

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 451

Short Title: Noncontiguous Expansion of MSDs. (Public)

Sponsors: Representatives Hardister and Clemmons (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

March 23, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE EXTENSION OF MUNICIPAL SERVICE DISTRICTS TO  
3 AREAS NOT CONTIGUOUS TO THE SERVICE DISTRICT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 160A-538 reads as rewritten:

6 "**§ 160A-538. Extension of service districts.**

7 (a) Standards. – The city council may by ordinance annex territory to any service district  
8 upon finding that:

9 (1) The area to be annexed is contiguous to the district, with at least one eighth of  
10 the area's aggregate external boundary coincident with the existing boundary  
11 of the ~~district;~~district.

12 (2) ~~That the~~The area to be annexed requires the services of the district.

13 (b) Annexation by Petition. – The city council may also by ordinance extend by  
14 annexation the boundaries of any service district when one hundred percent (100%) of the real  
15 property owners of the area to be annexed have petitioned the council for annexation to the  
16 service district.

17 (b1) Satellite Annexation. – The city council may also by ordinance annex noncontiguous  
18 territory to any service district, provided all of the following criteria are met:

19 (1) One hundred percent (100%) of the real property owners of the area to be  
20 annexed have petitioned the council for annexation to the district.

21 (2) The nearest point on the proposed satellite area must not be more than 1,000  
22 feet from the boundary of the district.

23 (3) The area must be so situated that the district will be able to provide the same  
24 services within the proposed satellite area that it provides within the district.

25 (4) If the area proposed for annexation, or any portion thereof, is a subdivision as  
26 defined in G.S. 160D-102(31), all of the subdivision must be included.

27 (5) The proposed satellite area, when added to the area within all other satellite  
28 areas of the district, may not exceed ten percent (10%) of the area within the  
29 primary boundary of the district.

30 (c) Report. – Before the public hearing required by subsection (d), the council shall cause  
31 to be prepared a report ~~containing;~~containing all of the following:

32 (1) A map of the service district and the adjacent territory, showing the present  
33 and proposed boundaries of the ~~district;~~district.



1           (2)    A statement showing that the area to be annexed meets the standards and  
2                    requirements of ~~subsections (a) or (b); and~~ subsection (a), (b), or (b1) of this  
3                    section.

4           (3)    A plan for extending services to the area to be annexed.

5            The report shall be available for public inspection in the office of the city clerk for at least  
6   two weeks before the date of the public hearing.

7            ...."

8            **SECTION 2.** This act is effective when it becomes law.