populations Greater than 500,000

		Numeric Change 1950–2000						
City	Region	Square Miles of City	Population of City	Population of County	Capture/Contribute Percentage	Moody's City Bond Rating, 2002	City Bond Rating Score, 2002	City Elasticity Score
21 Hyper-Elastic Cities,		5,225	10,238,810	19,374,127	**64%**[a]	Aa2[b]	8.2	33.5
Virginia Beach-Princess,	S	246	419,867	388,980	100%[c]	Aa1	8.5	39.0
Oklahoma City, OK	S	556	262,628	335,096	78%	Aa2	8.0	37.0
Tucson, AZ	W	185	441,245	702,530	63%	Aa2	8.0	35.5
Colorado Springs, CO	W	176	315,418	442,676	71%	Aa3	7.5	35.5
Las Vegas, NV	W	89	453,810	1,327,476	34%	Aa3	7.5	35.5
Austin, TX	S	219	524,103	651,300	80%	Aa2	8.0	35.0
Phoenix, AZ	W	458	1,214,227	2,740,379	44%	Aa1	8.5	35.0
Charlotte, NC	S	212	406,786	498,402	82%	Aaa	10.0	34.0
Bakersfield, CA	W	106	212,273	433,336	49%	Aa3	7.5	34.0
Jacksonville-Duval, FL	S	727	531,100	474,850	94%[c]	Aa2	8.0	34.0
El Paso, TX	S	224	433,177	484,654	89%	A1	6.5	33.0
Nashville-Davidson, TN	S	451	371,217	248,133	95%[c]	Aa2	8.0	33.0
San Jose, CA	W	158	799,663	1,392,038	57%	Aa1	8.5	33.0
Houston, TX	S	419	1,357,468	2,593,877	52%	Aaa	10.0	32.0
San Antonio, TX	S	338	736,204	892,471	82%	Aa2	8.0	32.0
San Diego, CA	W	225	889,013	2,257,025	39%	Aa2	8.0	31.5
Anaheim, CA	W	24	313,458	2,630,065	12%	Aa2	8.0	31.5
Albuquerque, NM	W	133	351,792	411,005	86%	Aa3	7.5	31.0
Little Rock, AR	S	95	80,920	164,789	49%	Aa3	7.5	31.0
Winston Salem, NC	S	90	97,965	159,932	61%	Aaa	10.0	31.0
Charleston, SC	S	92	26,476	145,113	18%	Aa2	8.0	31.0
19 High-Elastic Cities, Total/Average		2,408	3,506,563	7,975,339	**48%**[a]	Aa2[b]	8.1	29.2
Orlando, FL	S	79	133,584	781,394	17%	Aa2	8.0	30.5

City	Region	Numeric Change 1950–2000			Capture/Contribute Percentage	Moody's City Bond Rating, 2002	City Bond Rating Score, 2002	City Elasticity Score
		Square Miles of City	Population of City	Population of County				
Dallas, TX	S	231	754,118	1,608,100	47%	Aaa	10.0	30.5
Greensboro, NC	S	87	149,502	229,991	65%	Aa1	8.5	30.5
Raleigh, NC	S	104	210,414	491,396	43%	Aaa	10.0	30.5
Fresno, CA	W	89	335,983	522,892	64%	A1	6.5	30.5
Fort Worth, TX	S	199	255,916	1,084,966	24%	Aa1	8.5	30.0
Kansas City, MO	MW	233	-15,077	113,845	-13%	Aa3	7.5	30.0
Indianapolis-Marion, IN	ME	306	354,697	308,677	83%	Aaa	10.0	30.0
Columbia, SC	S	112	29,364	178,112	16%	Aa2	8.0	29.5
Tulsa, OK	S	156	210,309	311,613	67%	Aa2	8.0	29.5
Memphis, TN	S	175	254,100	415,079	61%	Aa2	8.0	29.0
Hampton-Elizabeth City	S	51	140,471	85,443	100% [c]	Aa2	8.0	29.0
McAllen, TX	S	37	86,347	409,017	21%	A1	6.5	29.0
Mobile, AL	S	93	69,906	168,738	41%	A2	6.0	28.5
Durham, NC	S	81	115,724	121,675	95%	Aaa	10.0	28.5
Tampa, FL	S	93	178,766	762,233	23%	Aa2	8.0	28.0
Kansas, City-Wyandotte, KS	MW	106	17,313	-7,436	*13%*	A2	6.0	28.0
Wichita, KS	MW	110	176,005	230,579	76%	Aa2	8.0	27.5
Knoxville, TN	S	67	49,121	159,025	31%	Aa2	8.0	26.5
18 Medium-Elastic Cities		1,093	2,082,748	10,764,219	**29%** [a]	Aa2	8.0	23.4
Columbus, OH	MW	171	335,569	565,568	59%	Aaa	10.0	26.0
Newport News-Warwick, VA	S	64	137,792	97,917	100% [c]	Aa2	8.0	26.0
Sacramento, CA	W	80	269,446	946,359	28%	Aa2	8.0	25.5
Vancouver, WA	W	34	101,896	259,931	39%	Aa3	7.5	25.0
Birmingham, AL	S	85	-83,217	103,119	-81%	Aa3	7.5	25.0
Baton Rouge, LA	S	47	102,189	254,616	40%	A1	6.5	24.5
San Bernardino, CA	W	39	122,343	1,427,792	9%	A1	6.5	24.0

City	Region	Numeric Change 1950–2000			Capture/Contribute Percentage	Moody's City Bond Rating, 2002	City Bond Rating Score, 2002	City Elasticity Score
		Square Miles of City	Population of City	Population of County				
Salt Lake City, UT	W	55	-31,061	623,492	-5%	Aaa	10.0	24.0
Riverside, CA	W	39	208,402	1,375,341	15%	A1	6.5	23.5
Fort Wayne, IN	MW	60	72,120	148,127	49%	Aa2	8.0	23.5
Omaha, NE	MW	75	138,890	182,565	76%	Aaa	10.0	23.0
Denver, CO[d]	W	87	138,850	1,369,504	10%	Aa1	8.5	23.0
Atlanta, GA[e]	S	95	85,160	871,904	10%	Aa3	7.5	23.0
Joliet, IL	MW	30	54,620	367,930	15%	Aa3	7.5	22.0
Portland, OR	W	70	155,493	188,949	82%	Aaa	10.0	21.5
Aurora, IL	MW	28	92,414	253,731	36%	A1	6.5	21.5
Fort Lauderdale, FL	S	13	116,069	1,539,085	8%	Aa2	8.0	20.5
Ann Arbor, MI	MW	20	65,773	188,289	35%	Aa2	8.0	19.5
19 Low-Elastic Cities, Total/		272	765,284	11,245,561	**-22%**[a]	A1[b]	6.6	14.7
St. Petersburg, FL	S	7	151,494	749,054	20%	A1	6.5	18.0
Portsmouth, VA[d]	S	0	20,526	103,399	19%	A1	6.5	18.0
Richmond, VA[d]	S	23	-32,520	391,943	-8%	A1	6.5	17.0
Dayton, OH	MW	31	-77,693	160,621	-48%	A2	6.0	17.0
Norfolk, VA[d]	S	26	20,890	399,480	5%	A1	6.5	16.5
Toledo, OH	MW	42	10,003	59,503	17%	A3	5.5	16.5
Milwaukee, WI	MW	46	-40,418	69,117	-58%	Aa2	8.0	16.0
Los Angeles, CA	W	18	1,724,462	5,367,651	32%	Aa3	7.5	15.5
Tacoma, WA	W	2	49,883	424,944	12%	A1	6.5	15.0
Akron, OH	MW	8	-57,531	132,867	-43%	A1	6.5	15.0
Grand Rapids, MI	MW	21	21,285	286,043	7%	Aa3	7.5	15.0
Louisville, KY	S	22	-112,898	208,989	-54%	Aa3	7.5	14.0
New Orleans, LA[d]	S	-19	-85,771	265,812	-32%	Baa2	4.0	13.5
Seattle, WA	W	13	95,783	1,004,042	10%	Aa1	8.5	13.0

