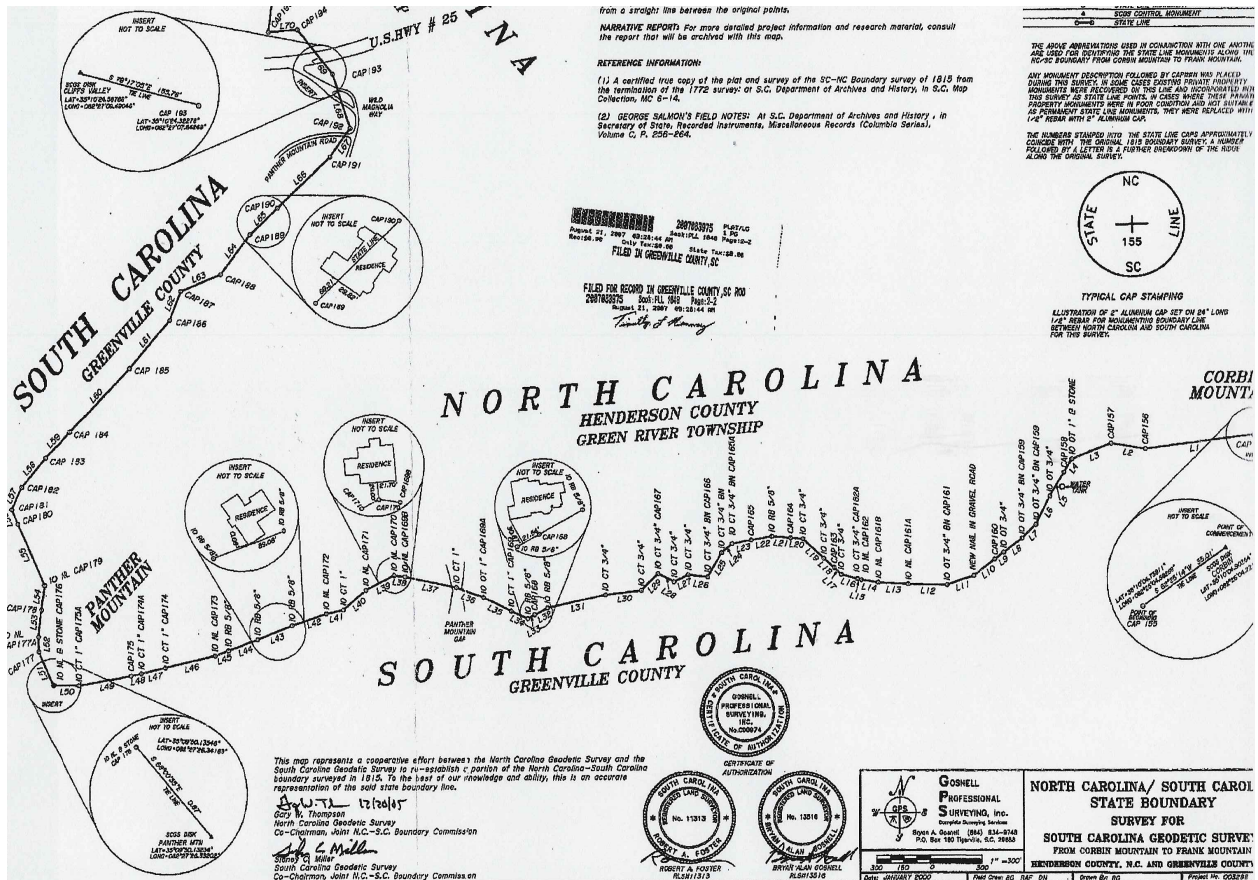


PROTOCOLS AND PROCEDURES FOR RECONCILIATION OF PROPERTY TAX RECORDS IN NORTH CAROLINA COUNTIES AFFECTED BY THE RE-ESTABLISHMENT OF THE ORIGINAL STATE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA



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SALIENT POINTS

FOR RECONCILIATION OF TAX RECORDS IN NORTH CAROLINA COUNTIES AFFECTED BY THE RE-ESTABLISHMENT OF THE ORIGINAL STATE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA

1. Regarding parcels of real property, whether described as an acreage tract or a lot, and whether in whole or in part, all land situated within a North Carolina county boundary is to be listed, appraised, and assessed in that particular county, regardless of its size, shape, location, use, value, or situs address.
2. All improvements, structures, and buildings, whether in whole or in part, situated on land within the boundary of a North Carolina county are to be listed, appraised, and assessed in that particular county, regardless of its size (volume or square footage), value, use, or situs address.
3. Under no circumstances, is land not actually situated in a North Carolina county to be listed, appraised, or assessed as though it were located within the borders of that particular North Carolina county.
4. Under no circumstances, are improvements not situated on land located within the borders of a North Carolina county to be listed, appraised, or assessed as though they were located within the borders of that particular North Carolina county.
5. North Carolina counties with parcels affected by the reestablished boundary with South Carolina are solely responsible for their listing and assessment decisions, and are to appraise any parcel, whether in whole or in part, based on the Uniform Schedules of Values, Standards, and Rules adopted for their most recent general reappraisal. The resulting assessed value and taxes due may be more, less, or the same, as previously established based on the reappraisal year and tax rates.
6. The best evidence available, upon which North Carolina counties should rely, are/will be survey plats produced by the combined efforts of the North Carolina Geodetic Survey and the South Carolina Geodetic Survey, and subsequently approved by the NC/SC Joint Boundary Commission and the North Carolina Council of State, and identified by Executive Order of the North Carolina Governor, and recorded in the North Carolina border counties of Jackson, Transylvania, Henderson, Polk, Rutherford, Cleveland, Gaston, Mecklenburg, Union, Anson, Richmond, Scotland, Robeson, Columbus, and Brunswick, (and the South Carolina counties of Oconee, Pickens, Greenville, Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry).
7. Per the language in PART I, Section 1.(c) and Section 2.(c) of S575, ratified as Session Law 2016-23 by the North Carolina General Assembly on 20 June 2016, provides for the effective date of the reconciliation to be as early as 1 January following the date of Executive Order No. 108 by North Carolina Governor Easley (dated 25 September 2006), and Executive Order No. 74 by North Carolina Governor Perdue (dated 22 December 2010), both of which preceded the recordation of plats affecting the North Carolina counties of Jackson, Transylvania, Henderson, and the western portion of Polk. Given the lapse in time between the dates of the Executive Orders and the dates of plat recordation for the aforementioned counties (Jackson on 24 August 2015, Transylvania on 15 May 2012, Henderson on 7 February 2013, and western portion of Polk on 24 February 2014), for these four (4) counties only, the earliest effective date for recognizing the change will be the 1 January following the date of plat recordation. In this manner, changes resulting from the reestablished

boundary with South Carolina are treated as any other change to a tax record when based on the best evidence available via a plat recordation.

8. Per the language in PART I, Section 1.(c) and Section 2.(c) of S575, ratified as SL 2016-23 by the North Carolina General Assembly on 20 June 2016, on the presumption that the survey plats produced by the combined efforts of the North Carolina Geodetic Survey and the South Carolina Geodetic Survey, and subsequently approved by the NC/SC Joint Boundary Commission, will be presented and approved by the North Carolina Council of State, and subsequently referenced and described by Executive Order of the North Carolina Governor during calendar year 2016, and presuming those plats will be recorded in the respective affected counties (Brunswick, Columbus, Robeson, Scotland, Richmond, Anson, Union, Mecklenburg, Gaston, Cleveland, Rutherford, and the eastern portion of Polk), before 1 January 2017, the earliest effective date for correcting the tax records will be 1 January 2017. In this manner, changes resulting from the reestablished boundary with South Carolina are treated as any other change to a tax record when based on the best evidence available via a plat recordation.

9. Any and all changes to the tax parcel record based on the reestablished boundary are considered to be from the 1 January date forward following the date of the plat recordation, as set forth by G.S. 105-287 for non-reappraisal years, and G.S. 105-285(d) for reappraisal years.

10. G.S. 105-287 and 105-285, on their own do not restrict the actions of discovery or any other pursuit of omitted property, S575 (SL 2016-23) removes consideration of such action, as follows:

“Neither the State nor a subdivision of the State may assess a tax on a person for activities occurring prior to the date of certification where the basis of the assessment is the certification.”

PART II, Section 2.(a)(1)

“For taxes imposed for a taxable period, the tax may not be imposed for a period beginning prior to the date of certification.”

PART II, Section 2.(a)(2)a.

11. Serving to reciprocate the restriction on discovery and pursuit of omitted property in prior years, S575 (SL 2016-23) also removes the petition for refund, as follows:

“A person may not seek a refund for activities occurring prior to the date of certification where the basis of the refund is the certification.”

PART II, Section 2.(a)(3)

12. S575 (SL 2016-23) provides specific direction for land classified for Present-Use Value or other tax relief programs in North Carolina counties prior to the boundary certification, as follows:

“For land that is classified under G.S. 105-277.3 at the time of boundary certification and that fails to meet the size requirements of G.S. 105-277.3 solely because of boundary certification, (i) no deferred taxes are due as a result of boundary certification, (ii) the deferred taxes remain a lien on the land located in this State, and (iii) the deferred taxes for the land in this State are otherwise payable in accordance with G.S. 105-277.3. The tax benefit provided in this sub-subdivision is forfeited if any portion of the land located in this State is sold.”

PART II, Section 2.(a)(2)e

“For land receiving a property tax benefit other than classification under G.S. 105-277.3 at the time of boundary certification that fails to meet the requirements for the property tax benefit solely because of boundary certification, the land is not entitled to receive the property tax benefit after the time of boundary certification unless it meets the statutory requirements, but the lien on the land for the deferred taxes is extinguished as if it has been paid in full.

PART II, Section 2.(a)(2)f

A Brief History of the NC/SC Boundary:

There is a long and storied history between North Carolina and South Carolina regarding various interpretations, perspectives, and attempts to agree to a final affixing of the shared boundary. From what was originally a single grant by England's King Charles II in 1663/1665 as The Province of Carolina, two colonies gradually evolved with separate governing bodies located approximately 300 miles apart, over what was then, wilderness. In 1730, an official agreement set forth a description stating the boundary to start *30 miles south of the mouth of the Cape Fear River*. With that vague starting point, things only worsened over the next eight decades as the two colonies attempted to mark the boundary westward.

As long as the boundary area was largely uninhabited, the need for an accurate determination of the boundary attracted little attention. However, with the growth in population and the resulting public infrastructure occurring in the twentieth century, it became readily apparent the boundary needed to be permanently affixed. If ignored, the impact would be increasingly detrimental in both states.

Land nearest the larger population centers and situated *somewhere near where the boundary might be* was being transitioned into housing and commercial development. Since the mid-1990's, land once considered too remote or having difficult topography was being developed into gated communities.

In addition to attempting to define where an already imprecise understanding of the state boundary might be, questions abounded regarding income and sales taxes, land title, insurance, where to apply for building permits, sewer availability versus reliance on septic tanks, court jurisdictions, voter registration, school districts and motor vehicle registrations, among other issues. The professional business community as well as representatives from the real estate community (brokers, attorneys, and surveyors), and public servants in both states recognized the problem. They also realized the issues would only increase in volume and severity unless the question of where the boundary was located could be agreed upon and the matter settled.

South Carolina had engaged in a previous boundary issue with Georgia, regarding eight (8) miles on the Savannah River. Unable to reach agreement between the states, the 12-year old court battle made its way to the U.S. Supreme Court which favored the argument presented from Georgia.

As for the North Carolina/South Carolina boundary issues, there was sufficient technology and expertise available. What was needed was a joint commitment by the two states.

Update from N.C. Government & Heritage Library staff: ¹

In 1993, the states of North Carolina and South Carolina joined in an effort to revisit the historic surveys and resurvey their common 334 mile border using modern GPS and GIS technologies, along with historic surveys, records, and maps. Boundary issues between York County, S.C. and Gaston County, N.C. had arisen in the 1990s, prompting the two states to find a method for resolving issues related to the historic surveys without litigation. In April 1993 the NC Geodetic Survey and the SC Geodetic Survey signed a Memorandum of Agreement to cooperatively establish the boundary. Work began in 1995 with teams of surveyors. The resurvey of the entire border concluded on May 3, 2013 when the Joint Boundary Commission adopted the final 91-mile segment of the survey. As a result of the resurvey, some addresses have changed, including a change in the governing state. Legislation will be enacted by both states to resolve issues related to address and state changes for property owners affected by the resurvey.

Kelly Agan, N.C. Government & Heritage Library

¹ Refer to "Boundaries, State" an article by David A. Norris, (c) 2006, included in "Encyclopedia of North Carolina" edited by William S. Powell. Copyright (c) 2006 by the University of North Carolina Press.

Following the Memorandum of Agreement,² correspondence between the Governors of North Carolina and South Carolina ensued, culminating with their appointments of individuals to represent their respective state on the Joint Boundary Commission.³ Upon completion of the requisite administrative preliminaries, survey-related work including exhaustive records research in the border counties, as well as actual field work, could begin in earnest.

The preceding succinctly summarizes a 23-year effort (1993-2016). While various state agencies and the affected counties in each state continue to work through their respective tasks, there now exists factual data on which the public and local governments may rely (counties and municipalities), to improve and maintain their service programs.

What follows, is an examination - from the perspective of North Carolina statutes and best practices - of the impact of the re-established original NC/SC boundary on land records, property tax listings and the resulting appraisals and assessments. With the enactment of S575⁴ by the 2016 Session of the NC General Assembly, *the original boundary has been re-established with greater accuracy.*⁵ Factual data, now exists in the form of Executive Orders, and plats referenced therein and already duly recorded in four NC border counties, with the remaining recordations to occur before the end of calendar year 2016.

South Carolina enacted comparable legislation (Senate Bill 667), signed by South Carolina Governor, Nikki Haley on 10 June 2016. The provisions of the South Carolina legislation comports to their general governmental structure regarding the various affected services at their state and local level.

There are notable differences between property tax programs in each state.⁶

To comply with all applicable law, it is important that a uniform and consistent set of protocols and procedures be established for processing the changes to the listing, appraisal, and assessment of parcels affected by the re-established boundary. This is needed for units of local government and their respective citizens to rely on in reconciling the land and tax records to reflect *with greater accuracy*, the State boundary between North Carolina and South Carolina.

All changes to the listing and valuation of the real property affected by the re-establishment of the State Boundary Line should be completed prior to the respective lien dates for North Carolina and South Carolina, in order to avoid any instances of double-taxation or omitted taxation.

² Refer to the Item #1 in the Addendum for a copy of the Memorandum of Agreement, dated 5 April 1993 and 12 April 1993 by representatives for North Carolina and South Carolina, respectively.

