

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1362
Finance Committee Substitute Adopted 6/9/10

Short Title: Orange/Alamance Boundary. (Local)

Sponsors:

Referred to:

May 25, 2010

1 A BILL TO BE ENTITLED
2 AN ACT TO ENABLE THE TRANSITION OF PROPERTIES OF THE AREA ALONG
3 THEIR COMMON BOUNDARY BETWEEN ALAMANCE COUNTY AND ORANGE
4 COUNTY DUE TO THE 2008 NORTH CAROLINA GEODETIC SURVEY WORK
5 THAT DEPICTED AND MONUMENTED THE HISTORIC ORANGE
6 COUNTY/ALAMANCE COUNTY BOUNDARY LINE AS DESCRIBED IN THE 1849
7 SURVEY ESTABLISHING ALAMANCE COUNTY.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The historic boundary line forming Alamance County from Orange
10 County was described and surveyed in 1849. Over the years, this line became uncertain, and so
11 pursuant to G.S. 153A-18(c) entitled 'Uncertain or Disputed Boundary,' both county boards of
12 commissioners passed resolutions (Alamance County, December 17, 2007, and Orange County,
13 January 18, 2008) to request that the North Carolina Geodetic Survey (hereinafter "NCGS")
14 perform a preliminary resurvey and present a proposed map for consideration by both counties.
15 During the 160 years since the 1849 survey, the exact location of the surveyed line has become
16 uncertain, resulting in unintentional modifications to the boundary line affecting taxation,
17 school attendance, zoning maps, and elections within and among Alamance County, Orange
18 County, and the Town of Mebane.

19 **SECTION 2.** The Alamance County Board of Commissioners agreed by vote on
20 April 21, 2008, and Orange County on May 20, 2008, to approve authorizing NCGS to conduct
21 the preliminary survey and the placing of monuments by the NCGS consistent with their
22 research to form a boundary baseline.

23 **SECTION 3.** In the 160 years since the initial survey of the Alamance County/
24 Orange County boundary line, Alamance and Orange Counties have entered multiple taxing
25 agreements that have resulted in properties being taxed in one county by the adjoining county.
26 Other situations have arisen in which children of one county attend school in the adjoining
27 county and voters in one county have voted in the adjoining county. The General Assembly
28 recognizes the difficulties in addressing these issues and authorizes Alamance County and
29 Orange County to maintain the current taxing, elections, education, and any other recognized
30 government functions in place until July 1, 2011.

31 **SECTION 4.(a)** On and after July 1, 2011, all papers, documents, and instruments
32 required or permitted to be filed or registered that involve residents and property located in
33 areas affected by the resurvey of the boundary line that previously may have been recorded in
34 the adjoining counties shall be recorded in the county to which the property has been annexed.

35 **SECTION 4.(b)** All public records related to residents and property located in
36 areas affected by the resurvey of the boundary line that were filed or recorded prior to July 1,
37 2011, in the adjoining counties shall remain in those respective adjoining counties where filed



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1 or recorded, and such records shall be valid public records as to the property and persons
2 involved, even though they are recorded in an adjoining county which is a county where the
3 property is no longer located as evidenced by the 2008 North Carolina Geodetic Survey and the
4 subsequent partial resurvey pursuant to Section 7 of this act.

5 **SECTION 4.(c)** On and after July 1, 2011, all real and personal property located in
6 areas affected by the resurvey of the boundary line that was subject to ad valorem taxation on
7 January 1, 2011, shall be subject to ad valorem taxes in the county to which the property is
8 annexed for the fiscal year beginning July 1, 2011, to the same extent as it would have been had
9 it been correctly recognized by the tax departments of each county on January 1, 2011, except
10 as hereinafter provided with respect to classified registered motor vehicles. On July 1, 2011, the
11 tax administrators of the adjoining counties shall transfer to the respective county tax assessors
12 the ad valorem tax listings and valuations for all real and personal property subject to ad
13 valorem taxation in areas affected by the resurvey of the boundary line, except classified motor
14 vehicles that were registered in the adjoining counties prior to July 1, 2011. For the fiscal year
15 that begins July 1, 2011, all real and personal property located in areas affected by the resurvey
16 of the boundary line that was subject to ad valorem taxation in that area on January 1, 2011,
17 shall be assessed and taxed as follows:

- 18 (1) The ad valorem property taxes assessed on all classified registered motor
19 vehicles registered or listed in adjoining counties between January 1, 2011,
20 and June 30, 2011, shall be collected by the appropriate adjoining county tax
21 collector, and all such taxes shall be retained by that adjoining county. The
22 taxes on all classified registered motor vehicles registered after June 30,
23 2011, shall be assessed and collected by the county tax department in the
24 county to which the real property wherein the classified registered motor
25 vehicles are situated has been annexed.
- 26 (2) The values established by the particular adjoining county tax administrator
27 on all personal property other than classified registered motor vehicles shall
28 be used by the county tax assessor without adjustment in computing taxes
29 due for the fiscal year beginning July 1, 2011. All such taxes shall be
30 assessed and collected by the appropriate county tax department.
- 31 (3) For the interim time period between the annexation of properties into their
32 respective counties and until such time as the next regularly scheduled
33 revaluation period, Alamance County and Orange County may select either
34 of two methods of valuating the property annexed into their respective
35 county by this act. The selection of either method by a county shall not give
36 any individual or entity grounds for challenging such temporary valuation.
37 Such methods are delineated as follows:
 - 38 a. The values established by the adjoining counties' tax administrators
39 on all real property formerly taxed in their respective county shall be
40 adjusted by the appropriate county tax assessor by applying the
41 difference between one hundred percent (100%) of such values and
42 the appropriate county median ratio, as established by the Sales
43 Assessment Ratio Study compiled by the North Carolina Department
44 of Revenue as of January 1, 2012. The taxes determined by applying
45 this method will be collected and retained by the appropriate county
46 tax collector. The value of such property shall then be revalued
47 according to the regularly scheduled revaluation period for each
48 county.
 - 49 b. The values established by the adjoining counties' tax administrators
50 on all real property formerly taxed in their respective county shall be
51 adopted by the appropriate county tax assessor upon the transition of

1 property to the adjoining county. The valuation of such property shall
2 then be revalued according to the regularly scheduled revaluation
3 period for each county.

4 (4) Beginning January 1, 2012, all property in areas affected by the resurvey of
5 the boundary line that is subject to ad valorem taxation shall be listed,
6 assessed, and taxed by the appropriate county tax administrator in the same
7 manner as is prescribed by law for all other property located within each
8 county.

9 (5) The final tax values of property subject to ad valorem taxation in areas
10 affected by the resurvey of the boundary line as of January 1, 2011, shall be
11 determined by the adjoining county tax administrator. Appeals to the North
12 Carolina Property Tax Commission or to the courts by property owners of
13 properties affected by the boundary line change shall be defended by both
14 counties, and both counties shall be responsible for their costs and expenses,
15 including attorneys' fees, incurred in connection with such appeals.

16 (6) Any unpaid taxes or tax liens for the fiscal year ending June 30, 2011, or for
17 prior years on property subject to taxation in areas affected by the resurvey
18 of the boundary line shall continue to be valid and enforceable by the
19 respective adjoining county, including (i) the foreclosure remedies provided
20 for in G.S. 105-374 and G.S. 105-375, and (ii) the remedies of attachment
21 and garnishment provided for in G.S. 105-366 through G.S. 105-368. The
22 Alamance County and Orange County tax administrators shall supply one
23 another with a list of unpaid taxes as of July 1, 2011. Any such taxes
24 collected by either county shall be promptly paid to the appropriate
25 adjoining county, including accrued interest. The provisions of G.S. 105-352
26 (d) shall not apply to: those areas in an adjoining county previously taxed by
27 either county outside the areas affected by the resurvey of the boundary line
28 that shall forthwith be properly listed and taxed in the county to which they
29 have been annexed; and those areas within each county that were in the past
30 improperly listed and taxed by the adjoining county due to uncertainty as to
31 the exact location of the true historic Alamance County/Orange County
32 boundary line. Under the discovery process, each county may waive any
33 interest and penalties accrued for tax years 2006-2011 in its sole discretion.

34 **SECTION 4.(d)** No cause of action, including criminal actions, involving persons
35 or property located in areas affected by the resurvey of the boundary line that is pending on
36 July 1, 2011, shall be abated, and such actions shall continue in the appropriate adjoining
37 county.