City	Region	Numeric Change 1950–2000			Capture/Contribute Percentage	Moody's City Bond Rating, 2002	City Bond Rating Score, 2002	City Elasticity Score
		Square Miles of City	Population of City	Population of County				
Albany, NY	NE	2	-39,337	55,179	-71%	A3	5.5	12.5
Cincinnati, OH	MW	3	-172,713	-121,351	-100%	Aa1	8.5	11.5
Allentown, PA	NE	2	-124	113,893	0%	A3	5.5	11.5
Oakland, CA	W	3	14,909	706,426	2%	A1	6.5	11.5
Chicago, IL	MW	20	-724,946	867,949	-84%	A1	6.5	11.5
29 Zero-Elastic Cities, To-		17	-4,493,901	8,429,730	-44%[a]	A3	5.5	6.9
Youngstown, OH	MW	1	-86,304	-74	-100%	Baa3	3.5	10.5
Miami, FL	S	1	113,194	1,758,278	6%	Baa2	4.0	10.0
Wilmington, DE	S	1	-37,692	281,386	-13%	A2	6.0	10.0
Springfield, MA	NE	0	-10,317	184,677	-6%	Baa3	3.5	9.0
Worcester, MA	NE	1	-30,838	235,053	-13%	A3	5.5	9.0
Philadelphia, PA[d]	NE	8	-554,055	706,979	-78%	Baa1	4.5	8.5
Jersey City, NJ	NE	2	-58,962	-38,462	-100%	Baa3	3.5	8.5
St. Paul, MN	MW	1	-24,198	155,703	-16%	Aa2	8.0	8.0
New Haven, CT	NE	1	-40,817	278,224	-15%	A3	5.5	8.0
Baltimore, MD[d]	S	2	-298,554	557,729	-54%	A1	6.5	8.0
Cleveland, OH	MW	3	-436,405	4,446	-100%	A1	6.5	8.0
Pittsburgh, PA	MW	1	-342,243	-233,571	-100%	A3	5.5	8.0
Buffalo, NY	NE	1	-287,484	51,027	-100%	Baa2	4.0	7.0
San Francisco, CA[d]	W	2	1,376	472,878	0%	Aa3	7.5	7.0
Camden, NJ	NE	0	-44,651	208,189	-21%	Ba2	2.0	7.0
Elizabeth, NJ	NE	1	7,751	-112,346	6%	A3	5.5	7.0
Paterson, NJ	NE	0	9,886	151,956	7%	Baa2	4.0	7.0
Minneapolis, MN	MW	1	-139,100	439,621	-32%	Aa1	8.5	6.5
Syracuse, NY	NE	0	-73,277	116,617	-63%	Baa1	4.5	6.0
Providence, RI	NE	1	-75,056	451,410	-17%	Baa1	4.5	5.5

City	Region	Numeric Change 1950–2000			Capture/Contribute Percentage	Moody's City Bond Rating, 2002	City Bond Rating Score, 2002	City Elasticity Score
		Square Miles of City	Population of City	Population of County				
St. Louis, MO[d]	MW	1	-508,607	101,359	-100%	A3	5.5	5.5
Cambridge, MA	NE	0	-19,385	400,827	-8%	Aaa	10.0	5.5
Rochester, NY	NE	0	-112,715	297,113	-38%	A2	6.0	5.0
Hartford, CT	NE	0	-55,819	678,046	-8%	A1	6.5	5.0
Washington, DC[f]	S	0	-230,119	-109,619	-100%	Baa1	4.5	4.0
Detroit, MI	MW	-1	-898,298	-374,073	-100%	Baa1	4.5	4.0
Boston, MA[d]	NE	1	-212,303	802,930	-26%	Aa2	8.0	4.0
Newark, NJ	NE	0	-165,230	-112,316	-100%	Baa1	4.5	4.0

[a] *Averages for each elasticity category are nonweighted means. For the category as a whole (for example, hyper-elastic cities' total population increase of 10,238,810 represented a capture rate of 53 percent of their central counties' total population increase of 19,374,127), the capture/contribute percentages were: hyper-elastic, 53 percent; high elastic, 44 percent; medium elastic, 19 percent; low elastic, 7 percent; and zero elastic, -53 percent.*

[b] *Post-1950 city-county consolidation: percentage reflects percentage of population excluding surviving unconsolidated municipalities.*

[c] *"Independent city": county area includes one or more adjacent counties.*

[d] *Atlanta includes both Fulton and DeKalb counties.*

[e] *Washington, DC includes Alexandria City and Arlington County (formerly part of DC)*

APPENDIX C. Regression Results

Table C1. Linear Regression Results I: Five "Environmental" Variables
(Y = Moody's municipal bond rating in 2002; adjusted r-square (correlation) 0.49; standard error 1.25 [10-point scale]; *N* = 106 cities)

Independent Variables	*t* statistic
X1 = city capture/contribute percentage (1950-2000)	+3.70 ***
X2 = city poverty rate (1999)	-1.47
X3 = metro poverty rate (1999)	-1.16
X4 = city median household income (1999)	+0.51
X5 = metro median household income (1999)	-0.53

*** $p \leq .01$

The *t*-statistic for city capture/contribute percentage is the only variable that reaches statistical significance, and its sign is positive; in other words, the greater the percentage of its county's population growth that the city captures, the higher its bond rating. Of the four economic variables, city poverty rate (-1.47) verges on the margin of statistical significance at the 90 percent probability level (a *t-statistic* of 1.64 or more would be required), but the other three economic factors do not come close. For both city and metro poverty rates, the sign is negative, indicating that the higher the poverty rate, the lower the bond rating. As anticipated, the higher a city's median household income, the higher its bond rating (a positive sign). However, the sign reverses for metro median household income: the higher the metro median household income, the lower the central city's bond rating. Although the result appears counterintuitive, many of the regions with the highest median household incomes are in the Northeast and coastal California, where the regions surround completely inelastic cities. However, these regions also have the nation's highest cost of living. Adjusting median household incomes for differences in costs of living, that is, analyzing real rather than nominal incomes, would eliminate this anomaly. I did not do so, however, because I doubted that rating agencies themselves make such adjustments.

Table C2. Linear Regression Results II: Five "Environmental" Variables plus Financial Management Variable (Y = Moody's municipal bond rating in 2002; adjusted r-square (correlation) 0.52; standard error 1.20 [10-point scale]; $N = 106$ cities)

Independent Variables	*t* statistic
X1 = city capture/contribute percentage (1950-2000)	+3.50 ***
X2 = city poverty rate (1999)	-0.77
X3 = metro poverty rate (1999)	-1.60
X4 = city median household income (1999)	+0.93
X5 = metro median household income (1999)	-0.94
X6 = quality of financial management (2003)	+2.94 ***

*** $p \leq .01$

Table C3. Linear Regression Results III
(Y = Moody's municipal bond rating in 2002; adjusted r-square (correlation) 0.91; standard error 0.73 [10-point scale]; $N = 11$ groupings by common bond rating)

Independent variable	*t* statistic
X = city capture/contribute percentage (1950-2000)	+9.83 ***

*** $p \leq .01$— however, the number of data points (11) severely limit the statistical reliability.

Endnotes

1. See David Rusk, Inside Game/Outside Game (Washington: Brookings, 1999), p. 127.b
2. See, for example, Helen F. Ladd and John Yinger, America's Ailing Cities: Fiscal Health and the Design of Urban Policy (Baltimore, MD: Johns Hopkins University Press, 1991).
3. David Y. Miller, The Regional Governing of Metropolitan America (Boulder, CO: Westview Press, 2002), pp. 126-128; and Jerry Paytas, "Does Governance Matter? The Dynamics of Metropolitan Governance and Competitiveness." Working paper (Carnegie Mellon Center for Economic Development, 2002).
4. Thanks to the special diligence of David A. Timko, Reference Librarian at the U.S. Bureau of the Census Library, who tracked down a rare census publication.
5. See David Rusk, Cities without Suburbs, 3rd ed. (Baltimore, MD: Woodrow Wilson Center/Johns Hopkins University Press. 2003) for a full discussion of the consequences of urban elasticity and inelasticity.
6. To limit extreme statistical outliers, I capped capture/contribute rates at maximum values of +100 percent or -100 percent.
7. The capital region's fourth central city, newly designated Saratoga Springs, is the exception that proves the rule. In 1950, as the result of a pre-1950 village-town consolidation, Saratoga Springs "City" was really a "village" with a "town's" geography. It had only 15,473 residents for an area of 27.9 square miles. Its population density was 555 persons per square mile, the third lowest of 57 urban centers in New York's 57 counties. Cities of comparable geographic area were Buffalo (39.4 sq. mi.; pop. 580,152; 14,724 persons per sq. mi.); Rochester (36.0; 332,488; 9,236 per sq. mi.), and Syracuse (25.3; 220,583; 8,719 per sq. mi.). With most of its population in 1950 clustered around its "village" core, Saratoga Springs had ample vacant land into which it could expand, and Saratoga Springs has been suburbanizing within its own largely vacant city boundaries. The Census Bureau has now designated a Saratoga Springs urbanized area of 36.9 sq. mi. and 51,072 urbanized residents in 2000. Saratoga Springs City itself contained 76 percent of all urbanized land and 51 percent of all urbanized residents, higher percentages of an urbanized area's land and population than any other New York city can claim. Within New York's 57 counties, Saratoga Springs was the one urban center that was comparatively better off in 2000 than in 1950. It had an A1 bond rating in 2002, two small steps better than Albany's, but four giant steps behind the North Carolina cities' Aaa-ratings.
8. No smaller municipality has ever joined the merger of a central city and county anywhere. Thus, Nashville-Davidson County still had seven smaller municipalities with 4.4 percent of the county's population in 2000; Jacksonville-Duval County, four with 5.4 percent; Indianapolis-Marion County, three with 9.2 percent; Athens-Clarke County, two with 1.2 percent; Augusta-Richmond County, two with 2.4 percent; and Kansas City-Wyandotte, three with 7.2 percent. After consolidation, Louisville-Jefferson County still contained 83 smaller municipalities totaling 20.5 percent of the population.
9. See Appendix A.
10. Elizabeth, NJ, and Paterson, NJ (both still included in this study) are among 29 former central cities that were de-designated as central cities before Census 2000.
11. Albany, NY, Camden, NJ, Wilmington, DE, and Youngstown, OH, have all dropped below 100,000 after several decades of shrinking population. The one exception is Charleston, SC (96,650), which is so close to my population minimum and annexed so much land in the past decade (the nearly-vacant Daniel Island) that I felt justified in including Charleston in the study.
12. In an effort to fill in the unexplained half of the correlation attributable to financial factors, I experimented with using whether a city had been awarded a "Certificate for Achievement for Excellence in Financial Reporting" by the Government Finance Officers Association in 2003 as a proxy for the quality of its fiscal management. Adding this sixth independent variable raised the correlation from 0.49 to 0.52 (see Appendix C). This variable joined elasticity as significantly correlated to bond ratings.
13. The only real population loser within the elastic groups was Birmingham, AL, which, with its Northern-style coal-and-steel economy collapsing, found itself also surrounded by more Northern-style, virtually "whites-only" suburbs than any other Southern city, a reality that offset its major annexations in the 1980s.
14. For instance, zero-elastic Cambridge, MA, sports a blue-chip Aaa bond rating. How many other zero-elastic cities are home to Harvard and MIT and sit just across the river from downtown Boston? Similarly, the only Aaa-rated city that lost population, medium-elastic Salt Lake City, might be more properly categorized with the world's smallest (108.7 acres) but undoubtedly richest independent municipality, Vatican City.
15. This tabulation actually covers 568 current or former central cities, including 42 former central cities that the federal Office of Management and Budget had