³ Refer to Items #2 - 4 in the Addendum for the following:

20 October 1994 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable Carroll A. Campbell, regarding the creation of a Boundary Commission, the importance of *re-marking* the boundary, and the conclusions of the commission to be memorialized in North Carolina by executive proclamation.

29 March 1996 correspondence from SC Governor, David M. Beasley to North Carolina Governor, the Honorable James B. Hunt, regarding the SC appointments to the Boundary Commission, and recognizing the benefit from the joint effort to both states.

26 April 1996 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable David M. Beasley, regarding the NC appointments to the North Carolina/South Carolina Boundary Commission, and appointing Mr. Gary Thompson RLS, Chief, NC Geodetic Survey, as the lead contact for North Carolina.

⁴ Refer to Item #5 in the Addendum for a complete copy of S575 (SL 2016-23), enacted by the NC General Assembly in 2016. Relevant portions of the legislation will appear throughout this document as appropriate to the particulars being discussed.

⁵ Refer to Item #6 in the Addendum for a complete copy of S667, enacted by the SC General Assembly in 2016.

⁶ For a complete information, refer to Item #7 in the Addendum; A Comparison Between NC & SC Property Tax Calendars.

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I. The North Carolina Process Regarding State Boundaries.

N.C.G.S. § 141-1.⁷ provides the particulars for all State Boundary issues as they may apply to the contiguous states of Georgia, South Carolina, Tennessee, and Virginia. The responsibility for the establishment and protection of the State’s boundaries resides with the governor.

The Governor is also authorized, whenever in his judgement it shall be deemed necessary to protect or establish the boundary lines between this State and any other state, to institute and prosecute in the name of the State of North Carolina any and all such actions, suits, or proceedings at law or in equity, and to direct the Attorney General or such other person as he may designate to conduct and prosecute such actions, suits, or proceedings.

A. Specific Role of North Carolina Governors:

1. The Governor is authorized to appoint two competent commissioners⁸, a surveyor, and a sufficient number of chainbearers to act on behalf of the State of North Carolina in conjunction with peers appointed by any other contiguous state “to return and remark” the boundary lines between this State” and any of the contiguous states.
2. Upon approval of the surveys by the duly-appointed commissioners, they shall submit the official surveys to the Governor.
3. The Governor shall then present the official surveys as submitted to him/her to the Council of State⁹ for their approval.
4. Upon approval by the Council of State, the Governor shall issue a proclamation in the form of an Executive Order, declaring the boundary as identified and determined, and set forth on the official survey *to be the true boundary* line or lines between North Carolina and any of the four contiguous states.
5. The Executive Order becomes effective immediately upon issuance.¹⁰

⁷ Refer to Item #8 in the Addendum for a full and complete copy of N.C.G.S. § 141.

⁸ “Competent commissioners” can be interpreted to mean any and all of the following; current and former legislators, agency heads for any department of State government, and private citizens.

⁹ The North Carolina Council of State is comprised of the Governor and nine popularly-elected officials, including the Lt. Governor, Attorney General, Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Commissioner of Agriculture and Consumer Services, Labor Commissioner and Insurance Commissioner.

¹⁰ Executive Orders, although critically important in the North Carolina process, are not normally on the radar of local governments due in part to the wide range of issues addressed by such proclamations. As it relates to boundary lines, in the vast majority of instances, counties rely on the deed descriptions set forth in the recordation of real property conveyances and the details of plats likewise recorded in their respective register of deeds office as notification via the public record.

6. Upon the issuance of the Executive Order by the North Carolina Governor, the North Carolina Geodetic Surveyor will proceed to record the plats approved by the Joint Boundary Commission, and the Council of State in each of the counties, except for the counties of Jackson, Transylvania, Henderson, and the western portion of Polk.
7. In addition to the recordation of the approved plats, and in specific compliance to the ratification of S575 (SL 2016-23) by the North Carolina General Assembly in 2016, the NC Geodetic Survey shall record a Notice of Affected Parcels in each county or counties for the parcels affected by the reestablished boundary in that particular county, including the counties of Jackson, Transylvania, Henderson, and the western portion of Polk.

B. Ratification of S575¹¹ and What Happens Next:

1. The North Carolina Geodetic Survey will record the final survey of the confirmed boundary in the office of the register of deeds¹² in every county in this State where real property has been affected by the certification of the boundary.

NOTE: The boundary plats previously recorded regarding the re-established boundary and affecting the North Carolina counties of Jackson, Transylvania, Henderson and the western portion of Polk will not be re-recorded.

Only those plats approved by the Joint Boundary Commission, but not yet approved by the NC Council of State and awaiting proclamation by the Governor’s Executive Order will be recorded. The plats remaining to be recorded will cover the re-established boundary affecting the eastern portion of Polk, and the North Carolina counties of Rutherford, Cleveland, Gaston, Mecklenburg, Union, Anson, Richmond, Scotland, Robeson, Columbus, and Brunswick, and the South Carolina counties of Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry.

Upon recordation of the relevant plats, counties have the same public record on which to rely in making changes to the listings, appraisals, and assessments of the real property parcels affected by the re-established boundary as they would any other recorded plat in any other tax year. In the same manner as would be the case for any deed or plat recorded during the current calendar year (2016), the changes resulting from the re-established boundary become effective as of 1 January of the following year (2017).

NOTE: Parcels affected by the re-established boundary in the NC counties of Jackson, Transylvania, Henderson, and the western portion of Polk are excepted from the 1 January 2017 effective date due to those parcels having been addressed in the Executive Order No. 108 by Governor Easley and Executive Order No. 74 by Governor Perdue.

“For property tax purposes, the General Assembly hereby certifies that, as of January 1 of the year following the year this act becomes effective **or the year an executive order has been issued by the Governor proclaiming the boundary between North Carolina and South Carolina, whichever is earlier**, the boundary between North Carolina and South Carolina is the boundary that was established by the original survey and resurveys that were adopted through legislative and executive actions, and the reestablished boundary has been approved by the boundary commissions of North Carolina and South Carolina and proclaimed as the boundary by the Governor, pursuant to G.S. 141-5.” (Emphasis added)
Section 1.(c) of S575

¹¹ Refer to Item #5 in the Addendum for a complete copy of Senate Bill 575 (Session Law 2016-23).

¹² As provided for in PART III, Section 3.(a) of S575 (Session Law 2016-23).

2. The register of deeds shall register and index the plats (boundary surveys)¹³ presented by the North Carolina Geodetic Survey in the manner set forth in Article 2 of Chapter 161 of the General Statutes, and the applicable uniform fees provided for in G.S. 161-10 shall be remitted to the county register of deeds.
3. The North Carolina Geodetic Survey shall prepare a Notice of Affected Parcels¹⁴, “situated either in whole or in part” within the boundaries of North Carolina, and record such Notice in the register of deeds office in the county or counties where the affected parcel is situated, including the counties where the approved, final boundary survey plats have been recorded in prior years (Jackson, Transylvania, Henderson, and the western portion of Polk). The Notice shall be registered and indexed in accordance with the aforementioned Article 2 of Chapter 161 of the General Statutes. However, *notwithstanding any other provision of law to the contrary, the register of deeds shall not collect any fees or taxes for the recordation of the Notice* as a result of the ratification of S575 (SL 2016-23). The Notice of Affected Parcels shall contain, at a minimum, the following:
 - Reference to S575 (Session Law 2016-23), and the title of the Act.
 - The recording reference for the final survey of the confirmed boundary (Book/Page; Cabinet/Slide; or File/Page; etc..), as indexed by the register of deeds in item #1 above.
 - The names of the record owners of the parcel.
 - The property address (situs address) of the parcel.
 - If available, a tax parcel identification number or other applicable identifier utilized by the county tax office.
 - If available, a brief description of the parcel.
 - If available, a reference to the source deed for the parcel (Book/Page).
4. In addition to other specific property tax matters¹⁵, S575 (SL 2016-23) addresses many issues associated with the impacts of impacts of the re-established boundary on other programs. including but not limited to the following: sales and use taxes, inventory of tobacco products, installments and carryforwards of tax benefits, motor fuel taxes, instruments of title, recorded liens, title insurance, foreclosure of deeds of trust and mortgages, public school enrollment, driver education eligibility, eligibility for in-state tuition, ABC Permits, motor vehicle title registration and highway use tax, environmental compliance, utilities and extension of rural fire protection districts, county service districts, and water and sewer districts.

¹³ As provided for in PART III, Section 3.(a) of S575 (SL 2016-23).

¹⁴ As provided for in PART III, Section 3.(b) of S575 (SL 2016-23).

¹⁵ SECTION 2.(a)(2)e and f of S575 addresses the impact of the re-established boundary on land classified under the Present-Use Value Program, and/or receiving other tax relief benefits and is discussed more fully elsewhere in this document.

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II. When Is the Reconciliation to be Effective?

S575, ratified as Session Law 2016-23 by the North Carolina General Assembly, provides two effective dates; one specific to prior actions by Governor Easley in issuing Executive Order No. 108¹⁶ and Governor Perdue in issuing Executive Order No. 74,¹⁷ and a second date specific for all other Executive Orders yet to be issued¹⁸ as a result of the passage of S575 regarding the re-establishment of the original boundary with South Carolina.

“For property tax purposes, the General Assembly hereby certifies that, as of January 1 of the year following the year this act becomes effective **or the year an executive order has been issued by the Governor proclaiming the boundary between North Carolina and South Carolina, whichever is earlier**, the boundary between North Carolina and South Carolina is the boundary that was established by the original survey and resurveys that were adopted through legislative and executive actions, and the reestablished boundary has been approved by the boundary commissions of North Carolina and South Carolina and proclaimed as the boundary by the Governor, pursuant to G.S. § 141.5. (Emphasis added)

Issuance of the Executive Order by the NC Governor is but the first action leading to reconciliation of the property tax parcel records. Each Executive Order contains a description of the re-established boundary. However, the recording of the plats, previously approved by the Joint Boundary Commission and subsequently by the NC Council of State. is the best information on which to reconcile the parcel record.

Status of the affected counties prior to S575 (SL 2016-23):

Jackson & western part of Transylvania;

25 September 2006 - Governor Easley issues Executive Order No. 108

15 May 2012 - 23 plats recorded in Transylvania County (earliest effective date for changes to be made to the listing, appraisal, and assessment - 1 January 2013)

24 August 2015 - 1 plat recorded in Jackson County (earliest effective date for changes to be made to the listing, appraisal, and assessment - 1 January 2016)

Henderson & eastern part of Transylvania & western part of Polk;

22 December 2010 - Governor Perdue issues Executive Order No. 74

7 February 2013 - 16 Plats recorded in Henderson County (earliest effective date for changes to be made to the listing, appraisal, and assessment - 1 January 2014)

24 February 2014 - 4 plats recorded in Polk County (earliest effective date for changes to be made to the listing, appraisal, and assessment - 1 January 2015)

¹⁶ Refer to Item #9 in the Addendum for copy of Governor Easley’s Executive Order No. 108, dated 25 September 2006, referencing a single plat and proclaiming the official boundary between the North Carolina counties of Jackson and part of Transylvania with the South Carolina counties of Oconee and part of Pickens.

¹⁷ Refer to Item #10 in the Addendum for copy of Governor Perdue’s Executive Order No. 74, dated 22 December 2010, referencing 39 plats and proclaiming the official boundary between North Carolina counties of Henderson and part of Transylvania and Polk, with the South Carolina counties of Greenville and part of Pickens.

¹⁸ Refer to S575 (SL 2016-23), PART 1, SECTION 1.(c) regarding certification for all programs affected by the re-established boundary. PART II, Section 2.(c) confirms the same certification dates for property tax purposes.

Remaining counties likely to be affected as of 1 January 2017¹⁹:

Eastern part of Polk and the remaining counties of Rutherford, Cleveland, Gaston, Mecklenburg, Union, Anson, Richmond, Scotland, Robeson, Columbus and Brunswick;

The General Assembly has explicitly named the county assessor responsible for the accurate listing, appraisal, and assessment of all property within their respective county jurisdictions²⁰ and, by extension, likewise the same for each municipality²¹ within the county, including all geographic areas where a separate ad valorem tax rate is levied.

Assessors have long-relied on determining listing and valuation decisions on the best information available and/or existing as of 1 January of each year. When additional information -especially a fact - becomes known as of 1 January of the tax year, the county assessor may adjust the listing and valuation to meet and comport to those facts in the then current calendar year. Most importantly, the fact must be known as of 1 January and the best evidence of the fact is often obtained from the public record. In other instances, fact confirmation is obtained by an on-site visit to the property. For purposes of recognizing the re-established State boundary, the *fact* is best ascertained from the public record.

The change, as contemplated in conjunction with the re-established state boundary, is clearly outside the actions of any affected property owner or the county assessor. The recording of the Boundary Surveys in the respective Register of Deeds Offices constitutes the serving of public notice. Until such time as plats are recorded in each county, neither the property owner nor the county are likely to be aware of the impact of the re-established state boundary, making the pursuit of back year taxes via discovery or immaterial irregularities, inappropriate. S575 (SL 2016-23) specifically prohibits the pursuit of omitted taxes. To make any changes based on the presumption of a likely recording lacks an adequate defense for making the change.

There exists the possibility that a deed relying in part on the new boundary survey -and perhaps accompanied by a registered land survey either as attached to the deed or recorded separately - may have been recorded prior to the filing of plats by the NC Geodetic Survey Office, in which case the best information available as such would be a sound basis for making a change for that particular parcel. Should this situation occur, the change in assessment would be effective as of 1 January of the calendar year following the recordation of the best survey data.

S575 (SL 2016-23), specifically provides that when a change to the listing, appraisal, or assessment of a particular parcel is the result of the re-established boundary, there is to be no pursuit of back year taxes. Therefore, the only option is to treat the change as being effective for the next calendar year; no different than an ownership change based on a recorded deed or a survey change based on a recorded plat. Unless the next calendar year coincides with the year of a general reappraisal, the provisions of N.C.G.S. § 105-287 apply.

Generally speaking, the listing of all real property begins with land via recorded deed and/or recorded plat, whereby ownership, location, shape, size and other factors are identified or otherwise determined (such as calculated or assessed acreage when substantially different from deeded acreage).

¹⁹ This date dependent upon Executive Orders and plat recordation occurring during calendar year 2016.

²⁰ Refer to G.S. § 105-296.(a). Powers and duties of assessor, the first sentence of which reads; “The county assessor shall have general charge of the listing, appraisal, and assessment of all property in the county in accordance with the provisions of law.”

²¹ Refer to G.S. § 105-273(11) which defines a municipal corporation or municipality as “a city, town, incorporated village, sanitary district, rural fire protection district, rural recreation district, mosquito control district, hospital district, metropolitan sewerage district, watershed improvement district, a consolidated city-county as defined by G.S. § 160B-2, or another district, or unit of local government by or for which ad valorem taxes are levied.”

