

Benefits of Annexation Summary by the NC League of Municipalities

Annexation allows cities to take in areas on their outskirts that essentially have become part of the city by virtue of their proximity and population density. It allows cities to grow and, therefore, to thrive.

ANNEXATION KEEPS TAXES LOW, BOND RATINGS HIGH - Annexation of urbanizing areas is the most cost-effective way to deal with growth. Expanding existing infrastructure benefits city and county taxpayers by saving millions of dollars by not building duplicative systems. In other states, prohibiting annexation has led to deteriorating city centers, multiple mini-cities with duplicative services and a proliferation of overlapping tax districts that drain state and county financial resources. A study shows that the more restrictive it is to annex, the poorer a city's bond rating.

ANNEXATION IS EQUITABLE - People locate their residences and businesses near cities and towns for a reason. Annexation helps spread the cost for the advantages of living in close proximity to a city or town among the people who benefit from them. Our cities and towns provide services and amenities such as public safety, recreation, economic development, shopping and jobs that benefit not only city residents, but also those living outside municipal borders. Note that city residents pay 60 percent of the property taxes used to provide county services in unincorporated areas.

ANNEXATION PROMOTES ECONOMIC DEVELOPMENT - Existing annexation laws make it easier for cities and towns to compete for new jobs and provide public services to residents and businesses. Cities and towns are job centers. More than 85 percent of all jobs in NC are in the metropolitan areas. The economic health of the cities drives the economic health of the entire region.

ANNEXATION PROTECTS THE ENVIRONMENT AND PUBLIC HEALTH - An annexation veto will lead to more of North Carolina's growing population being on septic tanks, substandard wells and privately-operated and sometimes costly sewage treatment plants that significantly increase environmental and public health risks.

THE GENERAL ASSEMBLY SET RIGOROUS STANDARDS – City-initiated annexations are an open and transparent process that must meet tough legal standards before being allowed to proceed.