de-designated as such before Census 2000. The 1950 census included only 193 designated central cities in 168 metropolitan areas. By Census 2000, the number had increased to 541 central cities in 331 metropolitan areas. I have tracked the population and municipal area covered by 568 current or former central cities dating back to the 1950 census. Omitted are Honolulu, HI (a nonmunicipality) and 14 current central cities that were either too small for data on their municipal area to have been reported by the 1950 census or that did not yet exist at all.

16. However, the net loss was mostly real when New York City lost contested tidal flats around Ellis Island to New Jersey in a case decided by the U.S. Supreme Court. New Jersey v. New York, 523 U. S. 767 (1998).
17. Of Ohio's major cities, only Columbus and Springfield still annex; the rest are now totally surrounded by incorporated suburbs, many of which were townships that municipalized to escape annexation by their central cities. Rochester is the only consistently expanding city in Minnesota, based on long-term, collaborative agreements with its surrounding townships. The only Michigan central city that has annexed steadily over the decades is Midland, which controls the regional water system and has a long-standing policy of "No Annexation, No Water." See City of Midland, MI, Planning Department, "Evolution of an Urban Growth Policy" (undated), available at www.midland-mi.org/government/departments/planning/Planning/muga.htm.
18. Roger Richman, "Formal Mediation in Intergovernmental Disputes: Municipal Annexation Negotiations in Virginia," Public Administration Review 45 (4) (1985): 510-517.
19. During the 1950s, Hampton (Elizabeth City County) and Newport News (Warwick County) absorbed their surrounding counties. In 1962, 248-sqare-mile Princess Anne County "consolidated" with 2-square-mile, 5,000-resident Virginia Beach to become the "City of Virginia Beach" to halt annexations into Princess Anne County by Norfolk. In the 1970s, Suffolk (Nansemond County) and Chesapeake (nee South Norfolk/Norfolk County) did the same to forestall annexations by both Norfolk and Portsmouth. In effect, the "cities" of Virginia Beach, Suffolk, and Chesapeake are really suburban counties.
20. States in this category are Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Kentucky, Louisiana, Maryland, Mississippi, Montana, Nevada, New Mexico, North Carolina, South Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia, and Wyoming.
21. For example, California law readily permits annexation, but parts of the state are so densely developed and so filled with suburban municipalities that the annexation potential for cities such as San Francisco, Oakland, and Los Angeles is nonexistent, while places such as Bakersfield and Fresno continue to annex steadily. Some state laws also prohibit a city from crossing county lines, while others have no such restriction. Oklahoma City, for example, covers parts of four counties.
22. For certain states, however, annexations must be reviewed and approved by the U.S. Department of Justice under Title V of the Voting Rights Act of 1965 to prevent actions prejudicial to minority voters.
23. See Rusk Inside Game/Outside Game for how the old Northwest Territory became little-box states.
24. I am indebted to Dr. John P. Blair of Wright State University for coining the phrase "elasticity mimics."
25. National Association of Home Builders, "Smart Growth: Building Better Places to Live, Work, and Play" (2000), p. 8.
26. For example, the New Jersey legislature appropriated $175 million for the multi-year Camden Recovery Act, but $1.7 billion in federal-state highway funds will be spent in Camden's suburbs over the next three fiscal years. Camden has seen an increase in private investment of $4 million to $5 million per year in recent years (and projects totaling hundreds of millions of dollars are on the drawing boards), but actual new private investment in Camden's suburban area averages an estimated $1.2 billion annually. See Melanie Burney and Dwight Ott, "Judge Allows Camden Recovery Act," Philadelphia Inquirer, March 19, 2003, p. B1.

ACKNOWLEDGMENTS

The author would like to thank the North Carolina League of Municipalities for commissioning the original study of the relationship of annexation and municipal fiscal health.

The Brookings Institution Metropolitan Policy Program would like to thank the Fannie Mae Foundation, the George Gund Foundation, the Joyce Foundation, the Ford Foundation, the John D. and Catherine T. MacArthur Foundation, and the Charles Stewart Mott Foundation for their support of our work on metropolitan trends. Anthony Downs and Mark Muro provided detailed and thorough reviews of this paper.

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Rosa Kelley (Rep. Thomas)

From: Ann Jordan (Rep. Goforth)
Sent: Tuesday, April 15, 2008 3:34 PM
To: Rosa Kelley (Rep. Thomas)
Subject: FW: Ideas

From: Douglas B. Aitken [mailto:daitken@nc.rr.com]
Sent: Monday, April 14, 2008 9:18 PM
To: Rep. Paul Luebke; Rep. D. Bruce Goforth
Cc: Giles Perry (Research)
Subject: Ideas

Gentlemen:

In addition to the list I gave the Committee at our first meeting, here are some additional ideas developed during our four meetings.

1. We have not done a lot on satellite annexations. What is obvious to me is that municipalities use the General Assembly today in the same way the General Assembly was used back in the fifties. Just look at the number of local bills passed in the prior session concerning satellite annexations. The General Assembly passed bills which actually removing pertinent sections of the existing satellite annexation law for certain cities.

At our last meeting, you heard the comments from the folks in Shallote and how satellite annexations are being abused by that town.

Here are three suggestions they had:

First, require an inter-local planning agreement between a town and the appropriate county before an exemption is granted or before additional annexations are allowed under existing exemptions.

Second, repeal an exemption if a town continues to satellite annex beyond 50% of its primary corporate area.

Third, repeal an exemption if a challenge to a satellite annexation or rezoning, other than those based on procedure, is upheld by the Courts. An example would be illegal spot zoning.

Since North Carolina is the ONLY state to have satellite annexations, the best thing to do would be to do away with this procedure.

2. Voluntary annexations: Many changes are necessary here, I think.

First, we should change the 100% affirmative petition by the property owners to be annexed to a "super-majority required" petition. Currently, one property owner can have a true veto power over his neighbors.

The law should be changed have requirements for providing services within a set time frame.

3. One thing about a voluntary annexations: sub-divisions cannot be split. This aspect needs to be brought into the involuntary annexation law. It is criminal to see what is happening in places like Biltmore Lakes, where they annex one house and not another, next door, in the same neighborhood, or in Asheboro, where they plan to skip one cul-de-sac in the development.

4. One of our speakers at the Raleigh public hearing last week had an interesting idea which we should explore. His comment was to not allow revenue bonds to be used for water and sewer service lines. Require the municipality to use general obligation bonds that require a vote. I am woefully lacking in depth of knowledge on this issue, but this would allow the current citizens a voice, which they currently do not have, on their city's proposed annexation.

5. In terms of "redress" for citizens which do not receive services in the statutorily required time:

a. If all services are not provided in the time frame required by law, courts to have the authority to de-annex, and to order refunding of taxes paid for the services not delivered. This would require detailed planning and fiscal analysis by the municipality to ensure they can meet the law's requirements. In fact, this would be a good deal for both sides, and those annexed would be more likely to get the services, and the city would be much more confident in their future costs.

For example, Salisbury estimates a cost of $4.4 million to provide water and sewer services to their proposed annexation area. An analyst from the area to be annexed has given what he computes the cost to be to the Rowan County Commissioners. That estimate is $36.1 million. This is a huge difference. The fact is, a detailed fiscal analysis is not required by the current statute. So this potential "redress" would force this kind of analysis, and we would see no more Fayetteville situations.

Texas laws call for de-annexation if services are not provided within one year.

b. A municipality which does not provide the required services to an annexed area in the required time frame should be prohibited from future annexations until they do provide those services.

Please share with the rest of the committee.