The changes to land and improvements likely as a result of the re-established boundary, fall under the general authority of G.S. 105-287(a)(3); essentially any change in the listing of the acreage or lot size of the individual parcel or the improvements situated on the parcel, being necessary or sufficient to recognize the change caused by the re-establishment of the state boundary.

As an essential part of a document-driven system for the administration of land records, the recording of deeds and plats, especially in this case, the recording of the Joint State Boundary Line Plats²² is sufficient cause for:

- those parcels affected to be re-mapped with the understanding that some parcels may increase in size, some may decrease, and some will likely remain unchanged.
- the corresponding real property record card to be edited to reflect any mapping change,
- a new land value to be determined as of 1 January 20xx (the next calendar year following the date of plat recordation), and based on the schedules of values, standards, and rules adopted for the most recent general reappraisal.
- a new value for any improvement impacted by the re-established state boundary line, and
- a written notice prepared and sent to each affected property owner.

NOTE: Counties are required to send a written notice to all property owners having property either bordering the re-established boundary or extending past the re-established boundary into the adjoining state, clearly stating the amount of change in size or value due to the re-established boundary with South Carolina.

By similar measure, counties may wish to send a written notice even when no change in either the listing (size), or valuation (appraised value) has been determined.

Sending the written notice as soon as possible before the lien date provides more time for the affected property owners to respond and schedule an informal hearing with the assessor's office.

In the best interest of the property owner, providing copies of the recorded plat relevant to their particular parcel, along with a copy of the associated orthoimagery, the property record card, and a copy of the enabling legislation, is recommended.

When necessary, a hearing before the local Board of Equalization & Review as part of the normal advertised notice of calendaring, but not earlier than the first Monday in April.

²² This was the case with Henderson County, NC. Upon the recordation of the 16 Plats in February 2013, 151 parcels affected by the re-established boundary were re-mapped, land lines adjusted on each respective real property parcel to reflect the newly recorded plats, new land values determined, and each property owner notified by written correspondence dated December 2013 of the listing and valuation change to be effective as of 1 January 2014.

Refer to Item #11 in the Addendum as an example of the process undertaken by the Land Records Section in Henderson County, authored and contributed by Pam Carver, Land Records Supervisor.

**PROTOCOLS AND PROCEDURES FOR RECONCILIATION
OF PROPERTY TAX RECORDS IN NORTH CAROLINA COUNTIES
AFFECTED BY THE RE-ESTABLISHMENT OF THE ORIGINAL STATE BOUNDARY
BETWEEN NORTH CAROLINA AND SOUTH CAROLINA**

III. General Statutory Provisions.

The powers and duties of the county assessor are essentially *responsibilities*; directives set forth by the U.S. Constitution, the North Carolina Constitution, and the statutory language set forth in the North Carolina Machinery Act. The fairness of the property tax system originates with the uniform application of the law.

N.C.G.S. § 105-272. Purpose of Subchapter.

“The purpose of this Subchapter is to provide the machinery for the listing, appraisal, and assessment of property and the levy and collection of taxes on property by counties and municipalities. It is the intent of the General Assembly to make the provisions of this Subchapter uniformly applicable throughout the State...”

N.C.G.S. § 105-274. Property subject to taxation.

- (a) All property, real and personal, within the jurisdiction of the State shall be subject to taxation unless it is:
- (1) Excluded from the tax base by a statute of statewide application enacted under the classification power accorded the General Assembly by Article V, § 2(2), of the North Carolina Constitution, or
 - (2) Exempted from taxation by the Constitution or by a statute of statewide application enacted under the authority granted the General Assembly by Article V, § 2(3), of the North Carolina Constitution.
- (b) No provision of this Subchapter shall be construed to exempt from taxation any property situated in this State belonging to any foreign corporation unless the context of the provision clearly indicates a legislative intent to grant such an exemption.
- (1939, c. 310, ss. 303, 1800; 1961, c. 1169, s. 8; 1967, c. 1185; 1971, c. 806, s. 1.)

As is the case with North Carolina, as clearly stated above and devoid of ambiguous interpretation, so it is with South Carolina:

South Carolina Code of Laws.

"The sovereignty and jurisdiction of this State extends to all places within its bounds, which are declared to be as follows:"²³

SECTION 1-1-10. Jurisdiction and Boundaries of State.

²³ What follows is a general description of the bounds of the State of South Carolina, including the following excerpt, a reference to the re-established boundary: "...thence westward as recorded by a set of 34 plats signed by Gary W. Thompson and Sidney C. Miller, co-chairmen of the North Carolina-South Carolina Joint Boundary Commission, dated 12/20/2005 (sets available at the South Carolina Department of Archives and History, the South Carolina Geodetic Survey, the Greenville County Register of Deeds and the Pickens County Register of Deeds) to a point... marked by a brass disk stamped with 'POINT 1, 2004, NORTH CAROLINA, SOUTH CAROLINA, STATE BOUNDARY LINE' and set in a concrete monument;..."

North Carolina Case Notes:

Legislative Purpose. - The legislature has decreed that all property, real and personal, within the jurisdiction of the State, is subject to taxation whether owned by a resident or a nonresident. The purpose of this strong decree is to treat all property owners equally so that the tax burden will be shared proportionately, and to gather in all the tax money to which the various counties and municipalities are entitled. In re Plushbottom & Peabody, Ltd., 51 N.C. App. 285, 276 S.E.2d 505, cert. denied, 303 N.C. 314, 281 S.E.2d 653 (1981)

All property privately owned within this State is subject to taxation unless exempt by strict construction of the pertinent statute. Bragg Inv. Co. v. Cumberland County, 245 N.C. 492, 96 S.E.2d 341 (1957)

No State may tax anything not within her jurisdiction without violating U.S. Const., Amend. XIV.²⁴ Billings Transf. Corp. v. County of Davidson, 276 N.C. 19, 170 S.E.2d 873 (1969).

Four important points from the preceding statutes and citations of case law apply;

- All property within the jurisdiction of the State is taxable, whether owned by a resident or non-resident of the State, unless exempt by *strict construction* of a specific statute.
- The relevance of the above is to treat all property owners equally in order that the resulting tax burden will be shared equally.
- No State (nor county), may tax anything outside their jurisdiction (boundary).
- No county may choose to not tax something within their border unless specifically permitted by their state's legislature.

Historically, in the course of tax listing and the early days of parcel mapping before the land records program came to be, there have been numerous instances where the above points were not always acknowledged. This is especially true in cases where a parcel of land extended beyond the jurisdiction of one county into another or into an adjoining state. It also occurred where municipal boundaries traversed a parcel, rendering it only partly in a city or town while wholly within the county.

Originating decades prior to the establishment of county mapping projects (now land records management programs), historical practices across North Carolina relied on several conventions, none of which are supported by law, including but not limited to the following:

- swapping every other parcel with the adjoining state or county, or
- determining county or municipal situs based on where the majority portion of the residence or primary structure is located, or
- if residentially-improved, basing the situs of the entire parcel on the location of the master bedroom of the dwelling,
- in the case of disputed boundary lines among counties, allowing the matter to lie without resolution year after year, or
- allowing property owners to choose where they wished to be taxed.

²⁴ *Equal Protection Under the Law* is more generally associated as the constitutional right in the 14th Amendment of the U.S. Constitution from which it originates. From a purely provincial viewpoint, *to each according to their value* would be an appropriate corollary that whatever is partially located within a jurisdiction must be treated the same as those wholly located within the same jurisdiction. The *right to due process*, fundamental to the appeal process that is a hallmark of the property tax system, is found in the 5th Amendment to the U.S. Constitution.

The NC Machinery Act does not provide a statutory definition of what constitutes a “parcel”.²⁵ In the overwhelming majority of instances, the word *parcel* has been considered synonymous with *tract* or *lot*, as all three are used together in N.C.G.S. § 105-309(c) and 105-317(a)(1). Most often, whether a parcel, tract, or lot, the land area is most often wholly contained within a given state, county, or municipality.

Why address this now?

The re-establishment of the North Carolina/South Carolina State Boundary has brought to the forefront issues encountered when land described in a deed of conveyance extends across the jurisdictional boundaries of any particular politically-designated area, such as state boundaries, or county and municipal boundaries. In some instances, the parties to the transaction (the grantor and the grantee), may not have known that the land being conveyed straddled a jurisdictional boundary. In other instances, especially in the case of state and county boundaries, where large acreage tracts of land were being conveyed and the jurisdictional boundary was not authoritatively affixed, deeds may have been recorded in both states or in both counties but without any specific reference to an authoritatively-determined boundary line.

Clearly, in light of the lack of any statutory definition, in order to comply with the provisions of the U.S. Constitution, North Carolina and South Carolina statutory direction, and decisions from the appellate courts as stated herein, for purposes of property tax listing, appraisal, and assessment, it is necessary to think in terms of distinguishing what is commonly thought of as a parcel being synonymous with a tract or lot, from what is a *taxable parcel*. One refinement would be to think of a taxable parcel as being *any tract or lot of real property, in whole or in part, that is located within the boundary of a state, county, municipality,²⁶ or any other geographic jurisdiction levying an ad valorem tax.*

N.C.G.S. § 105-309 details what the listing abstract shall contain. Subparagraphs (c)(1)e. and (c)(2)e., make a distinction between a tract or parcel versus a lot, but treat them alike, as follows:

“(c)(1)e. The portion of the tract or parcel located within the boundaries of any municipality.”

“(c)(2)e. The portion of the lot located within the boundaries of any municipality.”

Taken together, and for the purposes of uniformity, parcels, which heretofore either omitted the portion of the real property situated in North Carolina or listed, appraised, and assessed the portion of real property situated in South Carolina as though situated in North Carolina, need to be amended to list, appraise, and assess only that portion situated in North Carolina.

²⁵ Currently, the best definition available comes to us from the land records program administered by the NC Secretary of State Office, Land Records Division, as follows: **“A parcel is a contiguous area of land described in a single description or legally recorded plat of subdivision that has been or may be legally conveyed to a new owner by deed in its existing configuration.”**

With the advent of the Land Records Program, beginning in the late 1970’s, North Carolina became a recognized leader in establishing the connection between source documents (deeds and plats), and creating the inventory for real property records. A similar definition can be found from March 1982, which states: **“A parcel is that portion of land, commonly referred to as real estate or realty, that has been or may be legally conveyed to a new owner by deed in its existing configuration; and that is continuous within its outer boundaries.”**

²⁶ N.C.G.S. § 105-273.(11), provides the following definition:

“Municipal corporation or municipality. - A city, town, incorporated village, sanitary district, rural fire protection district, rural recreation district, mosquito control district, hospital district, metropolitan sewerage district, watershed improvement district, a consolidated city-county as defined by G.S. 160B-2, or another district or unit of local government by or for which ad valorem taxes are levied.

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IV. Specific Statutory Direction Regarding Real Property

A. The Listing Decision:

“The county assessor shall have general charge of the listing, appraisal, and assessment of all property in the county in accordance with the provisions of law.

He shall perform the duties imposed upon him by law, and he shall have and exercise all powers reasonably necessary in the performance of his duties not inconsistent with the Constitution or the laws of this State.”²⁷ (emphasis added) N.C.G.S. 105-296(a)

Clearly, the authority of any North Carolina county assessor ends at - but not before - his or her respective county boundary line. He or she is responsible for everything – all property – within their respective jurisdiction. No exceptions.

Specific to the issue with the re-established boundary with South Carolina, Chapter 1, Article 1, of the South Carolina General Statutes regarding Jurisdiction and Boundaries states:

“The sovereignty and jurisdiction of this State extends to all places within its bounds, which are declared to be as follows:”²⁸

South Carolina G. S., Chapter 1, Article 1 - Jurisdiction and Boundaries of State,
SECTION 1-1-10, effective 4 June 2008.²⁹

Taken together, with an emphasis on real property, the North Carolina assessor is responsible for every acre or portion thereof located with the jurisdictional boundary of their respective county, while South Carolina is on statutory record of declaring their jurisdiction authority only “extends to all places within its bounds”. As discussed elsewhere herein, each State has statutory authority regarding real property situated within its borders, but has no authority beyond its borders.

All decisions regarding the administration of real property records for property tax purposes can be differentiated as either a *listing* decision or a *valuation* decision. Listing decisions always come first.

²⁷ NOTE: In counties where land records falls outside the assessor in the county organization chart, this responsibility can pose problems. The first sentence in G.S. 105-296(a), makes clear the manner by which real property is listed (determination of a “tract, parcel, or lot separately listed” as specifically set out in G.S. 105-317(a)(1)), falls under the responsibility of the assessor. Lacking clear statutory definition as to what constitutes a “parcel, tract, or lot”, this potential for conflicting opinion and resulting practice(s) is moreover cause sufficient for there to be a consensus between the NC Department of Revenue’s Local Government Services Division (property tax governance), and the Secretary of State’s Land Records Management Division.

²⁸ What follows is a description referencing and relying heavily on the work of Sid Miller (SC Geodetic Surveyor) and Gary Thompson (NC Geodetic Surveyor), undertaken under the general oversight of the NC/SC Joint Boundary Commission.

²⁹ SECTION 1-1-20 - Effect of change of State boundary on bordering lands, states “Whenever the location of the State line has been or may be re-established and corrected by competent authority, the lines of bordering lands which were established and fixed according to the previous location of the State line shall not be changed by reason of such re-establishment and correction of the State line.”

Generally speaking, the listing of real property for any tax year is determined as of its ownership, location, zoning, size, configuration, and other known facts about the property as they exist on 1 January of each calendar year.³⁰

The majority of all listing determinations are based on facts, with most of those facts having their origin in documents; most commonly in the form of recorded deeds and recorded plats. Taken together, N.C.G.S. 105-302, 105-309³¹, and 105-317³² provide the principal statutory direction in obtaining the necessary listing information from the public record. In some instances, data from the public record – especially in the case of deeded acreage – may not be as accurate as that gleaned from other analysis,³³ but should still be noted within the real property record.

The facts regarding land, are required per statutory direction as follows:

1. In whose name the real property should be listed per G.S. 105-302.³⁴
2. The township where located per G.S. 105-309(c)(1)a.
3. The total number of acres in the parcel, per G.S. 105-309(c)(1)b (including deeded, calculated, and assessed acres).³⁵
4. If applicable, the number of acres for the following, per G.S. 105-309(c)(1)d
 - a. The number of cleared acres vs. wooded acres.
 - b. The number of acres containing mineral or quarry deposits.
 - c. The amount of land susceptible for waterpower.
 - d. The amount of wasteland.
5. If available, for a lot of less than one acre, the street address of the lot, per G.S. 105-309(c)(2)c.

³⁰ For a complete enumeration of the factors to be considered in the listing of real property, please refer to G.S. 105-309 and 105-317. Without the factors that affect value being accurately listed, it is virtually impossible to fully meet the statutory directions as to what must be considered in determining the true value of real property.

