

JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS
REPORT TO THE GENERAL ASSEMBLY

Proposed Incorporation of the Town of Sunset Harbor
February 12, 2003

The Joint Legislative Commission on Municipal Incorporations was created in 1986 by the General Assembly to conduct an independent review and evaluation of proposed municipal incorporations. This evaluation, to be conducted in accordance with a statutory set of objective criteria, is designed to allow the General Assembly to see the feasibility of the proposed new municipality. The Commission consists of four members of the General Assembly, one city official, and one county official. A list of members appears as Appendix A.

The statutory criteria require a review of community support, (a petition is required) population, land development, nearness to other urban areas, and ability to provide municipal services at a reasonable tax rate. A copy of the statutes authorizing the Commission and setting up the review standards is attached as Appendix B.

The Commission received a petition proposing the incorporation of the Town of Sunset Harbor in Brunswick County on April 26, 2002. A copy of the petition is attached as Appendix C.

The Commission, pursuant to G.S. 120-161, asked the Division of Community Assistance of the Department of Commerce to evaluate the petition. The Division conducted the evaluation and, based upon its report, the Commission found that the requirements of G.S. 120-163 and G.S. 120-164 had been met (a copy of the report is attached as Appendix D).

The Commission also requested that the Division of Community Assistance evaluate the proposed Town's petition for incorporation under G.S. 120-166 (a copy of the report is attached as Appendix E). The Division conducted the evaluation and determined that the statutory requirement was met.

The Commission further requested that the Division of Community Assistance evaluate the proposed Town's petition under G.S. 120-167 through G.S. 120-170 (a copy of the report is attached as Appendix F). The Division conducted the evaluation and determined that all statutory requirements had been met.

Pursuant to G.S. 120-169.1, the Commission requested that the Fiscal Research Department provide data that shows the impact on other municipalities and counties of the diversion of already levied taxes or State-shared revenues to

support services in the proposed Town of Sunset Harbor (a copy of the report is attached as Appendix G). The data provided by the Department (based upon figures from 2000-2001) shows that sales tax revenues in Brunswick County are distributed on a per capita basis. If the proposed Town of Sunset Harbor had been incorporated at that time, it would have received \$78,797 in sales tax revenues. The incorporation of Sunset Harbor would have a marginal impact on the distribution of Powell Bill funds in the State and Brunswick County. No revenue shift of utility excise taxes is expected since the incorporation of Sunset Harbor would encompass areas that are not currently part of another municipality.

The Commission finds that the proposed Town of Sunset Harbor meets the standards required by Article 20 of Chapter 160A of the General Statutes, and therefore the Commission recommends incorporation of the area as the Town of Sunset Harbor.