Thanks, and one final question: Will our meeting on the 23rd be a "closed" meeting?

Doug

Attach. No 5

John Locke
FOUNDATION

RECOMMENDATIONS TO REFORM NORTH CAROLINA'S ANNEXATION LAW

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*The opinions expressed in this paper are those of the author alone and do not necessarily reflect the views of the John Locke Foundation.

HIGHLIGHTS OF RECOMMENDATIONS

- According to the North Carolina Supreme Court, municipalities must provide services that confer meaningful and significant benefits on annexed property owners.

- As a matter of common sense, a service never should be considered meaningful or significant if a property owner already has the service.

- To address exclusionary practices, municipalities should be prohibited from annexing any area if there is another eligible area that is in more dire need of services.

- As of now, a municipality simply chooses among a selection of weak criteria that would meet the "urban test." *A municipality does not even have to meet a density requirement.* Municipalities should be required to meet several reasonable standards to ensure that an area is urban.

- Proper notice should be given to affected property owners. At the time of passage of a resolution of intent, notice should be mailed by certified mail and include the actual forms to request water and sewer.

- The Local Government Commission (LGC) should provide meaningful oversight. A municipality should have to prove to the LGC that an annexation is financially viable.

- The county should be able to approve or deny an annexation. County commissioners *represent* affected property owners and have an interest in the sound urban development of both municipalities *and* unincorporated areas.

- Affected property owners should be allowed to vote if they can obtain a significant number of signatures in the proposed annexed area (20 percent of registered voters).

- Property owners should have real legal recourse in superior court. This means being able to challenge many critical issues affecting a forced annexation.

- Municipalities should have the burden of proof in superior court—after all, they are the ones seeking to forcibly annex someone.

- Annexed property owners should not have to pay property taxes until the major municipal services are provided (other than water and sewer).

- Municipalities should demonstrate to the LGC that they have provided promised services on time. If municipalities take far too long, they should be prohibited from forcibly annexing any area for five years.

- When an area is voluntarily annexed, surrounding communities should be given standing in court to ensure that the annexation was lawful.

Introduction

The House Select Committee on Municipal Annexation soon will decide what recommendations it will make to the full House regarding annexation reform. North Carolina's regressive annexation law, and in particular forced annexation, has been both a source of controversy and failure.

Forced annexation is a process by which municipalities can unilaterally force individuals in unincorporated areas to live within the city, without the individuals having any recourse on the merits of the annexation.

The primary purpose of forced annexation is for municipalities to provide meaningful services to individuals in contiguous unincorporated areas. However, municipalities have ignored this purpose. The law instead has become a financial bailout mechanism for municipalities.

This paper will not restate the policy arguments for and against forced annexation.[i] It is designed to identify *some* specific recommendations to the existing annexation statute so that the law achieves its intended purpose and respects the rights of North Carolinians. The narrow details of the law are in many ways what make the annexation system such a problem. This paper gets into those details.

Background: *Nolan v. Village of Marvin*

In 2006, the North Carolina Supreme Court issued arguably its most important opinion on the state's annexation statute. In very clear terms, the Court stated in a case called *Nolan v. Village of Marvin*[ii]:

> The primary purpose of involuntary annexation, as regulated by these statutes, is to promote "sound urban development" through the organized extension of municipal services to fringe geographical areas. These services must provide a meaningful benefit to newly annexed property owners and residents, who are now municipal taxpayers, and must also be extended in a nondiscriminatory fashion.[iii]

In determining that the services (part-time administrative services, such as zoning and tax collection) being proposed by the Village of Marvin were insufficient, the Court reasoned that the Village of Marvin was not "conferring significant benefits on the annexed property owners and residents."[iv]

To put this in plain English, forced annexation exists so that municipal services can be provided to fringe areas. These services must confer a meaningful and significant benefit on the property owners.

Therefore, the most important question is whether the existing annexation law does in fact achieve this purpose. As annexation victims expressed in hours of committee

testimony, municipalities provide services to areas that do not need the services and do not provide services to areas that do need the services.

Recommendations to Codify *Nolan* and Provide Meaningful Services

General Rule: Municipalities that want to forcibly annex an area should be required to demonstrate that they are providing services that confer a meaningful and significant benefit—they should provide "meaningful services." This is simply a restatement of the *Nolan* decision.

No Duplication: As a matter of common sense, a service should not be considered meaningful if a property owner already has the service or has secured the service. There could be an exception if the municipality proves the service is inadequate. Of course, the municipality would have to show that the service it would provide would be adequate.

Types of Services: In the annexation statute, "major municipal services" are identified.[v] They include police protection, fire protection, solid waste collection, street maintenance services, and water and sewer. The Court in *Nolan* implies that these are the types of services that are meaningful and significant.[vi] The annexation law should limit "meaningful services" to these types of services. Throughout this document, "meaningful services" will be used to describe these major municipal services.

Provide What is Needed: In *Nolan*, the Court expressly stated that municipalities do not have to provide *all* of the major municipal services.[vii] However, municipalities, if they want to forcibly annex an area, should be required to provide all the "major municipal services" ("meaningful services") that an area needs. It would be absurd, for example, if a municipality could annex an area by providing police protection but not water and sewer.

Protect Excluded Communities: Many areas that in fact do need services are simply ignored by municipalities. As has been shown by the UNC Center for Civil Rights and the Cedar Grove Institute for Sustainable Communities, low-income minority communities regularly have been excluded from municipalities.[viii] Municipalities should be prohibited from annexing any area if there is another eligible area that is in more dire need of services.

Recommendations to Genuinely Require Areas to be "Developed for Urban Purposes"

Make Requirements Consistent: Municipalities may only annex areas that are "developed for urban purposes."[ix] However, the "urban" definition for proposed annexed areas is different for municipalities with less than 5,000 people and for those with 5,000 people or more. A proposed annexed area either is developed for urban purposes or it is not. The size of the municipality should not make a difference in making this determination.

Need Multiple Requirements for the "Urban Test:" A municipality of 5,000 people or more simply chooses among a selection of weak criteria that would meet the "urban test."[x] Much often is made of the "requirement" that an area has to have a total residential population of two and three-tenths persons per acre. *There is no such requirement.* An area would be deemed urban if it meets the density criteria, but it *does not have to* meet the criteria.[xi]

This density provision, by itself, is extremely weak. For example, an area could be 80 percent undeveloped but 20 percent of the area could have a very high density (i.e. apartments). When taken as a whole, the area could average two and three-tenths persons per acre. This however should not be considered "developed for urban purposes."

The statute should require that an area meet several requirements, one of which is a density requirement. The other requirements should include the type of criteria already listed in the statute. There should only be a small percentage of land that is rural or undeveloped. There should only be a small percentage of lots that exceed certain sizes.

Specific Requirements for the Urban Test: An area, regardless of the size of the municipality, should be required to meet several criteria to be considered urban:

- Residential density of 2.3 people per acre (the current density provision)
- 65 percent of the total acreage consists of lots three acres of less in size
- 70 percent of the total number of lots and tracts are one acre or less in size
- At least 70 percent of the lots and tracts are developed and used for residential, commercial, industrial, institutional or governmental purposes.
- No more than 5 percent of the total number of residential lots and tracts may be five acres or more.

Most of these requirements are just amendments to existing criteria in the statute. The statute defines "used for residential purposes" as including any lot or tract five acres or less."[xii] For purposes of these requirements, "residential purposes" has no size requirement.

Delete Exceptions to Urban Requirements: The law does not require an area to be urban if it meets other exceptions.[xiii] All of these exceptions should be deleted. One of the exceptions, in particular, captures the nature of the annexation statute: A municipality can annex many types of undeveloped areas that are located between the municipality and an area "developed for urban purposes."[xiv] This exception renders the urban requirement meaningless in many instances.

Recommendations to Reform the Forced Annexation Process

The following section outlines the existing forced annexation process for cities with over 5,000 residents. The process is slightly different for cities with less than 5,000 people. The existing process is described in Charts 1-4, which are located in the appendix. Chart 1 provides a detailed timeline for a process that begins with a resolution of consideration. A municipality does not have to adopt such a resolution though. Instead, the process could start with a resolution of intent. Chart 2 provides a detailed timeline that starts with a resolution of intent.

Charts 3 and 4 identify the minimum times needed to pass an annexation ordinance and for an annexation to go into effect. Chart 5 outlines the *recommended* process for all municipalities (regardless of size). The details and all of the proposed changes are included in the following discussion.

The proposed process adds much needed protections to a system that unreasonably favors municipalities. The current system, among other things, goes out of its way to limit the notice of key information to citizens, places unreasonable deadlines on citizens, imposes few requirements on municipalities, and requires little oversight to protect North Carolinians from the abuse of the system. The worst part of the process rightly gets most of the attention: residents of a proposed annexed area do not have a direct or representative voice regarding the merits of an annexation.