³¹ Where 105-302 is primarily concerned with the question of *in whose name real property should be listed*, 105-309 is broader in scope and covers additional data required for the listing abstract. Generally speaking, land records creates the inventory for real property on which the listing abstract is first produced.

³² G.S. 105-317 is generally regarded as being primarily applicable to the general reappraisal process and the adoption of the schedules of values, standards, and rules.

³³ Example: a very old deed description with chains, rods, poles, links, etc., used for measuring distances and calling for 100 acres more or less, may be calculated to be greater or less than the deeded acreage amount, the difference being greater than allowable under the land records management standard. Unless, better evidence can be provided, the listing should rely on the amount of *calculated* as opposed to *deeded* acreage. Should the calculated acreage be challenged through the appeal process, and the appeal adjudicated on an amount different from either deeded or calculated, *assessed* acreage may be used for listing purposes. In this example, when a parcel with older description data is adjoined by other parcels with better survey descriptions, adjusting the *assessed* acreage, from the *deeded* acreage to the *calculated* acreage based on the better descriptions of those adjoining parcels, is warranted.

³⁴ While 105-302 is principally concerned with in whose name real property should be listed, it also addresses those instances where ownership cannot be ascertained (owner is unknown or title is in dispute). Although unlikely, it is possible for an area of land to meet the requirements of 105-302 .(c)(12), and be listed in the name of the “Unkown Owner” if vacant, or in the name of the occupant if occupied. If such an instance should occur, the parcel information should be included on the report forwarded to the Secretary of the North Carolina Department of Administration, as required in G.S. 105-302.1.

³⁵ NOTE: 105-309(c)(1)b requires that where the parcel is less than one acre, the dimensions of the parcel must be noted on the abstract. This was understandable in most instances prior to the 1960’s, as most lots in pre-1960’s development were configured as square or rectangular shapes (look at the original plats for most municipalities). In an effort to maximize land utilization, developments originating after the mid-1960’s reveal a wide variety of lot shapes that take into account topography, access and other physical factors in an effort to not have any unsold lots remaining in the entrepreneurs’ inventory once the development was deemed completed.

6. The designation of any lot as maintained in the assessor’s office or recorded in the Register of Deeds Office, or some description sufficient to locate by word-of-mouth testimony, per G.S. 105-309(c)(2)d.

More specific to the issue of reconciling assessment records to the re-established state boundary as it affects counties in North Carolina and South Carolina, is the matter of where the parcel extends across and beyond the re-established boundary line. Because it is directed to the county assessor, G.S. 105-309 does not specifically address the matter of state boundary lines or county boundary lines. Instead it speaks to those instances when the parcel is dissected by a municipal jurisdiction within the county, as follows:

(c)(1) Real property not divided into lots shall be described by giving:

.

- e. The portion of the tract or parcel located within the boundaries of any municipality.

And,

(c)(2) Real property divided into lots shall be described by giving:

.

- e. The portion of the lot located within the boundaries of any municipality.

Clearly, compliance by the county assessor to list and tax only that property within their respective state will require parcels as defined by deed description to be redefined as *taxable parcels* when the deeded parcel extends across the state boundary into an adjoining state.

B. The Matter of Split Parcels

The re-establishment of the original NC-SC State Boundary makes clear the need to correct historical practices not supported by statute. Specifically, G.S. 105-296(a) asserts “[t]he county assessor shall have general charge of the listing, appraisal, and assessment of all property in the county...”. Consequently, regardless of any previously-established practice, no assessor has any authority to list, appraise, or assess any property located beyond their county boundary.

The statutory duty of every North Carolina county assessor is to identify all real and personal property within their respective county, see that such property is listed, then to appraise and assess it, and finally to deliver tax bills to the tax collector for collection; no more, no less.

Where the recorded deed or platted description of a particular parcel extends beyond a state or county boundary line, there now exists the need to think in terms of a *taxable parcel*, that being the portion of a parcel that is situated within the jurisdiction for which the North Carolina county assessor is responsible. For purposes of the reconciling North Carolina county tax records to the re-established State boundary with a South Carolina county, a few distinctions to the parcel definitions, as noted previously, should be considered. To wit:

1. A parcel may exist as a separately, wholly-contained, parcel of real property as described in a legally-conveyed deed instrument, or as a *polygon*³⁶ created from a legally-conveyed deed instrument within a single taxing jurisdiction.³⁷

³⁶ The word *polygon* may be incorrect – or at the very least – outmoded. But a distinction must be recognized for those instances when the deed description crosses the state boundary line and where the only claim a North Carolina county may make for property tax purposes is the land on the North Carolina side of the state boundary line.

³⁷ For mapping purposes, the portion of any deed description extending past the re-established State boundary line should be represented by a broken or dashed line.

2. Natural (rivers, streams, ridgelines, etc.), and man-made elements (roads and streets and the right-of-ways for each, and political actions including municipal and county boundaries, zoning, school, water and sewer, and fire districts, etc.), may contribute to the determination of a parcel boundary.³⁸
3. Where the deed description calls for a property boundary line to run along the NC/SC State Boundary Line, there will likely be little change except for a change in the parcel acreage and resulting appraised/assessed value.
4. Where an individual deed description recorded in a North Carolina county calls for property to extend beyond the state boundary line into a South Carolina county, the North Carolina county should map and create a parcel to accurately reflect the portion of the deed description located in North Carolina. The resulting property listing, appraisal, and assessment of the parcel should be based only on the portion of real property located in the North Carolina county.

C. The Matter of Improvements Traversed by the State Boundary Line

Following the logic set forth for parcels where the land extends across the State Line, in those instances where the re-established state line *splits* an improvement (residence, farm building, pavement, or any structural improvement or yard item), only that portion of the improvement lying or otherwise situated on the North Carolina side of the re-established line is subject to listing, appraisal, assessment, and taxation.

Unfortunately, there is a long history where counties (including those not affected by a State Boundary Line), have swapped parcels along their jurisdictional boundaries, or opted to claim the entire parcel if the residence or other significant structural improvement were to be located either wholly within or with the majority of the improvement within their jurisdictional boundary. Many of these decisions were made long before the advent of the modern land records programs, but have remained uncorrected.

Ignoring the actual jurisdictional boundaries, by extension, permits the taxation of property for which a county may not possess statutory authority. There exists no legal basis for any taxation of property not within the jurisdictional boundary of a given county or municipality.

Some might be inclined to argue that if the statutes do not specifically prohibit their historical practice, then it is allowed. The better argument is that any such agreement or historical practice as described, on its face violates the charge in 105-296, and therefore is not allowed. No exceptions.

In many instances, the existing measurements and listings of improvements will suffice. After plotting the boundary line as it traverses the improvement, simple arithmetic will yield the percentage of the main structure and any additions (the square feet in NC divided by the total square feet of the main area or addition equals the percentage of that item's valuation taxable in the NC border county. NOTE: the percentages of the main area and any affected additions will likely be different).³⁹ Nonetheless, wherever the re-established state boundary dissects an improvement, an on-site visit is recommended. In addition to verifying all measurements and general listing characteristics of the structure, in the case of residential structures, it is important to note where the master bedroom is located, and the location of partial basements and upper floors, baths and half-baths, etc.,.

It is to be expected that additional information will be brought to bear on the listing and resulting valuation of any parcel. Data - listing or valuation - is not static. It evolves and changes are to be expected. And the statutes allow for additional data to be taken into consideration, as set forth below:

³⁸ General appraisal practice typically recognizes these natural and man-made boundaries as important to note with the appraisal narrative.

³⁹ Refer to Item #12 in the Addendum for two examples of split residence assessment procedures.

“Prior to the first meeting of the board of equalization and review, the assessor may, for good cause, change the appraisal of any property subject to assessment for the current year. Written notice of a change in assessment shall be given to the taxpayer at his last known address prior to the first meeting of the board of equalization and review.”⁴⁰

N.C.G.S. 105-296(i)

(a) After the board of equalization and review has finished its work and the changes it effected or ordered have been entered on the abstracts and tax records as required by G.S. 105-323, the board of county commissioners shall not authorize any changes to be made on the abstracts and tax records except as follows:

(6) Subject to the provisions of (a)(6)a, (a)(6)b, (a)(6)c, and (a)(6)d, below, to appraise or reappraise property when the assessor reports to the board that, since adjournment of the board of equalization and review, facts have come to his attention that render it advisable to raise or lower the appraisal of some particular property of a given taxpayer in the then current calendar year.

N.C.G.S. 105-325(a) & (a)(6)

D. **The Appeal Process:**

The NC Machinery Act sets forth an orderly process for property owners to appeal listing and/or valuation decisions. Changes rendered in the listing and valuation of real property, as a result of re-establishing the State Boundary between North Carolina and South Carolina, is certainly a valid basis for an appeal. Two important points stand out:

1. Any owner of a parcel affected by the re-established State Line, may appeal the listing or valuation of their individually-owned property. This scenario represents the most likely, and most common motivation for an appeal; the owner feels their interests have been adversely affected by the county’s listing and/or valuation decision.
2. Any other owner of taxable property (real or personal property), may appeal the listing and/or valuation of any parcel affected by the re-established State Line. This scenario represents the least likely and least common motivation for any appeal, but is certainly worth noting should a county fail to adhere to the provisions of current law and the directives set forth in S575 (Session Law 2016-23).
3. Upon receipt of written notice regarding the listing, appraisal of any affected parcel, the owner(s) may pursue an appeal informally or formally to the Board of Equalization and Review in the same manner as any change made for a reappraisal year or non-reappraisal year.

In this manner, at least two opportunities are provided for the local airing of issues and concerns. It is recommended that copies of the appropriate recorded plat and orthoimagery, as well as the former and current property record cards be provided for the owner’s records.

⁴⁰ NOTE: The statutory authority, as it pertains specifically to the assessor, operates during the calendar year as follows: From 1 January until the first advertised meeting of the board of equalization and review, the assessor has the greatest authority possible under the law to make changes to the listing, appraisal, or assessment of any property. Upon convening, the majority of the powers previously enjoyed by the assessor are transferred to the board of equalization and review under G.S. 105-322(g)(1), and so remain until the board has adjourned from the taking of requests. At that point, some of the powers once again reside with the assessor and county board of commissioners under G.S. 105-325(a)(6).

ADDENDUM

1. Memorandum of Agreement, dated 5 April 1993 and 12 April 1993, and signed respectively by representatives of North Carolina and South Carolina.
2. 20 October 1994 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable Carroll A. Campbell, regarding the creation of a Boundary Commission, the importance of *re-marking* the boundary, and the conclusions of the commission to be memorialized in North Carolina by executive proclamation.
3. 29 March 1996 correspondence from SC Governor, David M. Beasley to North Carolina Governor, the Honorable James B. Hunt, regarding the SC appointments to the Boundary Commission, and recognizing the benefit from the joint effort to both states.
4. 26 April 1996 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable David M. Beasley, regarding the NC appointments to the North Carolina/South Carolina Boundary Commission, and appointing Mr. Gary Thompson RLS, Chief, NC Geodetic Survey, as the lead contact for North Carolina.
5. Full and complete copy of Senate Bill 575, Session Law 2016-23, as Ratified on 20 June 2016, and Approved on 22 June 2016
6. Full and complete copy of S667, enacted by the SC General Assembly in 2016.
7. A Comparison Between NC & SC Property Tax Calendars.
8. A full and complete copy of N.C.G.S. § 141. for protocols for the North Carolina Geodetic Survey and the North Carolina Governor re State Boundaries
9. Executive Order No. 108; dated 25 September 2006, and signed by North Carolina Governor Michael F. Easley, affecting the North Carolina counties of Jackson and the western portion of Transylvania.
10. Copy of Executive Order No. 74; dated 22 December 2010, and signed by North Carolina Governor Beverly E. Perdue, affecting the North Carolina counties of Henderson, the eastern portion of Transylvania, and the western portion of Polk.
11. *A Mapping Perspective*, authorized and contributed by Pam Carver, Henderson County Land Record Supervisor.
12. Examples of appraising and assessing residential structures traversed by the State Boundary Line.
13. Timeline of Historical Survey Events; 1735 - Present

ADDENDUM - 1. Memorandum of Agreement, dated 5 April 1993 & 12 April 1993, and signed respectively by representatives of North Carolina and South Carolina.

MEMORANDUM OF AGREEMENT

BETWEEN

NORTH CAROLINA GEODETIC SURVEY
DIVISION OF LAND RESOURCES
DEPARTMENT OF ENVIRONMENT, HEALTH, & NATURAL RESOURCES

AND

SOUTH CAROLINA GEODETIC SURVEY
DIVISION OF RESEARCH & STATISTICAL SERVICES
SOUTH CAROLINA BUDGET & CONTROL BOARD

FOR

PROJECTS RELATING TO THE
NORTH CAROLINA-SOUTH CAROLINA BOUNDARY

WHEREAS the states of North Carolina and South Carolina share a common boundary; and

WHEREAS counties that adjoin the state boundaries perform mapping projects requiring positional information to identify the state boundary; and

WHEREAS personnel from each state's geodetic survey perform geodetic control surveys in areas on, or near, the state boundary; and

WHEREAS a cooperative effort would eliminate duplication in researching, locating, and monumenting the state line;

IT IS RESOLVED THAT, the North Carolina Geodetic Survey (NCGS) and the South Carolina Geodetic Survey (SCGS) shall cooperate to locate and to obtain positional data for existing state line monuments; to re-establish, if possible, missing state line monuments; and to establish new monuments on the state line where deemed necessary; and

THAT, the NCGS and the SCGS shall serve as technical advisors to the appropriate legal agency for its respective state to resolve any questions that might arise in the future regarding the location of the state boundary; and

THAT, the NCGS and the SCGS shall cooperate to resolve any questions that might arise in the future regarding the location of the state boundary; and

THAT, the NCGS and the SCGS shall submit a joint report to the appropriate legal agency in each state detailing the results of any project concerning the state boundary; and

THAT, the NCGS and the SCGS shall assign a contact person to work with his/her counterpart to insure that projects are efficiently performed.

APPROVED:

NORTH CAROLINA GEODETIC SURVEY
DIVISION OF LAND RESOURCES
DEPARTMENT OF E.H. & N.R.

Charles H. Anderson
Director, Division of Land Resources

April 5, 1993
Date

SOUTH CAROLINA GEODETIC SURVEY
DIV. OF RESEARCH & STATISTICAL SERVICES
SOUTH CAROLINA BUDGET & CONTROL BOARD

Bobby M. Bowers
Director, Div. of R. & Stat. Serv.

April 12, 1993
Date

ADDENDUM - 2.

