

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1285*

Short Title: Revaluation & Annex Tax Notice.

(Public)

Sponsors: Representatives Starnes; Cansler, Rayfield, and Hardy.

Referred to: Ways and Means, if favorable, Finance.

May 18, 1998

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PUBLICIZE THE REVENUE
2 NEUTRAL TAX RATE IN THE YEARS WHEN THERE IS A GENERAL
3 REVALUATION OF REAL PROPERTY, AND TO NOTIFY PERSONS SUBJECT
4 TO ANNEXATION OF THE PROJECTED CHANGE TO THEIR PROPERTY TAX
5 LIABILITY.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 159-11 reads as rewritten:

9 **"§ 159-11. Preparation and submission of budget and budget message.**

10 (a) Upon receipt of the budget requests and revenue estimates and the financial
11 information supplied by the finance officer and department heads, the budget officer shall
12 prepare a budget for consideration by the governing board in such form and detail as may
13 have been prescribed by the budget officer or the governing board. The budget shall
14 comply in all respects with the limitations imposed by G.S. 159-13(b), and unless the
15 governing board ~~shall have~~ has authorized or requested submission of an unbalanced
16 budget as provided in subsection (c) of this section, the budget shall be balanced.

17 (b) The budget, together with a budget message, shall be submitted to the
18 governing board not later than June 1. The budget and budget message should, but need
19 not, be submitted at a formal meeting of the board. The budget message should contain a
20 concise explanation of the governmental goals fixed by the budget for the budget year,

1 should explain important features of the activities anticipated in the budget, should set
2 forth the reasons for stated changes from the previous year in program goals, programs,
3 and appropriation levels, and should explain any major changes in fiscal policy.

4 (c) The governing board may authorize or request the budget officer to submit a
5 budget containing recommended appropriations in excess of estimated revenues. If this is
6 done, the budget officer shall present the appropriations recommendations in a manner
7 that will reveal for the governing board the nature of the activities supported by the
8 expenditures that exceed estimated revenues.

9 (d) The budget officer shall include in the budget a proposed financial plan for
10 each intragovernmental service fund, as required by G.S. 159-13.1, and information
11 concerning capital projects and grant projects authorized or to be authorized by project
12 ordinances, as required by G.S. 159-13.2.

13 (e) In each year in which a general reappraisal of real property has been
14 conducted, the budget shall contain, for comparison purposes, a statement of the
15 hypothetical 'revenue neutral' property tax rate for the budget. This rate is the rate that
16 would produce estimated revenues for the next fiscal year equal to the estimated property
17 tax revenues produced for the current fiscal year plus an amount attributable to the
18 county's anticipated increase in the assessed value of property subject to taxation. The
19 amount attributable to the county's anticipated increase in the assessed value of property
20 subject to taxation is the average amount the assessed value of property subject to
21 taxation has increased in the county over the last three years multiplied by the current
22 fiscal year's rate."

23 Section 2. G.S. 160A-37(b) reads as rewritten:

24 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 25 (1) Fix the date, hour and place of the public hearing.
- 26 (2) Describe clearly the boundaries of the area under consideration, and
27 include a legible map of the area.
- 28 (3) State that the report required in G.S. 160A-35 will be available at the
29 office of the municipal clerk at least 30 days prior to the date of the
30 public hearing.
- 31 (4) Include a clear and easy to understand explanation of the effect the
32 annexation will have on the owner's property tax liability, including the
33 date of assessment and the dates of the first tax year during which the
34 owner will be subject to municipal property taxes.