Need a "Resolution of Consideration": A process that starts with a resolution of consideration gives citizens time to prepare for a proposed forced annexation (assuming they are aware of the resolution).[xv] A process that starts with a resolution of intent gives citizens virtually no time before an annexation ordinance is passed (it could be as short as 70 days after passage of the resolution of intent).[xvi]

Any process should begin with a "resolution of consideration" or as it is called in the proposed process a "resolution of preliminary intent." This is more than a semantics issue. By the time a municipality passes a resolution of consideration, the city already has done preliminary analysis on the proposed annexation. If it has not done at least a reasonable amount of due diligence, this failure would show a disregard for residents in the proposed annexed area *and* the municipality by passing such a resolution.

Require Proper Notice after Passage of the "Resolution of Preliminary Intent": Under current law, notice is provided to affected property owners by including "a statement in the resolution [of consideration] notifying persons subject to the annexation of their rights."[xvii] The resolution must be filed with the city clerk.[xviii]

Unless people that live in unincorporated areas regularly check neighboring city clerks' offices for resolutions, this is a seriously inadequate form of notice. The annexation statute does not require the resolution to have a proper description of the area (a metes or bounds description) or a map of the area—the law only states that a resolution *may* have such information.[xix]

At a minimum, affected property owners should receive the following additional information:

- A map and metes and bounds description of the proposed annexed area
- The "meaningful services" that will be provided to each property owner and why such services are "meaningful and significant benefits" to the property owner
- The estimated taxes, water and sewer charges, and other costs that could be incurred
- A detailed description and schedule of the annexation process
- Information about how to challenge an annexation
- Contact information for city officials if people have any questions
- A copy of the resolution of preliminary intent
- Reports, analysis, minutes, and any other documents used in or related to the consideration of the resolution of preliminary intent. A prominently highlighted link to this information on the municipality's web site would be suitable—in general, the municipality should have a dedicated web page on the specific annexation that is easily accessible from the municipality's home page
- A preliminary assessment of short-term and long-term costs to the municipality
- A preliminary assessment of short-term and long-term financial gains (or losses)
- A preliminary assessment of the costs to the county
- A certification that the annexation is being proposed in order to promote sound urban development through the provision of meaningful services and the annexation would not have been considered *but for* the need to provide meaningful services to the proposed annexed area

Notice of the resolution of preliminary intent should be mailed no later than two weeks after passage of the resolution. It should be mailed by first class mail to all affected property owners. Prominent notice should be published in a general circulation newspaper for two successive weeks in the affected area. This information also should be sent to the county clerk's office by certified mail.

Municipal residents often are forgotten. Notice to the residents should indicate that a resolution has been passed and include the link to the annexation web page. This information should be provided to them through a prominent notice in a general circulation newspaper in the municipality. Information about the resolution should be disseminated at municipal governing board meetings for at least two months following passage of the resolution.

Annexation Report Should be Approved Before the Resolution: An annexation report, under existing law, can be approved *after* the resolution of intent is passed.[xx] The report should be approved before or on the same day as the resolution of intent. The content of the report should inform the decision-making process and not just be an afterthought.

Annexation Report Should Be an Update: Under the proposed process, an annexation report would primarily update information from the notice of the resolution of preliminary intent.

Proper Notice for the Public Information Meeting and the Public Hearing: It is critical that affected property owners learn about these meetings, the report, and the resolution of intent. A municipality should be required to mail notices similar to what is sent to property owners regarding the resolution of preliminary intent.

In addition to what is already required by the law (such as the date, hour, and place of the meetings),[xxi] the notice should include details about how to request water and sewer service, and the costs of the services. The forms for requesting water and sewer should be included in the mailed notice.

The mailing should take place, as it does now, four weeks prior to the public information meeting.[xxii] The mailing should go to affected property owners through certified mail, not first-class mail. Recently proposed legislation (HB 243)[xxiii] also recommended a change to certified mail. There also should be a notice published in a general circulation newspaper for two successive weeks, with the last notice published not more than seven days preceding the public information meeting (as is described in the current law).[xxiv]

Municipal residents should be notified through notices in a general circulation newspaper in the same manner as affected property owners. The municipality should mail the county clerk, by certified mail, the resolution of intent, the report, and all other information provided to affected property owners.

Allow Some Time Between the Public Information Meeting and the Public Hearing: Under current law, a public hearing could take place as few as five days after the public information meeting.[xxv] The public information meeting is supposed to be the time when the municipality explains the proposed annexation. Citizens need more time than five days to digest the information. The proposed process ensures that there is at least 35 days between the two meetings.

Provide Meaning to the Public Hearing: Currently, the public hearing is a façade. Municipal governing bodies generally just ignore whatever is stated at a hearing. It may be therapeutic to have a venting session, but it is not helpful for affected property owners in a fight against forced annexation.

To provide some minor importance to the hearing, participants should be able to provide written comments to the municipality at the public hearing. These comments, along with a transcript of the hearing, should be sent to the county and to the Local Government Commission (LGC) when they consider the annexation under this proposed process.

Do Not Ignore the Local Government Commission: When municipalities propose to issue bonds or take on financial risks, the LGC reviews these proposals. Annexations are extremely risky and directly affect people inside and outside the municipality. Quite

simply, it makes no sense that the LGC does not review the financial viability of annexations.

A municipality should have to prove to the LGC that an annexation is a viable proposition. Specifically, the LGC should make clear findings and certify that a municipality has demonstrated (not exhaustive):

- Meaningful services will be provided as promised and will be on time.
- The municipality's financial situation is strong enough to go forward with the annexation.
- Municipal residents are unlikely to pay additional taxes or fees due to the annexation.
- Mismanagement by the municipality has not led to the need for annexation.
- The annexation will not financially harm the county.
- Proposed costs and fees on affected property owners are reasonable.

The LGC would be required to reject the annexation if it is unable to certify any of the preceding information. In making its decision, the LGC would be required to consider the written comments provided to the municipality at the public hearing, along with the transcript of the public hearing.

Involve County Commissioners: There are two major reasons why involving county commissioners is critical. First, they can provide affected property owners representation on the annexation. Second, a county is in the best position to review the sound urban development of an area—it has an interest in the sound urban growth of both the municipalities and the unincorporated areas.

County Approval Process: A county commission would be able to approve an annexation. However, if county commissioners decided they did not want to vote on an annexation, this would be permissible. If a county commission did intend to vote on an annexation though, it would have to make findings that the municipality has proven, among other things:

- The forced annexation is not being proposed due to financial reasons. The municipality is annexing an area in order to promote sound urban development through providing meaningful services and would have annexed the area even if there had not been a financial benefit.
- There are no improper motives such as to political gerrymander an area or unlawfully discriminate against citizens.
- There are no eligible areas that are in more dire need of meaningful services.
- The proposed services would be meaningful. This means, as discussed before, that a service is one of the "major municipal services" and a property owner does not already have that service or has not yet secured the service. An individual would have "secured a service" if it has been secured at the time of the approval of the annexation report.

- The annexation is necessary in order to promote sound urban development for the municipality and affected area.
- There would not be a significant harm caused to the surrounding community, including other unincorporated areas and municipalities.
- The area is "developed for urban purposes."
- The area meets other "character" requirements such as being contiguous. On an important side note, in the existing statute, everything may not be as it appears. A good example is the definition of "contiguous."[xxvi]

  An area that "abuts" a municipality would generally be thought of as contiguous. However, "contiguous" does not just mean abutting a municipality. An area is "contiguous" to a municipality even if land owned by another political subdivision separates the proposed annexed area and the municipality.[xxvii] For example, if Raleigh wanted to annex an area but Cary owned land in between Raleigh and the desired area, Raleigh could jump over Cary and grab the land.

If a county commission found that a municipality had not proven these preceding points, then it would be required to deny the application for annexation. In making its decision, the county would be required to consider the written comments provided to the municipality at the public hearing, along with the transcript of the public hearing.

Petition Process: Before there could be a vote on an annexation by registered voters in an annexed area, a petition signed by 20 percent of the registered voters in the area would have to be provided to the county. This voting method is modeled after legislation (HB 87)[xxviii] introduced by Representative Goforth (D-Buncombe County), the Co-Chair of the House Select Committee on Municipal Annexation. Once the petition is approved, there would be a timely election requiring a majority vote to reject the annexation.

Meaningful Legal Recourse: Currently, if property owners want to challenge an annexation in superior court, they would face significant obstacles and would only be able to challenge very limited issues.[xxix]

The burden is on the property owner to prove any legal deficiencies. The property owner has to prove that "he will suffer material injury by reason of the failure of the municipal governing board to comply with the procedure...or to meet [character of area requirements]."[xxx] It may literally be impossible to show that a serious procedural error caused material injury to a property owner.

Property owners should not have the burden of proof—after all, they are not the ones seeking to forcibly annex someone. A property owner should be required to provide prima facie evidence that the annexation is invalid. This means evidence that on its face appears to show the annexation is invalid. A municipality would then have the burden of proof to refute the claims and to demonstrate that the annexation is in fact valid.

An annexation would be invalid if any of the critical factors, such as those reviewed by a county and the LGC, have not been proven.

LGC and No Meaningful Services: Under current law, a property owner through the LGC can seek abatement of taxes if promised major municipal services are not provided within 60 days after the effective date of the annexation (not including water and sewer).[xxxi]

As recommended in legislation (HB 1958)[xxxii] last year, abatement of taxes is inadequate. Instead, an annexed property owner should not have to pay property taxes until all the promised services are provided.