20 October 1994 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable Carroll A. Campbell, regarding the creation of a Boundary Commission, the importance of *re-marking* the boundary, and the conclusions of the commission to be memorialized in North Carolina by executive proclamation.



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27603-8001

JAMES B. HUNT JR.
GOVERNOR

October 20, 1994

The Honorable Carroll A. Campbell, Jr.
Governor of South Carolina
State Capitol
Columbia, South Carolina 29201

Dear Governor Campbell:

The North Carolina Geodetic Survey and the South Carolina Geodetic Survey are planning, under a cooperative agreement, to locate and re-mark the boundary between our states, particularly the dividing line between York, Cherokee, and Spartanburg Counties, South Carolina, and Gaston, Cleveland, Rutherford, and Polk Counties, North Carolina. It is suggested that these boundary surveys be supervised by a Boundary Commission consisting of representatives from North Carolina and South Carolina. North Carolina law provides for the appointment of two commissioners and a surveyor to such a commission. Barring disagreements, and we certainly expect none, the conclusions of the commission are memorialized in North Carolina by executive proclamation.

Clarification and re-marking the boundary will be of mutual benefit to our citizens and local governments in that area, and your cooperation will be appreciated. On receiving a positive response, I will appoint our commissioners and ask that they contact their counterparts in South Carolina.

With warmest personal regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hunt".

James B. Hunt, Jr.

JBH:eg

ADDENDUM - 3.

29 March 1996 correspondence from SC Governor, David M. Beasley to North Carolina Governor, the Honorable James B. Hunt, regarding the SC appointments to the Boundary Commission, and recognizing the benefit from the joint effort to both states.



*Linda
FYI
Hunt*

RECEIVED
APR 9 '96

State of South Carolina **IV. LAND RES**

Office of the Governor

DAVID M. BEASLEY
GOVERNOR
March 29, 1996

Post Office Box 11369
COLUMBIA 29211

The Honorable James B. Hunt, Jr.
Governor
State of North Carolina
Office of the Governor
Raleigh, North Carolina 27603-8001

RECEIVED
APR 6 1996
ASSISTANT SECRETARY
ENVIRONMENTAL PROTECTION

Dear Jim:

Enclosed are copies of my appointment letters for the Boundary Commission.

I have taken the liberty of sending copies to your Mr. Gary Thompson and our Mr. Sid Miller of the South Carolina Geodetic Survey.

This joint effort will benefit both our states and should allay problems that might have arisen in the future. Thank you for your generous cooperation.

With warmest regards,

Yours sincerely,

David
David M. Beasley

DMB/mc

*Charles Sabin -
congratulations &
you & Gary!*

ADDENDUM - 4.

26 April 1996 correspondence from NC Governor, James B. Hunt to South Carolina Governor, the Honorable David M. Beasley, regarding the NC appointments to the North Carolina/South Carolina Boundary Commission, and appointing Mr. Gary Thompson PLS, Chief, NC Geodetic Survey, as the lead contact for North Carolina.



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27603-8001

JAMES B. HUNT JR.
GOVERNOR

April 26, 1996

The Honorable David M. Beasley
Governor of South Carolina
P. O. Box 11369
Columbia, SC 29211

Dear David:

Thank you for sending the information on your appointees to the North Carolina/South Carolina Boundary Commission. I have appointed the following individuals to serve as North Carolina's representatives:

Mr. Charles H. Gardner, P. G., P. E.
State Geologist and Director of Division of Land Resources
Department of Environment, Health and Natural Resources
P. O. Box 27687
Raleigh, NC 27611
Telephone: (919) 733-3833 FAX: (919) 733-4407

Mr. Daniel C. Oakley
Senior Deputy Attorney General, Environmental Division
Department of Justice
P. O. Box 629
Raleigh, NC 27602
Telephone: (919) 733-5725 FAX: (919) 733-0791

Mr. Gary W. Thompson, RLS
Chief, N. C. Geodetic Survey
Division of Land Resources
Department of Environment, Health and Natural Resources
P. O. Box 27687
Raleigh, NC 27611
Telephone: (919) 733-3836 FAX: (919) 733-4407



The Honorable David M. Beasley
Page 2
April 26, 1996

Mr. Thompson will serve as North Carolina's lead contact on the Commission. He will work with Sid Miller to arrange a meeting to determine the scope of work and timetable for clarifying the boundary line.

Thank you for your cooperation.

Sincerely,



James B. Hunt Jr.

JBH/lw

c: Secretary Jonathan B. Howes
Attorney General Michael Easley
Mr. Charles H. Gardner
Mr. Dan Oakley
Mr. Gary Thompson

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

**SESSION LAW 2016-23
SENATE BILL 575**

1 AN ACT TO MAKE LEGISLATIVE CHANGES TO FACILITATE THE WORK OF THE
2 BOUNDARY COMMISSION IN CONFIRMING AND REESTABLISHING THE
3 ORIGINAL BOUNDARY EXISTING BETWEEN THE STATES OF NORTH CAROLINA
4 AND SOUTH CAROLINA.
5

6 The General Assembly of North Carolina enacts:
7

8 **PART I. GENERAL PROVISIONS**

9 **SECTION 1.(a)** Findings. – The General Assembly finds that:

- 10 (1) North Carolina and South Carolina were created as separate British colonies.
- 11 (2) Surveys to determine the boundary between North Carolina and South Carolina
12 began in 1735 and concluded in 1815.
- 13 (3) Resurveys of three sections of the boundary between North Carolina and South
14 Carolina were performed in 1813, 1905, and 1928.
- 15 (4) The boundary between North Carolina and South Carolina has not changed;
16 however, over the course of time from the original survey of the boundary,
17 some of the markers denoting the boundary from the original surveys have been
18 lost or destroyed by the elements.
- 19 (5) The boundary commission authorized pursuant to Chapter 141 of the General
20 Statutes has worked with commissioners appointed by South Carolina to
21 reestablish the boundary between North Carolina and South Carolina.

22 **SECTION 1.(b)** Intent. – It is the intent of the General Assembly to address the
23 effects on persons or land with a situs recognized, as a result of a boundary certification, to be in
24 this State and to avoid disputes with such persons or owners of such land. This act does not apply
25 to persons whose property, rights, and businesses are not affected by boundary certification. For
26 purposes of this act, "boundary certification" means the certification by the General Assembly of
27 the boundary between North Carolina and South Carolina, as provided for in subsection (c) of this
28 section.

29 **SECTION 1.(c)** Certification. – For purposes other than property tax, the General
30 Assembly hereby certifies that, as of January 1, 2017, the boundary between North Carolina and
31 South Carolina is the boundary that was established by the original survey and resurveys that were
32 adopted through legislative and executive actions, and the reestablished boundary has been
33 approved by the boundary commissions of North Carolina and South Carolina and proclaimed as
34 the boundary by the Governor, pursuant to G.S. 141-5. For property tax purposes, the General
35 Assembly hereby certifies that, as of January 1 of the year following the year this act becomes
36 effective or the year an executive order has been issued by the Governor proclaiming the boundary
37 between North Carolina and South Carolina, whichever is earlier, the boundary between North
38 Carolina and South Carolina is the boundary that was established by the original survey and
39 resurveys that were adopted through legislative and executive actions, and the reestablished
40 boundary has been approved by the boundary commissions of North Carolina and South Carolina
41 and proclaimed as the boundary by the Governor, pursuant to G.S. 141-5.
42

43 **PART II. TAX LIABILITY**

44 **SECTION 2.(a)** Taxes. – The following provisions apply to taxes affected by
45 boundary certification:

- 46 (1) Neither the State nor a subdivision of the State may assess a tax on a person for
47 activities occurring prior to the date of certification where the basis of the
48 assessment is the certification.



- 1 (2) The State and its subdivisions may assess a tax for activities occurring on or
 2 after the date of certification subject to the following conditions:
 3 a. For taxes imposed for a taxable period, the tax may not be imposed for a
 4 period beginning prior to the date of certification.
 5 b. For sales and use taxes for an item that is provided and billed on a
 6 monthly or other periodic basis, the tax may not be assessed for periods
 7 beginning prior to the date of certification.
 8 c. For a person subject to taxes levied under Article 2A of Chapter 105 of
 9 the General Statutes who, on the date of the certification, has on hand
 10 any tobacco products, the person must file a complete inventory of the
 11 tobacco products within 20 days after date of certification and must pay
 12 an additional tax to the Secretary of Revenue when filing the inventory.
 13 The amount of the tax due is the amount due based on the current tax
 14 rate less any tax paid on the inventory to another state.
 15 d. For installments and carryforwards of tax benefits allowed by this State
 16 at the time of boundary certification for activities with a situs in South
 17 Carolina, a person may claim remaining installments and carryforwards
 18 against State tax liability.
 19 e. For land that is classified under G.S. 105-277.3 at the time of boundary
 20 certification and that fails to meet the size requirements of
 21 G.S. 105-277.3 solely because of boundary certification, (i) no deferred
 22 taxes are due as a result of boundary certification, (ii) the deferred taxes
 23 remain a lien on the land located in this State, and (iii) the deferred taxes
 24 for the land in this State are otherwise payable in accordance with
 25 G.S. 105-277.3. The tax benefit provided in this sub-subdivision is
 26 forfeited if any portion of the land located in this State is sold.
 27 f. For land receiving a property tax benefit other than classification under
 28 G.S. 105-277.3 at the time of boundary certification that fails to meet
 29 the requirements for the property tax benefit solely because of boundary
 30 certification, the land is not entitled to receive the property tax benefit
 31 after the time of boundary certification unless it meets the statutory
 32 requirements, but the lien on the land for the deferred taxes is
 33 extinguished as if it has been paid in full.
 34 (3) A person may not seek a refund for activities occurring prior to the date of
 35 certification where the basis of the refund is the certification.

36 **SECTION 2.(b)** An establishment to which permits may be issued pursuant to
 37 G.S. 18B-1006(n1), as enacted by this act, is designated a special class of property under Section
 38 2(2) of Article V of the North Carolina Constitution, and the motor fuel sold by that establishment
 39 is taxable in accordance with this section. Notwithstanding G.S. 105-449.80, the motor fuel excise
 40 tax rate for an establishment to which permits may be issued pursuant to G.S. 18B-1006(n1), as
 41 enacted by this act, is sixteen cents (16¢) per gallon. The Revenue Laws Study Committee shall
 42 annually compare the motor fuel excise tax rate imposed by this section with the rate levied by the
 43 State of South Carolina on motor fuels and may recommend a change in the rate imposed by this
 44 section to an amount no greater than the rate then in effect for the State of South Carolina. An
 45 establishment designated as a special class of property by this section may obtain monthly refunds
 46 on the difference between the motor fuel excise tax imposed under G.S. 105-449.80 and the motor
 47 fuel excise tax imposed by this section. The Department shall calculate for each calendar year the
 48 difference between the motor fuel excise tax that would have been imposed under G.S. 105-449.80
 49 on the motor fuel sold by an establishment classified by this section in the absence of this
 50 classification and the motor fuel excise tax that was imposed on the motor fuel sold by the
 51 establishment due to the classification. The difference in taxes, together with any interest,
 52 penalties, or costs that may accrue thereon, are a lien on the real property underlying the
 53 establishment as provided in G.S. 105-355(a). The difference in taxes shall be carried forward in
 54 the records of the Department as deferred taxes. The deferred taxes for the preceding three
 55 calendar years are due and payable on the day this subsection becomes ineffective due to the
 56 occurrence of a disqualifying event; provided, however, the amount collected for deferred taxes
 57 pursuant to this subsection does not exceed the tax value of the property. A disqualifying event
 58 occurs when the title to the real property underlying the establishment is transferred to a new

1 owner. A lien for deferred taxes is extinguished when the amount required by this subsection is
2 paid.

3 **SECTION 2.(c)** For property tax purposes, this Part is effective on the date of
4 certification applicable to property tax purposes provided in Section 1(c) of this act. For all other
5 purposes, this Part is effective for taxable periods beginning on or after January 1, 2017.
6

7 **PART III. INSTRUMENTS OF TITLE TO REAL PROPERTY**

8 **SECTION 3.(a)** The North Carolina Geodetic Survey shall record the final survey of
9 the confirmed boundary in the office of the register of deeds in every county in this State where
10 real property has been affected by the certification of the boundary. The applicable uniform fees
11 provided in G.S. 161-10 shall apply to the recordation of the final survey. The register of deeds
12 shall register and index the surveys in accordance with the provisions of Article 2 of Chapter 161
13 of the General Statutes.

14 **SECTION 3.(b)** For parcels of real property affected by the certification of the
15 boundary, situated in whole or in part within the boundaries of this State, the North Carolina
16 Geodetic Survey shall record a Notice of Affected Parcel in the office of the register of deeds in
17 the county or counties where each affected parcel is situated. The register of deeds shall register
18 and index the Notice in accordance with the provisions of Article 2 of Chapter 161 of the General
19 Statutes. Notwithstanding any other provision of law to the contrary, the register of deeds shall not
20 collect any fees or taxes for the Notice recorded pursuant to this subsection. The Notice shall
21 contain at least all of the following information:

- 22 (1) Reference to this act.
- 23 (2) The recording reference for the final survey of the confirmed boundary
24 recorded pursuant to subsection (a) of this section.
- 25 (3) The names of the record owners of the parcel.
- 26 (4) The property address of the parcel.
- 27 (5) A tax parcel identification number or other applicable identifier used by a
28 county tax office, if available.
- 29 (6) A brief description of the parcel, if available.
- 30 (7) A source deed reference for the parcel, if available.

31 **SECTION 3.(c)** Title to real property previously treated as being subject to the
32 jurisdiction of the State of South Carolina but that is recognized as being within the boundaries of
33 this State as a result of the certification of the boundary is not affected by the certification of the
34 boundary or the recognition of the real property as being within the boundaries of this State. All
35 conveyances and instruments of title, of any sort, made prior to the certification of the boundary
36 shall be recognized and given full faith and credit in this State according to the law, jurisdiction,
37 and terms in effect at the time of the conveyance in the jurisdiction the property was previously
38 treated as being subject to. For the purposes of this subsection, "instruments of title" means any
39 instrument that affects title or constitutes the chain of title to real property, including, but not
40 limited to, all deeds, wills, estate documents evidencing transfer of title, plats, surveys, easements,
41 rights-of-way, outstanding mortgages and deeds of trust, judicial orders or decrees, and documents
42 evidencing intestate succession.

43 **SECTION 3.(d)** Liens recorded prior to the date of boundary certification with the
44 register of deeds or docketed with the clerk of superior court in the county in this State where the
45 affected parcel is situated shall attach, as a class, to the affected parcel as of the effective date and
46 time of the boundary certification. This class of liens shall be assigned priority as of the date of
47 boundary certification but shall retain the same priority among themselves as if this subsection did
48 not apply.