38 **SECTION 4.(e)** The board of elections of each adjoining county shall, effective
39 July 1, 2011, transfer the voter registration records pertaining to persons residing in areas
40 affected by the resurvey of the boundary line and located in either county to the adjoining
41 county's board of elections, and thereafter the registered voters so transferred shall be validly
42 registered to vote in that adjoining county.

43 **SECTION 4.(f)** The Jury Commission of each adjoining county shall revise its jury
44 lists to add to or eliminate therefrom those persons subject to jury duty who reside in areas
45 affected by the resurvey of the boundary line, said revised jury lists to be effective July 1, 2011.

46 **SECTION 4.(g)** The areas affected by the resurvey of the boundary line and
47 located in each county shall be transferred into the appropriate superior court district, district
48 court district, and prosecutorial district. The areas affected by the resurvey of the boundary line
49 shall remain in the same congressional district, the same State House of Representatives
50 district, and the same State Senate district.

1 **SECTION 4.(h)** Any cause of action relating to taxation as it is currently exercised
2 by the counties along or near the Alamance County/Orange County boundary, or any other
3 cause of action related in any way to the Alamance County/Orange County boundary or
4 properties affected by changes in the boundary, is stayed, and no new cause of action relating to
5 these matters shall be commenced until ratification of the official line by the North Carolina
6 General Assembly. Thereafter, causes of action related to the taxation of property shall be
7 defended as described in subdivision (5) of this Section 4(c) of this act.

8 **SECTION 5.** The Alamance County Board of Education shall cooperate with the
9 Orange County Board of Education on behalf of residents that have students affected by this act
10 to ensure that a transition is made that provides students and their siblings with a choice to
11 remain in their current school system until graduation from high school for so long as they
12 reside in the residence affected by this act.

13 **SECTION 6.** Any child who was a resident of any area annexed by this act on its
14 date of ratification and who was a student in the Orange County or Alamance County school
15 system during the 2009-2010 or 2010-2011 school year, and the siblings of any such person,
16 may attend school in the same school system as their siblings without necessity of a release or
17 payment of tuition. Any such student, while attending the Orange County school system, shall
18 be considered a resident of Orange County for all public school purposes, including
19 transportation, athletics, and funding formulas. Any such student, while attending the
20 Alamance County school system, shall be considered a resident of Alamance County for all
21 public school purposes, including transportation, athletics, and funding formulas. Notice must
22 be given to all affected school systems by the parent or guardian in order to exercise the
23 privilege granted by this section.

24 **SECTION 7.** Alamance County and Orange County shall establish an
25 administrative method by which owners of property that is annexed or bisected by the North
26 Carolina Geodetic Survey line shall have the opportunity to petition Alamance County and
27 Orange County either to remain in the county to which their property was previously assigned
28 or, in the case of a bisection, to be assigned to one county or the other, save and except that
29 small lot subdivisions shall not be divided on a lot by lot basis. Notice of such opportunity to
30 petition shall be delivered by United States mail to the affected property owners no later than
31 30 days after the effective date of this act. All administrative reviews on such petitions shall be
32 concluded and final no later than December 15, 2010.

33 **SECTION 8.** Alamance County and Orange County shall cause areas of the
34 boundary line to be resurveyed in areas where property owners have met the established
35 administrative criteria to be assigned to a specific county and in areas where for practical or
36 other reasons the North Carolina Geodetic Survey line is not reasonable or is unduly
37 burdensome.

38 **SECTION 9.** Upon the conclusion of the survey and petition process established in
39 Section 7 of this act, and no later than May 15, 2011, Alamance County and Orange County
40 shall submit to the North Carolina General Assembly for ratification a completed survey that
41 includes both the North Carolina Geodetic Survey line and all mutually agreed upon
42 modifications thereto.

43 **SECTION 10.** The elected and appointed officials and employees of Alamance
44 County and Orange County shall incur no liability under any local or North Carolina statute,
45 law, ordinance, rule, or regulation for any act or failure to act relating to taxation, school
46 attendance, land-use controls, elections, or any other governmental function as it relates to the
47 currently utilized boundary line of Alamance County and Orange County.

48 **SECTION 11.** Owners and future owners of properties affected by this act shall be
49 put on notice of the terms and conditions of this act by a written instrument filed in the office of
50 the register of deeds of the county to which the property has been annexed.

51 **SECTION 12.** This act becomes effective July 1, 2010.