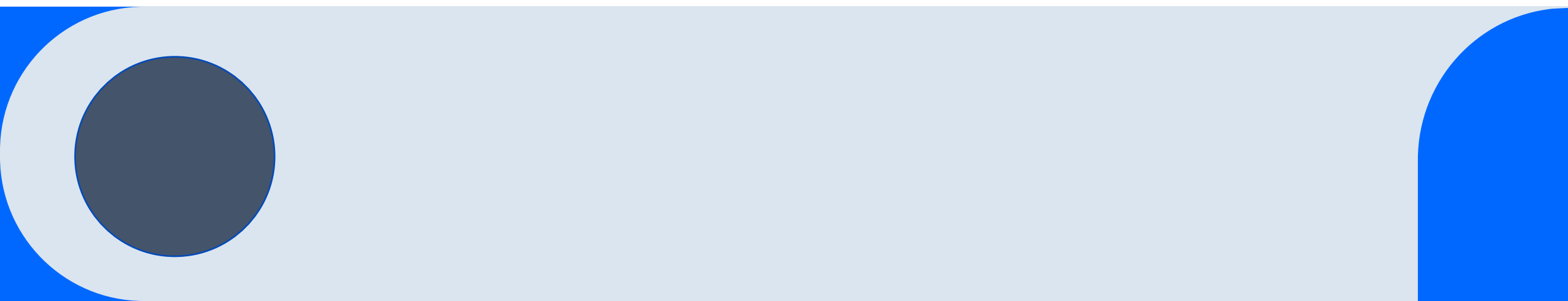




Incorporation and Alternatives in North Carolina



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Introduction

Incorporation of a community to become a town government is a strenuous process that requires community cooperation and is entirely community led.

Advantages:

1. Ability to provide residents with the entire range of services associated with city/town government, that counties won't, or are unable to provide.
2. Ability to regulate citizens and their property through ordinance making.
3. Keeps the community from becoming annexed.
4. Gain other rights such as obtaining federal or state grants.

Disadvantages:

1. Cost to provide services, which means an extra layer of taxation.
2. Regulatory disagreement from some members of the community.



Incorporation in Chatham County

Incorporated Towns

- Apex (1873)
- Cary (1871)
- Goldston (1907)
- Pittsboro (1787)
- Siler City (1887)

Census Designated Places

- Briar Chapel
- Carolina Meadows
- Fearington Village
- Governors Club
- Governors Village
- Gulf
- Moncure

Unincorporated Communities

- Asbury
- Bear Creek
- Bennett
- Bonlee
- Brickhaven
- Bynum
- Carbonton
- Corinth
- Crutchfield
- Crossroads
- Farmville
- Farrington
- Harper's Crossroads
- Haywood
- Lockville
- Seaforth
- Silk Hope
- Wilsonville

Legal Framework

North Carolina Constitution

- The NC Constitution (Article 7, Section 1) lays out guidelines surrounding the General Assembly's ability to incorporate towns.
- The General Assembly may incorporate a city or town by simple majority.
- However, there are constraints in the NC constitution that require some incorporations to be approved by 3/5ths of both legislative bodies:
 1. Proposed town is within one mile of a city of 5,000 people or more
 2. Proposed town is within three miles of a city of 10,000 people or more
 3. Proposed town is Within four miles of a city of 25,000 people or more
 4. Proposed town is within five miles of a city of 50,000 people or more

Joint Legislative Commission on Municipal Incorporation

- Although the General Assembly holds sole ability to incorporate a Town, the Joint Legislative Commission on Municipal Incorporation was created to facilitate incorporation proposals (G.S. 120-20).
- There are requirements for proposals that must be met for the Commission to issue a positive recommendation for incorporation.
- Although not required by statute it is common practice for the General Assembly to go through the Commission before approval of incorporation.



Process for Incorporation: Prior to Commission Consideration (Slide 1)

Grassroots Organization

- Incorporation is a purely grassroots movement.
- Organize proponents to incorporation.
- This group will provide oversight and management of proposed municipality.

Draw Town Boundaries

- Organized group should draw tentative town boundaries.
- This is needed by the Commission, as well as the General Assembly for passage of legislation.

Determine Taxable Property

- Taxable property should be determined to estimate financial outcomes of the proposed town.
- The county tax administration office can supply these figures to the organized group.

Process for Incorporation: Prior to Commission Consideration (Slide 2)

Converse with County

- The group determines what the county is doing in the area by meeting with county officials and staff.
- The group must obtain land, service, and other information known about the proposed municipal boundaries.

Town Charter

- Proposing group creates the new Town Charter.
- The petition that is submitted to the Commission will need the information for a positive recommendation.

Incorporation petition

- Proposing group must obtain signatures for petition to be submitted to Commission.



Process for Incorporation: Prior to Commission Consideration (Slide 3)

Model Budget

- The organized group must create a model budget for the government.
- The Commission needs a plan for services.
- Residents also will likely want to know the services they will receive.

Services Determination

- Organizing group should gather community service desires.
- This is to compare costs and develop an idea of services to be offered by the commission.