49 **SECTION 3.(e)** The Commissioner of Insurance shall not take any of the following
50 actions with respect to a real estate title insurance company that previously operated only in South
51 Carolina and issued a policy of title insurance in compliance under South Carolina law for a parcel
52 of real estate now determined to be located wholly or partially in North Carolina:

- 53 (1) Require a certificate of authority to do business as a real estate title insurance
54 company under Article 26 of Chapter 58 of the General Statutes.
- 55 (2) Take enforcement action against any title insurance company for failure to
56 comply with the requirements of Article 26, 27, or 28 of Chapter 58 of the
57 General Statutes applicable to real estate title insurance companies in North
58 Carolina or any other statutory or regulatory requirements applicable to all
59 insurance companies in North Carolina.

1 Nothing in this section is intended to prevent the Commissioner of Insurance from
2 entering into a memorandum of agreement with the South Carolina Department of Insurance with
3 respect to enforcement of South Carolina law against real estate title insurance companies subject
4 to this section.

5
6 **PART IV. FORECLOSURE OF DEEDS OF TRUST AND MORTGAGES**

7 **SECTION 4.(a)** Foreclosure actions initiated on real property encumbered by a
8 security instrument recorded in South Carolina wherein the real property is situated, in whole or in
9 part, within the certified North Carolina boundaries shall be governed by the terms of the security
10 instrument sought to be enforced for that portion of real property recognized as being in a different
11 state. If the security instrument contains a power of sale clause, the party seeking to enforce the
12 terms of the security instrument may initiate a foreclosure action in the county where the real
13 property is situated pursuant to Chapter 45 of the General Statutes. A party seeking to enforce the
14 terms of the security instrument may also resort to judicial foreclosure, pursuant to Article 29A of
15 Chapter 1 of the General Statutes, in accordance with the terms within the security instrument.
16 Judgments or orders of foreclosure entered by courts of this State are binding and effective only
17 with respect to the portion of real property situated within this State. Prior to initiating an action to
18 enforce a security instrument, the security instrument or a certified copy shall be recorded in the
19 office of the register of deeds for the county where the subject property is situated. The provisions
20 of G.S. 45-10(a) shall apply with regard to the appointment or substitution of a trustee for any
21 mortgage or deed of trust foreclosed pursuant to this section.

22 **SECTION 4.(b)** Notwithstanding any other provision of law to the contrary, for
23 mortgages foreclosed pursuant to subsection (a) of this section, a mortgagee or its successors or
24 assigns shall be entitled to bid at a foreclosure sale conducted pursuant to a judgment or order of
25 foreclosure entered by the courts of this State.

26
27 **PART V. PUBLIC SCHOOL STUDENT ENROLLMENT**

28 **SECTION 5.(a)** Notwithstanding any other provision of law, a student who (i) was
29 eligible to enroll in a North Carolina local school administrative unit in accordance with
30 G.S. 115C-366 prior to the date of the certification and (ii) loses the eligibility to enroll in a public
31 school, including a charter school, as a result of certification may attend a North Carolina public
32 school located within the local school administrative unit or attend a North Carolina charter
33 school, without the payment of tuition, until that student:

- 34 (1) Reaches the age of 21.
- 35 (2) Obtains a high school diploma.
- 36 (3) No longer meets the requirements of G.S. 115C-366 that were the basis for the
37 student's eligibility for enrollment prior to the date of certification.
- 38 (4) Loses eligibility pursuant to subsection (b) of this section.

39 **SECTION 5.(b)** A student who attends a North Carolina public school or charter
40 school under subsection (a) of this section and the student's parent, legal guardian, or custodian
41 shall be subject to the laws and rules governing North Carolina public schools and charter schools
42 in accordance with Chapter 115C of the General Statutes, including meeting the requirements of
43 the compulsory attendance law under Part 1 of Article 26 of Chapter 115C of the General Statutes.

44 Notwithstanding the enforcement provisions of G.S. 115C-378(f), 115C-380,
45 115C-381, and 115C-382, a parent, guardian, or custodian of a student enrolled in a North
46 Carolina public school or charter school under this section who is determined by the principal of
47 the student's public school or the charter school to be in violation of the compulsory attendance
48 laws shall no longer be eligible to enroll the student in a North Carolina public school or charter
49 school pursuant to subsection (a) of this section in a subsequent semester of the school year. In
50 addition, the local school administrative unit or charter school in which the student is enrolled
51 shall notify, based on the student's place of residence in South Carolina, the juvenile court or such
52 other court in the county that has jurisdiction of juveniles and, if applicable, the attendance
53 supervisor for that county.

54 **SECTION 5.(c)** The State Board of Education shall provide that a student enrolled in
55 a North Carolina public school or charter school in accordance with subsection (a) of this section
56 be included in calculations for average daily membership, reporting for the Uniform Education
57 Reporting System, and eligibility for State and federal funds.

1 **SECTION 5.(d)** Except as otherwise provided by this section or G.S. 115C-366, a
2 student who is a legal resident of South Carolina shall not be entitled to enroll in a North Carolina
3 public school.
4

5 **PART VI. DRIVER EDUCATION ELIGIBILITY/BEGINNER LICENSE**

6 **SECTION 6.(a)** Notwithstanding State Board of Education policy, GCS-R-004, or
7 any other provision of law, if a student enrolled in a North Carolina public school or charter
8 school under subsection (a) of Section 5 of this act obtains a beginner's permit in South Carolina,
9 the student shall be eligible to participate in behind-the-wheel instruction as part of a driver
10 education course offered by the local school administrative unit in which the student is enrolled.

11 **SECTION 6.(b)** Notwithstanding G.S. 20-11(b)(1), a student who (i) as a result of the
12 boundary certification becomes a legal resident of North Carolina on the date of the certification
13 and (ii) is enrolled in a South Carolina school district in which his or her residence was located
14 prior to certification or in the South Carolina statewide public charter school district may meet the
15 requirement in G.S. 20-11(b)(1) for obtaining a limited learner's permit if the student passes a
16 course of driver education offered by the South Carolina high school in which the student is
17 enrolled.

18 **SECTION 6.(c)** The Department of Transportation, Division of Motor Vehicles, in
19 collaboration with the State Board of Education, shall develop a procedure for any North Carolina
20 resident who is a student enrolled in a South Carolina school pursuant to the conditions described
21 in subsection (b) of this section to satisfy the driver eligibility certificate requirements of
22 G.S. 20-11 to obtain and continue to hold a limited or full provisional license under this section.
23

24 **PART VII. ELIGIBILITY FOR IN-STATE TUITION**

25 **SECTION 7.(a)** Notwithstanding any other provision of law, independent persons and
26 their dependents formerly domiciled in North Carolina counties who are domiciled in South
27 Carolina counties as a result of the North Carolina-South Carolina boundary certification may be
28 considered eligible for in-State tuition rates for a period of up to 10 years from the effective date
29 of the boundary change. To be eligible for in-State tuition rates, such persons must have been
30 domiciled and reside on property in North Carolina in accordance with G.S. 116-143.1
31 immediately prior to the effective date of North Carolina legislation approving the North
32 Carolina-South Carolina boundary certification and must maintain residence and domicile on that
33 same property within South Carolina.

34 **SECTION 7.(b)** Notwithstanding any other provision of law, independent persons and
35 their dependents previously domiciled on property in South Carolina which is located in North
36 Carolina as a result of the North Carolina-South Carolina boundary certification may, for a period
37 of two years from the effective date of the boundary certification, be eligible for in-State rates
38 without the requirement of residency and domicile for 12 months in this State provided such
39 independent persons have evidenced the intent to establish domicile in North Carolina in
40 accordance with G.S. 116-143.1. To be eligible under this provision, such persons must reside on
41 the same property that was in South Carolina immediately prior to the effective date of North
42 Carolina legislation approving the certified North Carolina-South Carolina boundary. To maintain
43 eligibility for in-State tuition rates longer than the two years permitted under this paragraph, the
44 independent persons and their dependents must satisfy the requirements of G.S. 116-143.1.

45 **SECTION 7.(c)** The provisions established under subsections (a) and (b) of this
46 section are not transferable to persons other than those independent persons and their dependents
47 falling within the scope of those provisions.

48 **SECTION 7.(d)** Should the domicile and residence of independent persons and their
49 dependents change from the property affected by the boundary certification, maintenance of
50 eligibility for in-State rates will be determined as provided in G.S. 116-143.1.
51

52 **PART VIII. ABC PERMITS**

53 **SECTION 8.** G.S. 18B-1006 is amended by adding a new subsection to read:
54 "(n1) State Boundary Certification. – The Commission may issue permits listed in
55 G.S. 18B-1001(2) and (4), without approval at an election, to qualified establishments defined in
56 G.S. 18B-1000(7) that meet all of the following requirements:

- 57 (1) The establishment is located in a county that borders on another state.
58 (2) The location of the establishment was reclassified from out-of-state to North
59 Carolina as a result of a State boundary certification.

1 (3) The establishment was licensed or permitted by the previous state of record to
2 sell malt beverages and unfortified wine."
3

4 **PART IX. TITLE, REGISTRATION, AND HIGHWAY USE TAX**

5 **SECTION 9.(a)** Definition. – For purposes of this section, "impacted person" shall
6 mean any person who is the owner of a motor vehicle titled and registered in South Carolina and
7 who has now been determined to be a resident of North Carolina as a result of a boundary
8 certification agreed to by the states of North Carolina and South Carolina.

9 **SECTION 9.(b)** The Division of Motor Vehicles of the Department of Transportation
10 shall require title, registration, and the payment of highway use tax from impacted persons in the
11 same manner as it currently uses for persons moving to North Carolina from another state.
12

13 **PART X. ENVIRONMENTAL COMPLIANCE SCHEDULE**

14 **SECTION 10.(a)** Definition. – For purposes of this section, "impacted location" shall
15 mean any facility or property that has now been determined to be located in North Carolina as a
16 result of a boundary certification recognized by the states of North Carolina and South Carolina,
17 and, as a result, either of the following applies to the facility or property:

- 18 (1) It is required to obtain a permit, license, or approval from the North Carolina
19 Department of Environmental Quality.
- 20 (2) It is subject to a permit, license, or approval program that is operated by a local
21 government and is delegated from or approved by the North Carolina
22 Department of Environmental Quality.

23 **SECTION 10.(b)** Notwithstanding any other provision of law to the contrary, the
24 Department of Environmental Quality, the Environmental Management Commission, or any local
25 program delegated or approved by the Department or the Commission (collectively, the
26 "permitting authorities"), in issuing any environmental permit, license, or approval to an impacted
27 location, shall provide a schedule of compliance that allows the recipient of the permit, license, or
28 approval a period of no less than five years to come into compliance with any North Carolina
29 environmental rule or standard established by the permitting authorities that (i) has no
30 corresponding rule or standard under South Carolina law or regulation or (ii) is more stringent
31 than the corresponding rule or standard established under South Carolina law or regulations. The
32 permitting authorities may include increments of progress applicable in each year of the schedule
33 established under this subsection. The owner or operator of an impacted location may waive the
34 schedule of compliance required by this subsection. Nothing in this section is intended to limit the
35 applicability or employment of existing procedures under North Carolina statutes and regulations
36 granting waivers or variances from otherwise applicable environmental rules or standards.
37

38 **PART XI. UTILITIES/EXTENSION OF RURAL FIRE PROTECTION DISTRICTS,**
39 **COUNTY SERVICE DISTRICTS, AND WATER AND SEWER DISTRICTS**

40 **SECTION 11.(a)** The owner or occupant of a dwelling unit or commercial
41 establishment on improved property that shall be deemed located in whole or in part in the State of
42 North Carolina as a result of the boundary certification described in this act may continue to
43 receive utility services from the South Carolina utility or its successor that is providing service to
44 the dwelling unit or commercial establishment on January 1, 2017. However, the owner or
45 occupant may, within his or her discretion, elect to have one or more of the utility services being
46 provided to the property by a South Carolina utility on January 1, 2017, be provided by a North
47 Carolina utility as long as the property is located within the North Carolina utility's service area. A
48 North Carolina utility that is a city or county may require the owner of the property to pay a
49 periodic availability fee authorized by law only if the owner elects to have utility service provided
50 to the dwelling unit or commercial establishment by the North Carolina utility. A South Carolina
51 utility that provides service to the property as authorized in this section is not a public utility under
52 G.S. 62-3(23), and is not subject to regulation by the North Carolina Utilities Commission as it
53 relates to providing the particular utility service involved. For purposes of this subsection only, the
54 term "South Carolina utility" has the same meaning as the term "utility" or "utilities" in the Code
55 of Laws of South Carolina, and the term "North Carolina utility" has the same meaning as the term
56 "public utility" which is defined in G.S. 62-3(23), and also includes a city or county that provides
57 any of the services listed in G.S. 160A-311 or G.S. 153A-274, an authority organized under the
58 North Carolina Water and Sewer Authorities Act, or an electric or telephone membership
59 corporation.

