§ 160A-58.54. Character of area to be annexed.

(a) A municipal governing board may extend the municipal corporate limits to include any area that meets all of the following criteria:

(1) It shall be adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun, except if the entire territory of a county water and sewer district created under G.S. 162A-86(b1) is being annexed, the annexation shall also include any noncontiguous pieces of the district as long as the part of the district with the greatest land area is adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun.

(2) At least one-eighth of the aggregate external boundaries of the area shall coincide with the municipal boundary.

(3) No part of the area shall be included within the boundary of another incorporated municipality.

(4) The total area to be annexed shall meet the requirements of any of the following:

a. Part or all of the area to be annexed must be developed for urban purposes at the time of approval of the report provided for in G.S. 160A-58.53. The area of streets and street rights-of-way shall not be used to determine total acreage under this subdivision. An area developed for urban purposes is defined as any area which meets any one of the following standards:

1. Has a total resident population equal to at least two and three-tenths persons for each acre of land included within its boundaries.

2. Has a total resident population equal to at least one person for each acre of land included within its boundaries, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage consists of lots and tracts three acres or less in size and such that at least sixty-five percent (65%) of the total number of lots and tracts are one acre or less in size.

3. Is so developed that at least sixty percent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional, or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental, or institutional purposes, consists of lots and tracts three acres or less in size.

4. Is the entire area of any county water and sewer district created under G.S. 162A-86(b1), if all of the following apply:

I. The municipality has provided in a contract with that district that the area is developed for urban purposes.

II. The contract provides for the municipality to operate the sewer system of that county water and sewer district.

III. The municipality is annexing in one ordinance the entire territory of the district not already within the corporate limits of a municipality.

5. Is so developed that, at the time of the approval of the annexation report, all tracts in the area to be annexed are used

for commercial, industrial, governmental, or institutional purposes.

b. Part or all of the area to be annexed meets either of the following:

1. Lies between the municipal boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the municipal boundary or cannot be served by the municipality without extending major municipal services, including water or sewer lines, through such sparsely developed area.

2. Is adjacent, on at least sixty percent (60%) of its external boundary, to any combination of the municipal boundary and the boundary of an area or areas developed for urban purposes as defined in sub-subdivision a. of this subsection.

The purpose of paragraphs 1. and 2. of this sub-subdivision is to permit municipal governing boards to extend corporate limits to include all nearby areas developed for urban purposes and where necessary to include areas which at the time of annexation are not yet developed for urban purposes but which constitute necessary land connections between the municipality and areas developed for urban purposes or between two or more areas developed for urban purposes.

c. The total area to be annexed is completely surrounded by the municipality's primary corporate limits.

(b) In fixing new municipal boundaries and determining whether an area is developed for urban purposes, a municipal governing board shall comply with all the following:

(1) Use recorded property lines and streets as boundaries. Some or all of the boundaries of a county water and sewer district may also be used when the entire district is not already within the corporate limits of the municipality.

(2) Use whole parcels of property in that if any portion of that parcel is included, the entire parcel of real property as recorded in the deed transferring title shall be included.

(3) Not use a connecting corridor consisting solely of the length of a street or street right-of-way to establish contiguity.

(4) Not consider property in use for a commercial, industrial, institutional, or governmental purpose if the lot or tract is used only temporarily, occasionally, or on an incidental or insubstantial basis in relation to the size and character of the lot or tract.

(5) Include acreage actually occupied by buildings or other man-made structures together with all areas that are reasonably necessary and appurtenant to such facilities for purposes of parking, storage, ingress and egress, utilities, buffering, and other ancillary services and facilities when determining acreage in use for commercial, industrial, institutional, or governmental purposes.

(6) Consider the area of an abolished water and sewer district to be a water and sewer district for the purpose of this section even after its abolition under G.S. 162A-87.2(b).

(c) As used in this subsection, "bona fide farm purposes" is as described in G.S. 160D-903(a). As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is being used for bona fide farm purposes on the date of the resolution of intent to consider annexation may not be annexed without the written consent of the owner or owners of the property. (2011-396, s. 9; 2011-363, s. 3.1; 2022-55, s. 7(g).)