There also should be additional protections. Each municipality, as part of the annexation process, should be required to report back to the LGC at the time the services must have been provided. The municipality would be required to show that the services were being provided as promised. Property owners that did not want to be annexed in the first place should not have to go to the LGC to receive what was promised.

If the services were not provided within 120 days after the effective date of the annexation, the LGC could declare the entire annexation null and void. If the services were not provided within 180 days after the effective date of the annexation, the LGC would be required to find the annexation null and void, and the municipality could not forcibly annex an area for a period of five years. This may seem harsh, but it is mild in comparison to a municipality forcibly annexing a community and then not providing the services.

LGC and Water: A municipality must provide requested water and sewer lines within two years.[xxxiii] Like the above process, the municipality should have to show that requested water and sewer lines have been provided.

If the water and sewer were not provided within 2 and one-half years after the effective date of the annexation, the LGC could declare the annexation null and void. If the water and sewer were not provided within 2 years and 9 months, the LGC would be required to declare the annexation null and void. The municipality also would be prohibited from forcibly annexing an area for five years.

The statute has an exception to the two-year requirement for requested water and sewer lines. It does not apply to areas that have problematic topography.[xxxiv] The municipality can "provide septic system maintenance and repair service until such time as sewer service is provided to properties similarly situated."[xxxv]

There is nothing about the septic service being free—the city gets to charge whatever it wants. There also is no clear timeline for providing the requested water and sewer lines—it gets done whenever the municipality gets to it.

The timeline is not the primary concern when it comes to problems with topography. Municipalities should not be annexing areas where it is "not economically feasible"[xxxvi]

to provide water and sewer. If the topography is a problem, then the area should not be annexed.

Recommendation to Permit Surrounding Communities to Challenge Voluntary Annexations

As of now, a voluntary annexation generally will occur even if the law is not being followed. There are few parties, if any, which can legally challenge a voluntary annexation. In the legal system, a plaintiff must have standing, which in simple terms means the party must have incurred some type of injury.

If an area is going to be voluntarily annexed, surrounding communities may want to challenge the annexation because the voluntary annexation could provide a municipality the land necessary to forcibly annex surrounding communities. The problem for these communities though is there has not been an injury yet—the issue is not "ripe."

These communities should be provided standing through the annexation statute. This would permit them to protect themselves and to ensure that voluntary annexations are in fact lawful.

Conclusion

In developing reforms for the full House, the annexation commission hopefully will articulate the changes that *need* to be made, not the changes that feasibly *can be* made. Even if the legislature fails to take action in the short session, a strong report (with proposed legislation) outlining the problems with the state's annexation laws would be invaluable to future efforts in making meaningful reforms. A watered down report could set the reform movement back for years.

Fortunately, the commission has shown a real interest in the needs of North Carolinians. There is reason to hope that the leadership exists on the committee to make a real difference. Make no mistake—this is a critical moment for the state. It is time for annexation to serve the people as intended, not for the people to serve the interests of municipal leaders.

Notes

[i] For the policy arguments, *see e.g.* Daren Bakst, "Flawed and Undemocratic: Forced Annexation is Good for Municipal Leaders, But Bad for the Public," *Spotlight* No. 323, John Locke Foundation, June 13, 2007, http://www.johnlocke.org/acrobat/spotlights/spotlight_323-forcedannextn.pdf

[ii] *Nolan v. Village of Marvin*, 360 N.C. 256; 624 S.E.2d 305 (2006), http://www.aoc.state.nc.us/www/public/sc/opinions/2006/488-05-1.htm

[iii] *Ibid.*

[iv] *Ibid.*

[v] N.C. Gen. Stat. § 160A-35(3) and § 160A-47(3). To access the complete annexation statute (NC. Gen. Stat. § 160A-29 *et. seq.*), please visit http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_160A/Article_4A.html

[vi] *Op. cit.*, note 2.

[vii] *Ibid.*

[viii] *See e.g.* Parnell, Allan, et al., "The Persistance of Political Segregation: Racial Underbounding in North Carolina," Cedar Grove Institute for Sustainable Communities, October 24, 2004, www.mcmoss.org/CedarGrove/Docs/regional_underbounding.pdf, and "Municipal Underbounding in Southern Moore County," UNC Center for Civil Rights, (Earls, Williams, Connolly, et al.), August 2006.
[ix] N.C. Gen. Stat. § 160A-36(c) and § 160A-48(c).
[x] N.C. Gen. Stat. § 160A-48(c)(1-5).
[xi] *Ibid.* Please note that for municipalities with less than 5,000 people, the statute does not include any density provision.
[xii] N.C. Gen. Stat. § 160A-53(2).
[xiii] N.C. Gen. Stat. § 160A-48(d).
[xiv] *Ibid.*
[xv] N.C. Gen. Stat. § 160A-37(i) and § 160A-49(i).
[xvi] N.C. Gen. Stat. § 160A-37 and § 160A-49.
[xvii] *Op. cit.*, note 15.
[xviii] *Ibid.*
[xix] *Ibid.*
[xx] *Op. cit.*, note 16.
[xxi] *Ibid.*
[xxii] *Ibid.*
[xxiii] North Carolina House Bill 243 (2007), http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2007&BillID=hb+243&submitButton=Go
[xxiv] *Op. cit.*, note 16.
[xxv] *Ibid.*
[xxvi] N.C. Gen. Stat. § 160A-53(1).
[xxvii] *Ibid.*
[xxviii] North Carolina House Bill 87 (2007), http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2007&BillID=hb+87&submitButton=Go
[xxix] N.C. Gen. Stat. § 160A-38 and § 160A-50.
[xxx] *Ibid.*
[xxxi] *Op. cit.*, note 16.
[xxxii] North Carolina House Bill 1958 (2007), http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2007&BillID=hb+1958&submitButton=Go
[xxxiii] N.C. Gen. Stat. § 160A-47(3)(b).
[xxxiv] N.C. Gen. Stat. § 160A-35(3)(b) and § 160A-47(3)(b).
[xxxv] *Ibid.*
[xxxvi] *Ibid.*

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RECOMMENDATIONS TO REFORM NORTH CAROLINA'S ANNEXATION LAW

Appendix

Chart 1

Forced Annexation Process Assuming a Resolution of Consideration

Step in Process	Time in Process
Resolution of Consideration	Start of Process
Resolution of Intent	1-2 years after passage of the resolution of consideration
Approval of Annexation Report	30 days or more before public information meeting
Public Informational Meeting	45-55 days after passage of the resolution of intent
Public Hearing	60-90 days after passage of resolution of intent
Water and Sewer Requests	No more than 5 days after public hearing
Authority to Adopt Annexation Ordinance	10-90 days after public hearing
Legal Challenge in Superior Court on Limited Matters	Within 60 days following adoption of annexation ordinance
Effective Date of Annexation	70-400 days after passage of annexation ordinance
Major Municipal Services (not Water and Sewer) Must be Provided	Within 60 Days of effective date of annexation
May Petition Local Government Commission for Abatement of Taxes	Not more than 90 Days after expiration of 60-day period to provide services
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Services	12-15 months after effective date of annexation
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Water and Sewer Services	24-27 months after effective date of annexation
May Petition the Local Government Commission for Abatement of Taxes	Not more than 60 days after expiration of two-year period to provide water and sewer

Chart 2

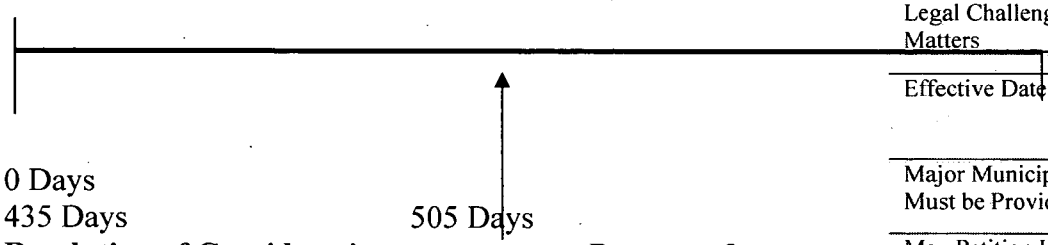
Forced Annexation Process Assuming No Resolution of Consideration

Step in Process	Time in Process
Resolution of Intent	Start of Process

Note: This is not an exhaustive list, but it covers most of the important issues.
Note: This is not an exhaustive list, but it covers most of the important issues.