ADDENDUM - 6. South Carolina Legislation; S*667 Session 121 (2015-2016)

**S*0667(Rat #0292, Act #0270 of 2016) General Bill, By Hayes, Williams,
L. Martin, Alexander and Peeler**

04/15/15 Senate Introduced and read first time (Senate Journal-page 3)
04/15/15 Senate Referred to Committee on Judiciary
(Senate Journal-page 3)
04/21/15 Senate Recalled from Committee on Judiciary
(Senate Journal-page 4)
04/22/15 Scrivener's error corrected
04/23/15 Senate Read second time (Senate Journal-page 30)
04/23/15 Senate Roll call Ayes-41 Nays-0 (Senate Journal-page 30)
04/28/15 Senate Read third time and sent to House
(Senate Journal-page 15)
04/28/15 House Introduced and read first time (House Journal-page 147)
04/28/15 House Referred to Committee on Judiciary
(House Journal-page 147)
05/26/16 House Recalled from Committee on Judiciary
(House Journal-page 22)
05/27/16 Scrivener's error corrected
06/01/16 House Amended (House Journal-page 73)
06/01/16 House Requests for debate-Rep(s). White, Hill, GR
Smith, Loftis, Whitmire, Sandifer, Gagnon,
Hayes, Pope, Felder, Norman (House Journal-page 73)
06/01/16 House Read second time (House Journal-page 126)
06/01/16 House Roll call Yeas-75 Nays-13 (House Journal-page 131)
06/02/16 House Read third time and returned to Senate with
amendments (House Journal-page 43)
06/02/16 Senate Concurred in House amendment and enrolled
(Senate Journal-page 44)
06/06/16 Ratified R 292
06/10/16 Signed By Governor
06/16/16 Effective date 01/01/17
06/17/16 Act No. 270

VERSIONS OF THIS BILL

4/15/2015
4/21/2015
4/22/2015
5/26/2016
5/27/2016
6/1/2016

(A270, R292, **S667**)

AN ACT TO AMEND SECTION 1-1-10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE JURISDICTION AND BOUNDARIES OF THE STATE, SO AS TO CLARIFY THE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA ALONG HORRY, DILLON, MARLBORO, CHESTERFIELD, LANCASTER, YORK, CHEROKEE, AND SPARTANBURG COUNTIES AND TO PROVIDE ADDITIONAL INFORMATION ABOUT THE PLATS DESCRIBING THE LOCATION OF THE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA ALONG GREENVILLE, PICKENS, AND OCONEE COUNTIES; BY ADDING SECTION 12-2-115 SO AS TO PROVIDE THAT "NEW JOBS" ARE NOT CREATED IN SOUTH CAROLINA BY EMPLOYEES WHOSE WORK LOCATION IS CHANGED FROM NORTH CAROLINA TO SOUTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION, NOR IS THERE ANY NEW INVESTMENT IN SOUTH CAROLINA AS A RESULT OF PROPERTY THAT CHANGES LOCATION FROM NORTH CAROLINA TO SOUTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-2-120 SO AS TO PROVIDE FOR THE MANNER AND APPLICATION OF TAX ASSESSMENTS AND REFUNDS FOR THE PERIOD PRIOR TO THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-2-130 SO AS TO PROVIDE THAT IN THE YEAR CONTAINING THE DATE OF THE BOUNDARY CLARIFICATION, THE DEPARTMENT OF REVENUE HAS THE AUTHORITY TO COMPROMISE TAXES THAT RESULT IN TAXATION IN BOTH SOUTH CAROLINA AND NORTH CAROLINA SOLELY BECAUSE OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-6-5600 SO AS TO PROVIDE FOR THE INCOME TAX TREATMENT OF INDIVIDUALS AND BUSINESSES WHOSE STATE OF RESIDENCE OR PROPERTY LOCATION CHANGES AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-21-820 SO AS TO PROVIDE FOR THE MANNER OF CIGARETTE AND TOBACCO PRODUCTS TAXATION AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-24-160 SO AS TO PROVIDE THAT IF, AS A RESULT OF THE BOUNDARY CLARIFICATION, PROPERTY IS DEEMED TO HAVE CHANGED LOCATIONS FROM NORTH CAROLINA TO SOUTH CAROLINA AND IF SOLELY AS A RESULT OF THIS CHANGE, A DEED IS FILED IN SOUTH CAROLINA, NO DEED RECORDING FEES ARE DUE ON THIS FILING AND NO COUNTY FILING FEES MAY BE CHARGED; BY ADDING SECTION 12-28-350 SO AS TO PROVIDE THAT A RETAILER THAT SELLS MOTOR FUEL WHOSE BUSINESS LOCATION CHANGES FROM SOUTH CAROLINA TO NORTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION IS ALLOWED A REFUND OF SOUTH CAROLINA MOTOR FUEL TAXES OR USER FEES IF NORTH CAROLINA REQUIRES THAT RETAILER TO PAY THE NORTH CAROLINA MOTOR FUEL TAXES OR USER FEES ON THAT SAME FUEL; BY ADDING SECTION 12-36-2695 SO AS TO PROVIDE FOR THE MANNER IN WHICH SALES AND USE TAXES AND ADMISSIONS TAXES MUST BE COLLECTED AND PAID AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-37-140 SO AS TO PROVIDE FOR HOW CERTAIN REAL AND PERSONAL PROPERTY IS SUBJECT TO PROPERTY TAXATION, AND FOR PROCEDURAL MATTERS RELATING TO THIS TAXATION, INCLUDING APPLICATION LIEN DATES; BY ADDING SECTION 12-37-145 SO AS TO FURTHER PROVIDE FOR MOTOR VEHICLE LICENSE REGISTRATION AND MOTOR VEHICLE PERSONAL PROPERTY TAXES AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 12-37-150 SO AS TO PROVIDE THAT IF AS A RESULT OF THE BOUNDARY CLARIFICATION AN INDIVIDUAL IS REQUIRED TO REGISTER HIS PERSONAL MOTOR VEHICLE IN SOUTH CAROLINA AND IF THE PROPERTY TAXES ON THAT MOTOR VEHICLE WOULD HAVE BEEN LESS IN NORTH CAROLINA, THE INDIVIDUAL MAY RECEIVE A TAX REBATE FROM THE SOUTH CAROLINA COUNTY FOR THE DIFFERENCE BETWEEN THE TAX THE INDIVIDUAL WAS REQUIRED TO PAY IN SOUTH CAROLINA AND THE INDIVIDUAL WAS REQUIRED TO PAY IN NORTH CAROLINA ON THAT SAME VEHICLE; BY ADDING SECTION 12-37-155 SO AS TO PROVIDE THAT FOR 2017 ONLY, THE LIEN DATE FOR NONBUSINESS PERSONAL PROPERTY, OTHER THAN MOTOR VEHICLES, IS JANUARY 1, 2017, FOR INDIVIDUALS WHOSE STATE OF RESIDENCY CHANGES FROM NORTH CAROLINA TO SOUTH CAROLINA SOLELY AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION 29-3-800 SO AS TO PROVIDE SPECIFIED PROCEDURES IN REGARD TO THE FORECLOSURE OF MORTGAGES AND OTHER LIENS ENCUMBERING AFFECTED LANDS; BY ADDING SECTION 30-5-270 SO AS TO PROVIDE FOR SPECIAL RECORDING REQUIREMENTS FOR DEEDS, PLATS, MORTGAGES, AND OTHER INSTRUMENTS REGARDING REAL PROPERTY IN THE AFFECTED JURISDICTIONS, AND TO REQUIRE A NOTICE OF THE STATE BOUNDARY CLARIFICATION TO BE PROVIDED BY THE REGISTER OF DEEDS OR CLERKS OF COURT IN CERTAIN CIRCUMSTANCES; BY ADDING SECTION 44-1-315 SO AS TO PROVIDE A COMPLIANCE SCHEDULE FOR ENVIRONMENTAL PERMITTEES IMPACTED BY THE BOUNDARY CLARIFICATION; BY ADDING SECTION 44-6-110 SO AS TO PROVIDE THAT A MEDICAID PROVIDER OUTSIDE OF THE GEOGRAPHICAL BOUNDARY OF SOUTH CAROLINA BUT WITHIN

THE SOUTH CAROLINA MEDICAID SERVICE AREA SHALL NOT LOSE STATUS AS A MEDICAID PROVIDER AS A RESULT OF THE CLARIFICATION OF THE SOUTH CAROLINA - NORTH CAROLINA BORDER; BY ADDING CHAPTER 2 TO TITLE 58 SO AS TO PROVIDE FOR THE MANNER IN WHICH UTILITY SERVICES MUST BE PROVIDED IN AREAS AFFECTED BY THE BOUNDARY CLARIFICATION; BY ADDING SECTION 59-63-550 SO AS TO FURTHER PROVIDE FOR SCHOOL ATTENDANCE PROCEDURES AND REQUIREMENTS FOR CHILDREN RESIDING IN SCHOOL DISTRICTS AFFECTED BY THE BOUNDARY CLARIFICATION; AND BY ADDING SECTION 59-112-150 SO AS TO FURTHER PROVIDE FOR IN-STATE TUITION RATES AND THE AWARDING OF OTHER STATE-SUPPORTED SCHOLARSHIPS AND GRANTS TO INDEPENDENT PERSONS AND THEIR DEPENDENTS AFFECTED BY THE BOUNDARY CLARIFICATION.

Be it enacted by the General Assembly of the State of South Carolina:

Part I Boundary Clarification

Purpose

SECTION 1. The provisions of Section 1-1-10 of the 1976 Code are amended to clarify the original location of the boundary between North and South Carolina along Horry, Dillon, Marlboro, Chesterfield, Lancaster, York, Cherokee, and Spartanburg counties and to provide additional information about the plats describing the location of the boundary between North Carolina and South Carolina along Greenville, Pickens, and Oconee counties so that the northern line will be as described by those plats.

Boundary clarified

SECTION 2. Section 1-1-10 of the 1976 Code, as last amended by Act 264 of 2008, is further amended to read: "Section 1-1-10. The sovereignty and jurisdiction of this State extends to all places within its bounds, which are declared to be as follows:

The northern line beginning at a point at the low-water mark of the Atlantic Ocean on the eastern shore of Bird Island and then following the line as recorded by a set of 51 signed plats as follows:

Section between Horry County, SC and Brunswick/Columbus counties, NC: 1 plat sheet, signed by Sidney C. Miller 9/29/14 and Gary W. Thompson 2/24/15; Section between Dillon County, SC and Robeson County, NC: 2 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section between Marlboro, Chesterfield and Lancaster counties, SC and Scotland, Richmond, Anson and Union counties, NC: 5 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section between Lancaster and York counties, SC and Union and Mecklenberg counties, NC: 3 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section of Lake Wylie: 1 plat sheet, signed by Sidney C. Miller and Gary W. Thompson 3/23/12; Section between York, Cherokee and Spartanburg counties, SC and Gaston, Cleveland, Rutherford and Polk counties, NC: 4 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13 (Section between Greenville and Pickens counties, SC and Polk, Henderson and Transylvania counties, NC: 34 plat sheets, signed by Sidney C. Miller and Gary W. Thompson dated 12/20/2005; Section between Pickens and Oconee counties, SC and Transylvania and Jackson counties, NC: 1 plat sheet, prepared by Concord Engineering & Surveying, Inc. dated May 2005 to the most westward point on those plats marked by the '+' in the inscription 'LAT 35, AD 1813, NC + SC' chiseled on Commissioners' Rock on the east bank of the Chattooga River; thence following a geodetic line with a geodetic azimuth of 270 degrees to the centerline of the Chattooga River. (Plats on file with the South Carolina Department of Archives and History, the South Carolina Geodetic Survey and filed for record as applicable in the respective county offices where deeds are recorded in Horry, Dillon, Marlboro, Chesterfield, Lancaster, York, Cherokee, Spartanburg, Greenville, Pickens and Oconee counties).

The lateral seaward boundary between North Carolina and South Carolina from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a continuation of the North Carolina-South Carolina boundary line as described by monuments located at latitude 33° 51' 50.7214" N., longitude 78° 33' 22.9448" W., at latitude 33° 51' 36.4626" N., longitude 78° 33' 06.1937" W., and at latitude 33° 51' 07.8792" N., longitude 78° 32' 32.6210" W., (coordinates based on North American Datum 1927), in a straight line projection of said line to the seaward limits of the states' territorial jurisdiction, such line to be extended on the same bearing insofar as a need for further delimitation may arise.

From the state of Georgia, this State is divided by the Savannah River, at the point where the northern edge of the navigable channel of the Savannah River intersects the seaward limit of the state's territorial jurisdiction; thence generally along the northern edge of the navigable channel up the Savannah River; thence along the northern edge of the sediment basin to the Tidegate; thence to the confluence of the Tugaloo and Seneca Rivers; thence up the Tugaloo River to the confluence of the Tallulah and the Chattooga Rivers; thence up the Chattooga River to the 35th parallel of north latitude, which is the boundary of North Carolina, the line being midway between the banks of said respective rivers when the water is at ordinary stage, except in the lower reaches of the Savannah River, as hereinafter described. And when the rivers are broken by islands of natural formation which, under the Treaty of Beaufort, are reserved to the state of Georgia, the line is midway between the island banks and the South Carolina

banks when the water is at ordinary stage, except in the lower reaches of the Savannah River, as hereinafter described.

The boundary between Georgia and South Carolina along the lower reaches of the Savannah River, and the lateral seaward boundary, is more particularly described as follows and depicted in 'Georgia--South Carolina Boundary Project, Lower Savannah River Segment, Portfolio of Maps' prepared by the United States Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, National Geodetic Survey, Remote Sensing Division--2001 (copies on file at the South Carolina Department of Archives and History and the South Carolina Geodetic Survey):

Beginning at a point where the thread of the northernmost branch of the Savannah River equidistant between its banks intersects latitude 32° 07' 00" N., (North American Datum 1983-86), located in the Savannah River, and proceeding in a southeasterly direction down the thread of the Savannah River equidistant between the banks of the Savannah River on Hutchinson Island and on the mainland of South Carolina including the small downstream island southeast of the aforesaid point, at ordinary stage, until reaching the vicinity of Pennyworth Island;

Proceeding thence easterly down the thread of the northernmost channel of the Savannah River known as the Back River as it flows north of Pennyworth Island, making the transition to the said northernmost channel using the equidistant method between Pennyworth Island, the Georgia bank on Hutchinson Island, and the South Carolina mainland bank, thence to the thread of the said northernmost channel equidistant from the South Carolina mainland bank and Pennyworth Island at ordinary stage, around Pennyworth Island;

Proceeding thence southeasterly to the thread of the northern channel of the Savannah River equidistant from the Georgia bank on Hutchinson Island and the South Carolina mainland bank, making the transition utilizing the equidistant method between Pennyworth Island, the Georgia bank on Hutchinson Island, and the South Carolina mainland bank;

Proceeding thence southeasterly down the thread of the Savannah River equidistant from the Hutchinson Island and South Carolina mainland banks of the river at ordinary stage, through the tide gates, until reaching the northwestern (farthest upstream) boundary of the 'Back River Sediment Basin', as defined in the 'Annual Survey-1992, Savannah Harbor, Georgia, U. S. Coastal Highway, No. 17 to the Sea', U. S. Army Corps of Engineers, Savannah District as amended by the Examination Survey-1992 charts for the Savannah Harbor Deepening Project, Drawings No. DSH 1 12/107, (hereinafter the 'Channel Chart');

Proceeding thence along the said northwestern boundary to its intersection with the northern boundary of the Back River Sediment Basin; thence southeasterly until said northern boundary intersects the northern boundary of the main navigational channel as depicted on the Channel Chart at the point designated as SR-34 (latitude 32° 05' 01.440" N., longitude 081° 02' 17.252" W., North American Datum (NAD 1983-86);