Community Meetings

- The organizing group should gain insight on community thoughts on incorporation.
- The petition is one way, but likely the General Assembly will want to see broad community support outside of the petition requirement.

Incorporation Proposal Process

1. Petition	2. Notification	3. Initial Inquiry	4. Findings
<ul style="list-style-type: none"> • G.S. 120-163 • 15% of registered voters of the area must sign petition. • County Board of Elections must verify signatures. • Petition must include: <ul style="list-style-type: none"> • Name for the city • Map of the city • Proposed services • Governing board members • Proposed charter • Estimated assessed valuation • Degree of development • Population density • Style of governing board 	<ul style="list-style-type: none"> • G.S. 120-164 • Petitioners should notify the following more than 5 days before submittal: <ul style="list-style-type: none"> • the Board of County Commissioners • All cities within county • all cities within 5 miles • Petitioners should include notice in an area newspaper seven days before submitting. 	<ul style="list-style-type: none"> • G.S. 120-165 • On receipt of the petition the Commission should determine if statutory requirements have been met, if not the petition should be returned to petitioners. • Slide 10 contains the criteria for the above 	<ul style="list-style-type: none"> • G.S. 120-171 • If the Commission cannot make a positive recommendation, it shall make a negative one. • If the Commission determines it can make a positive recommendation it shall require petitioners have a legally sufficient description of the proposed Municipality. • If the Commission determines it is not barred from making a positive recommendation, it shall make a positive recommendation to the General Assembly. • The report shall be submitted to the General Assembly in a useful form.

Incorporation Criteria

- The Joint Legislative Commission on Municipal Incorporation will not positively recommend a proposal (Other Criteria May also be Considered):
 - If the proposed municipality is (G.S. 120-166):
 - located within one mile of a municipality of 5,000 to 9,999
 - within three miles of a municipality of 10,000 to 24,999
 - within four miles of a municipality of 25,000 to 49,999
 - or within five miles of a municipality of 50,000 or over
 - If the proposed municipality has less than 100 permanent population, or less than 250 people per square mile (G.S. 120-167).
 - If the less than 40% of the area is developed for residential, commercial, industrial, institution, or governmental uses, or is dedicated as open space under the provisions of a zoning or other ordinances (G.S. 120-168).
 - If any of the proposed municipality is included within the boundary of another incorporated municipality (G.S. 120-169).
 - Unless a municipal service plan and impact report on other local governments is provided (G.S. 120-169.1 and G.S. 120-170).



Alternatives to Incorporation: County Services

- Counties have the legislative ability to provide services similarly to municipalities in North Carolina.
- Speaking and working with the county may be a viable alternative to incorporation.
- However, a county may not maintain a service a specific community may desire. In this case there may be further options.



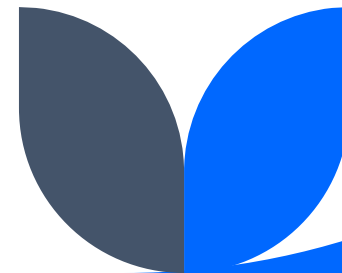
Alternatives to Incorporation: County Service Districts

- County Service Districts are set by the Board of Commissioners (G.S. 153A, Art. 16).
- Allow the county to provide one or more services that the county is unable to provide county-wide.
- Levy's a property tax on property within the district.
- Some exceptions are present when utilizing these districts (street and sidewalks, and police)



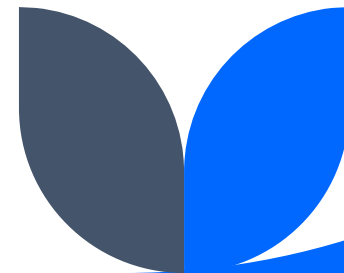
Alternatives to Incorporation: Special Districts

- Several types of Special Districts are allowed by state law
 - Sanitary districts – Created by the Commission for Public Health upon request by the governing board (G.S. Ch. 130A, Art. 2, Part 2).
 - Rural Fire Protection Districts – Commissioners upon a petition of 35% of the property owners in the area, call special election for the question of levying a special tax to all residents in the area for fire protection in the district (G.S. Ch.69, Art. 3A).
 - County Water and Sewer District - Created by the board of commissioners to provide water, sewer, or both. Commissioners may establish the water and sewer district on their own action and serve as the governing board (G.S. 162A, Art.6).



Alternatives to Incorporation: Annexation

- Annexation into an existing city/town is an option for communities that are near one.
- This would allow the community to obtain urban services.
- Statutory processes for annexation, of which there are three options:
 - Voluntary Annexation of contiguous areas (G.S. 160A-31 and -31.1)
 - By petition signed by the owners of all the real property located within such area.
 - Voluntary annexation of noncontiguous areas (G.S. 160A-58 through -58.8)
 - By petition signed by the owners of all real property located within such area.
 - Involuntary annexation of contiguous areas (subject to urban development standards, mandatory service provisions, and a referendum by majority of voters) (G.S. 160A - 58.50 through - 58.63)



Questions?