Chart 3

Minimum Required Time for Annexation with Resolution of Consideration



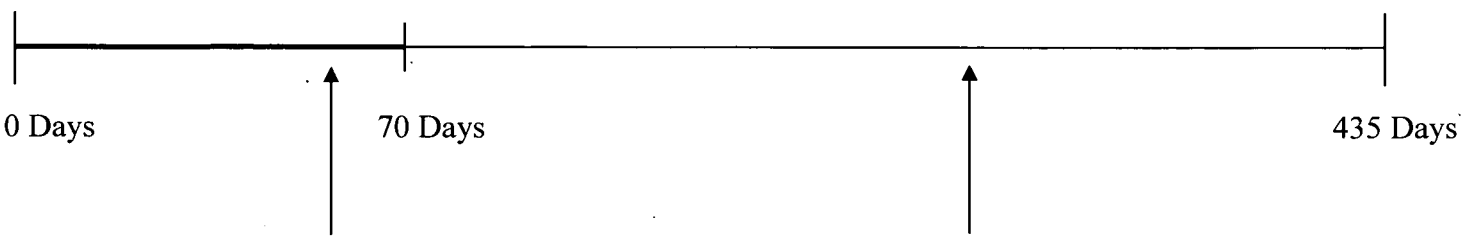
0 Days
435 Days — **Resolution of Consideration Annexation Ordinance**
505 Days — **Passage of Effective Date of Annexation**

Most of the required time is *before* the passage of the annexation ordinance. Affected property owners theoretically have a chance to get organized, not that any step in the process is particularly helpful to them. This required time also only helps when people are aware that the resolution of consideration was even passed. Unfortunately, the notice required is inadequate.

Approval of Annexation Report	30 days or more before public information meeting
Public Informational Meeting	45-55 days after passage of resolution of intent
Public Hearing	60-90 days after passage of resolution of intent
Water and Sewer Requests	No more than 5 days after public hearing
Authority to Adopt Annexation Ordinance	10-90 days after public hearing
Legal Challenge in Superior Court on Limited Matters	Within 60 days following adoption of annexation ordinance
Effective Date of Annexation	At least one year after passage of annexation ordinance
Major Municipal Services (not Water and Sewer) Must be Provided	Within 60 Days of effective date of annexation
May Petition Local Government Commission for Abatement of Taxes	Not more than 90 Days after expiration of 60-day period to provide services
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Services	12-15 months after effective date of annexation
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Water and Sewer Services	24 months-27 months after effective date of annexation
May Petition the Local Government Commission for Abatement of Taxes	Not more than 60 days after expiration of two-year period to provide water and sewer

Chart 4

Minimum Required Time for Annexation without Resolution of Consideration



0 Days
70 Days
435 Days

R[redacted]tion of Intent **Passage of Annexation Ordinance** [redacted] **Effective Date of Annexation** [redacted]

This is very little time (70 days) for affected property owners to react to a proposed annexation.

Most of the required time is *after* the passage of the annexation ordinance.

Chart 5
Recommended Forced Annexation Process

Step in Process	Time in Process
Resolution of Preliminary Intent	Start of Process
Resolution of Intent	1-2 years after passage of the resolution of preliminary intent
Approval of Annexation Report	45 days or more before public information meeting
Public Informational Meeting	45-55 days after passage of resolution of intent
Public Hearing	90-100 days after passage of resolution of intent
Water and Sewer Requests	No more than 5 days after public hearing
Local Government Commission (LGC) Must Certify Financial Viability of Annexation	30-60 days following public hearing
Public Hearing in County where Property is Located	10-30 days following LGC certification of financial viability of annexation
County May Pass a Resolution Approving the Annexation	30-60 days after county public hearing
Municipality has Authority to Adopt Annexation Ordinance	10-90 days after county approval of resolution
Petition for Vote Must be Presented to the County	Within 30 days after approval of annexation ordinance
Board of Elections Must Verify Petition	Within 60 days of presentation of petition
Call for Election	Within 30 days after verification of petition
Election on Annexation	60-100 days after call for election
Legal Challenge in Superior Court on Several Matters	If a vote permits annexation, then within 60 days following the election, if a petition is presented and is inadequate, then within 60 days following the rejection of petition, and if no petition is presented, then within 60 days after the 30-day period has elapsed for a petition to be presented.
Effective Date of Annexation	70-400 days after election or 70-400 days after the 30-day period to present petition has elapsed (without a petition)
Meaningful Services (not Water and Sewer) Must be Provided	Within 60 Days of effective date of annexation
City Must Demonstrate to the Local Government Commission that Promised Services are Being Provided	Not more than 90 Days after expiration of 60-day period to provide services
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Services	12-15 months after effective date of annexation
May Apply for a Writ of Mandamus in Superior Court for Failure to Provide Water and Sewer Service	24-27 months after effective date of annexation
City Must Demonstrate to Local Government Commission that Requested Water and Sewer Services are Being Provided	Not more than 60 days after expiration of two-year period to provide water and sewer

Note: This is not an exhaustive list, but it covers most of the important issues.

Attach. 6

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2007

H D

BILL DRAFT 2007-RWz-26 [v.2] (05/08)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
5/13/2008 2:23:46 PM

Short Title:	Involuntary Annexation Moratorium.	(Public)
Sponsors:	Representative.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO ADOPT A MORATORIUM ON INVOLUNTARY ANNEXATIONS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION.

The General Assembly of North Carolina enacts:

SECTION 1. No resolution of consideration, resolution of intent, or annexation ordinance may be adopted under Parts 2 or 3 of Article 4A of Chapter 160A of the General Statutes from the date this act becomes law until June 30, 2009. If any annexation proceeding has been initiated under those Parts prior to the date this act becomes effective but the annexation ordinance has not yet been adopted, any provision of law requiring any action or notice by the municipality or any person within a certain period of time is tolled during the suspension of authority provided by this section.

SECTION 2. An annexation ordinance adopted under Parts 2 or 3 of Article 4A of Chapter 160A of the General Statutes that has an effective date on or after the day this act becomes law shall not become effective until after June 30, 2009, unless the municipality by ordinance adopts a new effective date later than June 30, 2009 for the annexation ordinance. An annexation ordinance that was adopted under Parts 2 or 3 of Article 4A of Chapter 160A of the General Statutes prior to the effective date of this act and is the subject of litigation in any court on the effective date of this act shall not become effective until after June 30, 2009, unless the municipality by ordinance adopts a new effective date later than June 30, 2009 for the annexation ordinance.

SECTION 3. This act shall not apply to any annexation ordinance adopted under Parts 2 or 3 of Article 4A of Chapter 160A of the General Statutes that has an effective date on or before the day this act becomes law, if the ordinance is not yet effective solely due to Section 5 of the Voting Rights Act of 1965.

SECTION 4. If any municipality has adopted its budget ordinance for the 2008-2009 fiscal year prior to the date this act becomes effective and the total amount

of assessed valuation estimated in that budget ordinance has been reduced because of this act, the municipality may amend the budget ordinance to account for this act including establishment of a different tax rate.

SECTION 5. This act is effective when it becomes law.

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 23, 2008
Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Cam Cau	BPMHC
Kathy Hartkopf	FreedomWorks
Allison Fowler	NC State Grange
Darci Baker	John Locke Foundation
Catherine Heath	StopNCAnnexation
Ed Jordan	Republic Waste Services
Annette Newkirk	Governor's Office
Joyce Potter	JP Assoc
David Lawrence	UNC School of Gov't
Andy Romanet	NCLM
Kim Hibbard	" "

VISITORS REGISTRATION SHEET

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION
Name of Committee

April 23, 2008
Date

VISITORS: PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY AND ADDRESS
Geoff Lawrence	John Locke Foundation
Patrick Buffkin	Nelson Mullins
Karen [illegible]	Electricities
DAVID BARNES	Pyramid Strategies
Paul Meyer	NCACC
Jeff Nixon	Civitas
Carol (Bennett) Dalenko	CITIZEN (CANDIDATE FOR SENATE #14)
John Mohn	GOVONICT

HOUSE SELECT COMMITTEE
ON
MUNICIPAL ANNEXATION

Monday, May 19, 2008
Room 643 – Legislative Office Building
4:00 P.M.

Representative Bruce Goforth, Co-Chair, called the meeting to order and welcomed the members, guests and staff present. He thanked all present for their attendance at this meeting. He also thanked the Sergeant at Arms staff for their help.

Members Present: Representative Bruce Goforth, Co-Chair; Representative Paul Luebke, Co-Chair; Representative Larry Brown, Representative Nelson Dollar, Representative Earl Jones, Representative Louis Pate, Jr., Representative Fred Steen, Representative Russell Tucker, Representative Trudi Walend, Mr. Douglas Aitken and Ms. Judith Wegner.

Staff present: Steve Rose, Giles Perry, Erika Churchill and Denise Huntley, counsel, all from the General Assembly Research Department.

The Chair asked for a motion to approve the minutes of the April 23, 2008 meeting. A motion was made and seconded to approve the minutes as written and they were approved unanimously. Copies of the minutes were given to each member of the Committee.

The Chair introduced Giles Perry, Staff Counsel, to explain the proposed draft bill, which was Short Title "Involuntary Annexation Moratorium" which was AN ACT TO ADOPT A MORATORIUM ON INVOLUNTARY ANNEXATIONS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION. (Attachment No. 1)

Several members made comments relative to the proposed bill with Doug Aitken saying that he was disappointed that the satellite annexation was not in the proposed bill and that he hoped that it did not mean that it would not be looked into at a later date.

Representative Nelson Dollar made a motion that the draft legislation as presented be approved and recommended to the Short Session of the General

Assembly. The motion was seconded by Representative Brown. The motion passed by a majority vote.

