

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 348
Committee Substitute Favorable 4/30/25
Committee Substitute #2 Favorable 6/24/25

Short Title: Annexation of PUV Land/School Capacity. (Public)

Sponsors:

Referred to:

March 11, 2025

A BILL TO BE ENTITLED
AN ACT TO PROVIDE THAT PRIOR TO ANNEXING CERTAIN PRESENT-USE VALUE
PROPERTY, A CITY MUST OBTAIN APPROVAL FROM THE BOARD OF COUNTY
COMMISSIONERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-58.2 reads as rewritten:

"§ 160A-58.2. Public hearing.

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

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

(c) Notwithstanding the provisions of subsection (b) of this section, prior to the public hearing, the city council shall direct the city planning department to consult with the planning department of the county with jurisdiction over the area proposed for annexation to determine whether zoning the area for residential use will increase the number of students attending public school in the county to more than one hundred percent (100%) of the county's current capacity, if the area meets all of the following:

- (1) Is agricultural land, forestland, or horticultural land, as defined in G.S. 105-277.2, or has been enrolled in present-use value taxation within the previous three calendar years.
- (2) Is not contiguous to the city's primary corporate limits.
- (3) Is not within the city's extraterritorial planning jurisdiction.



(d) If the planning department finds that zoning the area for residential use will increase the number of students as provided in subsection (c) of this section, the board of county commissioners with jurisdiction over the area must approve the annexation prior to the city council adopting the annexation ordinance. If the board of county commissioners does not approve the annexation, the city council may not proceed with the adoption of the annexation ordinance unless it agrees to pay the county the amount necessary to come back into compliance with school capacity."

SECTION 2. This act applies only to counties with a population of 150,000 residents or more as of the most recent federal decennial census.

SECTION 3. This act becomes effective July 1, 2025, and applies to petitions for annexation received on or after that date.