35 Such notice shall be given by publication once a week for at least two successive
36 weeks prior to the date of the hearing in a newspaper having general circulation in the
37 municipality and, in addition thereto, if the area to be annexed lies in a county containing
38 less than fifty percent (50%) of the land area of the municipality, in a newspaper having
39 general circulation in the area of proposed annexation. The period from the date of the
40 first publication to the date of the last publication, both dates inclusive, shall be not less
41 than eight days including Sundays, and the date of the last publication shall be not more
42 than seven days preceding the date of public hearing. If there be no such newspaper, the
43 municipality shall post the notice in at least five public places within the municipality and

1 at least five public places in the area to be annexed for 30 days prior to the date of public
2 hearing. In addition, notice shall be mailed at least four weeks prior to date of the hearing
3 by first class mail, postage prepaid to the owners as shown by the tax records of the
4 county of all freehold interests in real property located within the area to be annexed. The
5 person or persons mailing such notices shall certify to the governing board that fact, and
6 such certificate shall become a part of the record of the annexation proceeding and shall
7 be deemed conclusive in the absence of fraud. If the notice is returned to the city by the
8 postal service by the tenth day before the hearing, a copy of the notice shall be sent by
9 certified mail, return receipt requested, at least seven days before the hearing. Failure to
10 comply with the mailing requirement of this subsection shall not invalidate the
11 annexation unless it is shown that the requirements were not substantially complied with.

12 If the governing board by resolution finds that the tax records are not adequate to
13 identify the owners of some or all of the parcels of real property within the area it may in
14 lieu of the mail procedure as to those parcels where the owners could not be so identified,
15 post the notice at least 30 days prior to the date of public hearing on all buildings on such
16 parcels, and in at least five other places within the area to be annexed. In any case where
17 notices are placed on property, the person placing the notice shall certify that fact to the
18 governing board."

19 Section 3. G.S. 160A-49(b) reads as rewritten:

20 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 21 (1) Fix the date, hour and place of the public hearing.
22 (2) Describe clearly the boundaries of the area under consideration, and
23 include a legible map of the area.
24 (3) State that the report required in G.S. 160A-47 will be available at the
25 office of the municipal clerk at least 30 days prior to the date of the
26 public hearing.
27 (4) Include a clear and easy to understand explanation of the effect the
28 annexation will have on the owner's property tax liability, including the
29 date of assessment and the dates of the first tax year during which the
30 owner will be subject to municipal property taxes.

31 Such notice shall be given by publication once a week for at least two successive
32 weeks prior to the date of the hearing in a newspaper having general circulation in the
33 municipality and, in addition thereto, if the area to be annexed lies in a county containing
34 less than fifty percent (50%) of the land area of the municipality, in a newspaper having
35 general circulation in the area of proposed annexation. The period from the date of the
36 first publication to the date of the last publication, both dates inclusive, shall be not less
37 than eight days including Sundays, and the date of the last publication shall be not more
38 than seven days preceding the date of public hearing. If there be no such newspaper, the
39 municipality shall post the notice in at least five public places within the municipality and
40 at least five public places in the area to be annexed for 30 days prior to the date of public
41 hearing. In addition, notice shall be mailed at least four weeks prior to date of the hearing
42 by first class mail, postage prepaid to the owners as shown by the tax records of the
43 county of all freehold interests in real property located within the area to be annexed. The

1 person or persons mailing such notices shall certify to the governing board that fact, and
2 such certificate shall become a part of the record of the annexation proceeding and shall
3 be deemed conclusive in the absence of fraud. If the notice is returned to the city by the
4 postal service by the tenth day before the hearing, a copy of the notice shall be sent by
5 certified mail, return receipt requested, at least seven days before the hearing. Failure to
6 comply with the mailing requirements of this subsection shall not invalidate the
7 annexation unless it is shown that the requirements were not substantially complied with.
8 If the governing board by resolution finds that the tax records are not adequate to identify
9 the owners of some or all of the parcels of real property within the area it may in lieu of
10 the mail procedure as to those parcels where the owners could not be so identified, post
11 the notice at least 30 days prior to the date of public hearing on all buildings on such
12 parcels, and in at least five other places within the area to be annexed. In any case where
13 notices are placed on property, the person placing the notices shall certify that fact to the
14 governing board."

15 Section 4. This act becomes effective December 1, 1998.