There being no further business, the meeting adjourned at 4:30 p.m.

Respectfully submitted,

Representative Bruce Goforth, Co-Chair

Representative Paul Luebke, Co-Chair

Rosa S. Kelley, Committee Assistant

(A Visitors' Sheet is attached to these Minutes.)

Note: A brochure from the N. C. Association of County Commissioners is attached to these minutes for your information but was not discussed at the meeting.

House Select Committee on Municipal Annexation

May 19, 2008
4:00 p.m.
Room 643

Agenda

I. Welcome and Introductions
   Rep. Bruce Goforth, *Co-Chair*
   Rep. Paul Luebke, *Co-Chair*

II. Approval of Minutes

III. Discussion of Proposed Annexation Moratorium Legislation

IV. Adjourn

Att. No-1

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2007

H D

BILL DRAFT 2007-RWz-26 [v.2] (05/08)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
5/13/2008 2:23:46 PM

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Sponsors:	Representative.	
Referred to:		

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NORTH CAROLINA
ASSOCIATION OF COUNTY COMMISSIONERS
1908 100 YEARS OF COUNTY UNITY 2008

NCACC Annexation Subcommittee Report
Intergovernmental Relations Steering Committee
April 30, 2008

Introduction

In the spring of 2007, members of the NCACC Intergovernmental Relations Steering Committee (IGRSC) began discussing the need for reform of the municipal annexation statutes. The commissioners on IGRSC are concerned that the annexation statutes are outdated, do not form an equitable social contract with newly annexed citizens, and fail to recognize the importance of joint land-use planning efforts. Commissioners also expressed their belief that the municipal annexation statutes do not recognize that county service responsibilities are not eliminated or reduced following an annexation.

Accordingly, the comments of the IGRSC focused on three areas: (1) how annexation impacts counties; (2) how annexation impacts citizens; and (3) the characteristics of property eligible to be annexed. IGRSC Chair Bill Kopp formed a subcommittee to thoroughly examine issues concerning municipal annexation, and charged it to report back to IGRSC with recommended changes during calendar year 2008. IGRSC members agreed that any efforts to amend the annexation laws would be done in conjunction with the NC League of Municipalities, in preparation for the 2009 Session of the General Assembly.

The Subcommittee, Chaired by Durham County Commissioner Ellen Reckhow, assisted by Professor David Lawrence from the UNC School of Government and staffed by Paul Meyer, met twice in developing policy recommendations for the IGRSC. Members of the Subcommittee include the following:

Chuck Abernathy	McDowell County Manager
Andy Anderson	Wayne County Commissioner
Grainger Barrett	Cumberland County Attorney
Ellen Reckhow	Durham County Commissioner (Chair)
Gloria Whisenhunt	Forsyth County Commissioner

The Subcommittee reported back to IGRSC on April 18, 2008, and the IGRSC adopted the draft report with minor changes. The IGRSC did supplement the report with a recommendation to support a legislative study of municipal annexation, combined with a time limited moratorium on the initiation of involuntary annexations across North Carolina.

This is the first time since the late 1990s that the Association has formally explored possible changes to the municipal annexation statutes. A 1996 report generated by a Joint NCACC/ NCLM Annexation Committee included numerous changes to the annexation statutes during the 1998 General Assembly Session, but many proposals were not acted on.

Proposals to Amend NC Annexation Statutes

Legislative Study and Moratorium on Municipal Annexation

The IGRSC supports a moratorium on involuntary municipal annexations, and requests that the General Assembly form a Joint Select Committee on Municipal Annexation to study the issue in preparation for the 2009 General Assembly Session. Annexations already in process (via adoption of a Resolution of Intent) would not be affected by the moratorium. The moratorium on involuntary annexations would remain in effect until the earlier of December 31, 2010, or the enactment of legislation flowing from the recommendations of the Joint Select Committee. The purpose of the proposed moratorium and legislative study is to facilitate a responsible and meaningful dialogue on municipal annexation between municipalities, counties and the General Assembly.

Intergovernmental Relations and Annexation

Annexation impacts the relationships of counties and cities in ways that are not addressed under current law. And while governmental boundaries are irrelevant in many public policy areas (environmental protection, air quality, transportation), they impact the planning activities and monetary sharing of local governments significantly. The proposals below attempt to address some of the intergovernmental tensions that are created when a city annexes property.

1. Planning
   - Require the development of a joint city-county utility service plan for urbanizing areas, prior to the initiation of an annexation by cities of 5,000 or more. The plan would be reviewed, and updated if needed, a minimum of every five (5) years. If the county and the city cannot agree on a joint plan, then the city can develop its own plan. The plan would address any existing "doughnut holes," and could serve as a defense against annexation petitions to the Joint Legislative Municipal Incorporation Commission (see #3 in **Impact on Citizens** section).
   - Require that the zoning of "strategic zones" remain the same or be more restrictive following the annexation – i.e. zoning districts around airports, military installations, tall towers, etc. In these buffer zones, the existing county land-use standards will remain in place, unless the county agrees to changes proposed by the city.
   - Require that signage and set back requirements in "major corridors" remain the same or be more restrictive following the annexation.
   - If a municipality is annexing a subdivision, the city must annex all lots in the subdivision as part of the annexation.

2. Monetary Impact on Counties
   - Reimburse counties for the loss of sales tax resulting from the annexation – a sales tax "hold harmless" of sorts. Obviously, interlocal agreements between a city and county can always be utilized to establish sales tax revenue sharing formulas. But when an agreement cannot be reached, counties would like to have additional statutory measures at their disposal to maintain equivalent sales tax revenues after an annexation.

Degree of Urbanization Required for Annexation

North Carolina has become far more populated and urbanized over the past ten years. What North Carolinians once considered "dense" development patterns may now be thought of as moderate density, or "suburban" density. The IGRSC is proposing a number of changes to update the annexation statutes as to the characteristics of property that may be annexed by a municipality.

1. Increase the density requirements contained in the "Population Density Standard" outlined in N.C.G.S. 160A-48 (currently 2.3 people/acre), to three (3) people per acre. In order to reflect the ongoing urbanization of North Carolina, ratchet the density standard upward over time by including a density growth factor.
2. As to the crossing of rivers, redefine the contiguity requirements for voluntary annexations to require access. "Contiguous" property is not "contiguous" if a body of water of _____ width exists, and there is no bridge within _____ feet of the proposed voluntary annexation.
3. Amend the "Use and Subdivision" Annexation Standard (available to all cities) – (a) Use Test: increase the percentage of lots required to be used for residential, commercial, industrial, institutional, or governmental from 60% to 65%; (b) Subdivision Test: Require that at least 60% of the total acreage NOT used for commercial, industrial, or governmental purposes, consist of lots and tracts of 2 acres or less, (reduced from 3 acres or less).
4. Amend the "Density and Subdivision" Annexation Standard (available to cities of 5000 or more) – (a) Subdivision Total Number Test: increase the number of lots and tracts that are one acre or less from 65% to 70%; (b) Subdivision Total Acreage Test: require that 60% of the total acreage consist of lots and tracts of 2 acres or less (reduced from 3 acres or less).

The Impact of Involuntary Annexation on Citizens

Members of the IGRSC are concerned about the impact of annexation on citizens – both during and after the annexation. Questions of economic and representational fairness were raised – to what extent are citizens frustrated by the "agreement" contemplated under the existing annexation statutes? The IGRSC is proposing a number of changes that are designed to provide more benefit to newly annexed property owners.

1. Require a referendum on a proposed involuntary annexation in areas where services are already in place – water, sewer and solid waste.
2. Require the actual provision of water and sewer services to customers within five (5) years of an annexation. Continue to require running trunk water mains and sewer outfalls lines within two (2) years of the annexation.
3. In certain "doughnut hole" areas, strengthen the petition rights of residents to require the city to annex the doughnut hole. The Joint Legislative Commission on Municipal Incorporation may require a city to annex a doughnut hole upon the petition of 50% or more of the residents in the doughnut hole area.

4. Require an annexing city to provide services to annexed properties, in a manner similar to the incorporation review under N.C.G.S. §120-163, under which four of eight listed services must be provided within a set time frame. The city may not rely on other players to provide the services. Rather, the municipality must actually provide the named services itself.
5. Provide authority for a municipality to voluntarily phase in the property tax liability for annexed property owners, similar to Session Law 2006-72.

HOUSE SELECT COMMITTEE ON MUNICIPAL ANNEXATION

Name of Committee

MAY 19, 2008

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Anita Watkins	NCLM
Patrick Bafkin	Nelson Mullins
Richard Hails	City of Greensboro
Cam Cavel	BPMHL
Allison Fowler	NC State Grange
Jimmy Gentry	NC State Grange
J. Harold Broadwell	Town of Wendell
GREG FERGUSON	WAKE COUNTY CITIZEN
Larry Dupree	Wayne Co. GNV
KEN WADSWORTH	WAYNE CO. GNV
Cameron Henley	ElectriCities of NC

VISITOR REGISTRATION SHEET

Name of Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mia D. Bailey	Electricities of NC, Inc.
Doug Hewett	City of Fayetteville