

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

1

SENATE BILL 1142*

Short Title: Revaluation & Annex Tax Notice.

(Public)

Sponsors: Senators Ledbetter; Clark, Garwood, Horton, McDaniel, Moore, Page, and Shaw of Guilford.

Referred to: State Government, Local Government and Personnel.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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