Proceeding thence toward the mouth of the Savannah River along the northern boundary of the main navigational channel at the new channel limit as depicted on the Channel Chart, via Oglethorpe Range through point SR-33 (latitude 32° 05' 17.168" N., longitude 081° 01' 34.665" W., NAD 1983-86), Fort Jackson Range through point SR-32 (latitude 32° 05' 30.133" N., longitude 081° 01' 17.750" W., NAD 1983-86), the Bight Channel through points SR-31 (latitude 32° 05' 55.631" N., longitude 081° 01' 02.480" W., NAD 1983-86), SR-30 (latitude 32° 06' 06.272" N., longitude 081° 00' 44.802" W., NAD 1983-86), SR-29 (latitude 32° 06' 09.053" N., longitude 081° 00' 31.887" W., NAD 1983-86), SR-28 (latitude 32° 06' 08.521" N., longitude 081° 00' 15.498" W., NAD 1983-86), and SR-27 (latitude 32° 06' 01.565" N., longitude 080° 59' 58.406" W., NAD 1983-86), Upper Flats Range through points SR-26 (latitude 32° 05' 41.698" N., longitude 080° 59' 31.968" W., NAD 1983-86) and SR-25 (latitude 32° 05' 02.819" N., longitude 080° 59' 12.644" W., NAD 1983-86), Lower Flats Range through points SR-24 (latitude 32° 04' 46.375" N., longitude 080° 59' 00.631" W., NAD 1983-86), SR-23 (latitude 32° 04' 40.209" N., longitude 080° 58' 49.947" W., NAD 1983-86), SR-22 (latitude 32° 04' 28.679" N., longitude 080° 58' 18.895" W., NAD 1983-86), and SR-21 (latitude 32° 04' 22.274" N., longitude 080° 57' 34.449" W., NAD 1983-86), Long Island Crossing Range through points SR-20 (latitude 32° 04' 13.042" N., longitude 080° 57' 14.511" W., NAD 1983-86), and SR-19 (latitude 32° 02' 30.984" N., longitude 080° 55' 30.308" W., NAD 1983-86) and New Channel Range following the northern boundary of the Rehandling Basin and the northern boundary of the Oyster Bed Island Turning Basin back to the northern edge of the main navigational channel, thence through points SR-17 (latitude 32° 02' 07.661" N., longitude 080° 53' 39.379" W., NAD 1983-86) and SR-16 (latitude 32° 02' 07.533" N., longitude 080° 53' 31.663" W., NAD 1983-86), to a point at latitude 32° 02' 08" N., longitude 080° 53' 25" W., NAD 1983-86 (now marked by Navigational Buoy '24') near the eastern end of Oyster Bed Island;

Proceeding thence from a point at latitude 32° 02' 08" N., longitude 080° 53' 25" W., NAD 1983-86 (now marked by Navigational Buoy R '24') on a true azimuth of 0° 0' 0" (true north) to the mean low low-water line of Oyster Bed Island; thence easterly along the said mean low low-water line of Oyster Bed Island to the point at which the said mean low low-water line of Oyster Bed Island intersects the Oyster Bed Island Training Wall;

Proceeding thence easterly along the mean low low-water line of the southern edge of the Oyster Bed Island Training Wall to its eastern end; thence continuing the same straight line to its intersection with the Jones Island Range line;

Proceeding thence southeasterly along the Jones Island Range line until reaching the northern boundary of the main navigational channel as depicted on the Channel Chart;

Proceeding thence southeasterly along the northern boundary of the main navigational channel as depicted on the Channel Chart, via Jones Island Range and Bloody Point Range, to a point at latitude 31° 59' 16.700" N., longitude 080° 46' 02.500" W., NAD 1983-86 (now marked by Navigational Buoy '6'); and finally,

Proceeding from a point at latitude 31° 59' 16.700" N., longitude 080° 46' 02.500" W., NAD 1983-86 (now marked by Navigational Buoy '6') extending southeasterly to the federal-state boundary on a true azimuth of 104 degrees (bearing of S76°E), which describes the line being at right angles to the baseline from the southernmost point of Hilton Head Island and the northernmost point of Tybee Island, drawn by the Baseline Committee in 1970.

Should the need for further delimitation arise, the boundary shall further extend southeasterly on above-described true azimuth of 104 degrees (bearing of S76°E).

Provided, further, that nothing in this section in any way shall be considered to govern or affect in any way the division between the states of the remaining assimilative capacity that is, the capacity to receive wastewater and other discharges without violating water quality standards, of the portion of the Savannah River described in this section."

Part II Revenue and Taxation

Intent

SECTION 3. This part defines the legislative intent and purpose of the amendments and additions in this act to Title 12 of the 1976 Code.

The General Assembly recognizes that the state of a business's location, or portion of it, may change as a result of the boundary clarification and this change can have tax and licensing consequences.

It is the intent of the General Assembly that when, as a result of the boundary clarification, an individual's residence or a business location is determined to be located in South Carolina rather than North Carolina where the residence or business had previously been taxed, the individual or business should not be liable for back taxes to South Carolina solely as a result of the clarification. The intention of this act is only to address the effects on persons whose residences and businesses who are determined to be located in South Carolina rather than North Carolina as a result of the boundary clarification. This act does not apply to persons whose residences and businesses are not affected by the boundary clarification.

New jobs or investments not created

SECTION 4. Chapter 2, Title 12 of the 1976 Code is amended by adding:

"Section 12-2-115. For purposes of all South Carolina tax credits or other tax incentives, 'new jobs' are not created in South Carolina by employees whose work location is changed from North Carolina to South Carolina as a result of the boundary clarification, as contained in the amendments in Section 1-1-10, effective January 1, 2017, nor is there any new investment in South Carolina as a result of property that changes location from North Carolina to South Carolina as a result of the boundary clarification."

Tax liability or refunds

SECTION 5. Chapter 2, Title 12 of the 1976 Code is amended by adding:

"Section 12-2-120. (A) Individuals whose residency or taxpayers whose property or business location is considered to have changed from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, is not liable for any taxes for periods prior to the boundary clarification date based solely on a claim that the individual was a resident or the taxpayer's property or business location was located in South Carolina in the prior year.

(B) Individuals whose residency or taxpayers whose property or business location is considered to have changed from South Carolina to North Carolina solely as a result of the boundary clarification are not entitled to a refund of any state, county, or local taxes or license fees for periods prior to the boundary clarification date based solely on a claim that the individual was not a resident of South Carolina or the taxpayer's property or business location was not in South Carolina in prior years.

(C) Taxpayers who have sold products or services subject to South Carolina taxes to persons whose residence or location is considered to have changed from South Carolina to North Carolina solely as a result of the boundary clarification are not allowed a refund for any taxes paid prior to the boundary clarification as a result of these sales."

Authority to compromise taxes

SECTION 6. Chapter 2, Title 12 of the 1976 Code is amended by adding:

"Section 12-2-130. In the year containing the date of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, the Department of Revenue has the authority to compromise taxes that result in taxation in both South Carolina and North Carolina solely because of the boundary clarification."

Residency of individuals and businesses

SECTION 7. Article 41, Chapter 6, Title 12 of the 1976 Code is amended by adding:

"Section 12-6-5600. For South Carolina income tax purposes:

(A) An individual whose state of residency changes as a result of the boundary clarification from North Carolina to South Carolina or from South Carolina to North Carolina, as contained in the amendments to Section 1-1-10, effective January 1, 2017, must be treated as though the individual moved to or from South Carolina on January 1, 2017.

(B) For businesses whose property location changes from North Carolina to South Carolina or from South Carolina to North Carolina as a result of boundary clarification, for income tax purposes, the property is treated as though the property moved into or out of South Carolina on January 1, 2017."

Tax on cigarettes and tobacco products

SECTION 8. Article 5, Chapter 21, Title 12 of the 1976 Code is amended by adding:

"Section 12-21-820. (A) If the location of a retailer that sells cigarettes and tobacco products changes from South Carolina to North Carolina as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, and the retailer has South Carolina tax-paid cigarettes and tobacco products in inventory on the date of the boundary change, then the retailer is entitled to a refund of South Carolina cigarette and tobacco taxes paid on those cigarette and tobacco products if North Carolina imposes a tax on those cigarette and tobacco products. This refund may be issued to the retailer notwithstanding that the South Carolina tax was paid by the wholesaler from whom the retailer purchased the cigarettes and tobacco products. The retailer must provide proof that the North Carolina cigarette taxes were paid on the same cigarettes and tobacco that was previously taxed by South Carolina.

(B) If North Carolina does not impose a tax on the cigarette and tobacco products in inventory as a result of the boundary clarification, South Carolina shall refund the South Carolina cigarette and tobacco taxes to the extent the South Carolina tax exceeds the North Carolina tax. The refund amount is calculated based on the inventory information required by North Carolina as a result of the boundary clarification.

(C) Any wholesaler who sold South Carolina tax-paid cigarettes to a retail business is not entitled to a refund of these taxes because of a change in the retailer's location from South Carolina to North Carolina as a result of the boundary clarification."

Recording and filing fees

SECTION 9. Chapter 24, Title 12 of the 1976 Code is amended by adding:

"Section 12-24-160. If as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, property is considered to have changed locations from North Carolina to South Carolina and if solely as a result of this change a deed is filed in South Carolina, no deed recording fees are due on this filing and no county filing fees may be charged."

Motor fuel taxes or user fees

SECTION 10. Article 3, Chapter 28, Title 12 of the 1976 Code is amended by adding:

"Section 12-28-350. A retailer that sells motor fuel whose business location changes from South Carolina to North Carolina as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, is allowed a refund of South Carolina motor fuel taxes or user fees if North Carolina requires the retailer to pay the North Carolina motor fuel taxes or user fees on that same fuel."

Sales taxes or admission taxes

SECTION 11. Article 25, Chapter 36, Title 12 of the 1976 Code is amended by adding:

"Section 12-36-2695. Any business that is required to collect or pay sales and use taxes or admissions taxes whose business location changes from North Carolina to South Carolina as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017, is required to obtain a South Carolina retail license or admissions tax license for that location before January 1, 2017, and begin collecting and paying South Carolina sales and use taxes or admissions taxes on January 1, 2017. The retailer must apply for a retail or admissions tax license prior to January 1, 2017, and indicate on the license application the date the taxpayer anticipates beginning to collect sales, use, or admissions taxes is January 1, 2017."

Real property taxation and violation

SECTION 12. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section 12-37-140. (A) On January 1, 2017, any real property which was not on the South Carolina real property tax rolls solely because prior to the boundary clarification, as contained in the amendments in Section 1-1-10, effective January 1, 2017, it was considered located in North Carolina, must be placed on the South Carolina property tax rolls. The real property must be valued based on the latest reassessment date for similar types of property in that location. The fifteen percent cap in Section 12-37-3140 is not applicable to this property in the year that the property is first placed on the tax rolls.

(B) For 2017 only, real property and personal property with a statutory lien date of December thirty-first whose location is considered to have changed from North Carolina to South Carolina as a result of boundary clarification shall have a lien date of January 1, 2017, rather than December thirty-first of the preceding year. For all subsequent property tax years the lien date shall return to December thirty-first of the preceding year.

(C) The lien date for property taxes is the date on which the property tax becomes a fixed liability of the taxpayer.

(D) Any agricultural-use property whose location is considered to have changed from South Carolina to North Carolina as a result of the boundary clarification is not subject to rollback of taxes under Section 12-43-220(d) because of the deemed location change.

(E) Taxpayers affected by the boundary clarification must apply for all property tax exemptions, special valuations, and special assessment ratios in accordance with and by the dates specified in South Carolina law.

(F) If as a result of the differing lien dates for North Carolina and South Carolina, property is subject to property taxes in both states, the taxpayer is liable for property taxes only in the state where the property is deemed located after the boundary clarification."

Motor vehicle registration

SECTION 13. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section 12-37-145. (A) An individual whose state of residency changes from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments in Section 1-1-10, effective January 1, 2017, must register his motor vehicle as a new resident of South Carolina in accordance with Section 56-3-210, and pay property taxes in accordance with Chapter 37, Article 21, Title 12. For purposes of this section, an individual's residency must be determined on the date of the boundary clarification, which is January 1, 2017.

(B) A business with motor vehicles whose business location changes from North Carolina to South Carolina solely as a result of the boundary clarification is considered to have moved into South Carolina on January 1, 2017, and must register its motor vehicles in accordance with South Carolina law for moving business property into South Carolina based on the date of the boundary clarification, which is January 1, 2017, and personal property taxes for motor vehicles must be paid in accordance with Article 21, Chapter 37, Title 12.

(C) Refunds for motor vehicle personal property taxes for persons whose residency or business location is changed from South Carolina to North Carolina as a result of the boundary clarification, must be provided, if applicable, on a prorated basis in accordance with Section 12-37-2620."

Tax rebate

SECTION 14. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section 12-37-150. If as a result of the boundary clarification, as contained in the amendments in Section 1-1-10, effective January 1, 2017, an individual is required to register his personal motor vehicle in South Carolina and, if the property taxes on that motor vehicle would have been less in North Carolina, the individual may receive a tax rebate from the applicable South Carolina county for the difference between the tax the individual was required to pay in South Carolina and the individual was required to pay in North Carolina on that same vehicle based on the latest North Carolina assessment for the motor vehicle. In order to receive this rebate the individual must provide the county with a copy of the last North Carolina county property tax assessment for the same motor vehicle. The individual is entitled to this rebate for two years, including any partial year."

Lien date

SECTION 15. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section 12-37-155. For 2017 only, the lien date for nonbusiness personal property, other than motor vehicles, is January 1, 2017, for individuals whose state of residency changes from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments to Section 1-1-10, effective January 1, 2017. For all subsequent years, the lien date shall return to December thirty-first of the preceding tax year."

Part III Foreclosure

Foreclosure of liens

SECTION 16. Article 7, Chapter 3, Title 29 of the 1976 Code is amended by adding:

"Section 29-3-800. (A) For the counties of this State bordering North Carolina, Oconee, Pickens, Greenville, Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry, hereinafter referred to as the 'affected counties', the following provisions apply to the foreclosure of liens encumbering affected lands, as further defined and set forth in Section 30-5-270.

(B)(1) In the event a real estate foreclosure proceeding is instituted pursuant to Title 29, Chapter 3 to recover the payment of money secured by mortgages and other liens purporting to encumber property being identified as affected lands, the purported mortgagee, through its attorney of record, shall file with the court a copy of the recorded Notice of Boundary Clarification, along with the attorney's certification that title to the subject real property has been searched in the affected counties and the affected jurisdiction, as further defined and set forth in Section 30-5-270(B)(2) and (3) respectively, and that all parties having an interest in the subject real property pursuant to the muniments of title, as further defined and set forth in Section 30-5-270(B)(9), have been served with notice of the proceeding pursuant to the applicable procedure below. All proceedings in the foreclosure action must be stayed until the attorney's certification is filed with the court.

(2) In all mortgage foreclosure actions pending on the effective date of the boundary clarification legislation, as further defined and set forth in Section 30-5-270(B)(6), before any merits hearing in the case or if an order of foreclosure has been entered before any foreclosure sale, the mortgagee shall, through its attorney of record, serve a copy of the Notice of Boundary Clarification and filed pleadings upon any party identified on the Notice of Boundary Clarification or known to have an interest in the subject affected lands, not already a party to the action, by mailing the notice via certified mail or overnight delivery to the property addresses of the subject affected lands and to all known addresses of the parties; provided, that the notice also shall state that the party has thirty days from the date of mailing of the Notice of Boundary Clarification to file and serve an answer or other response to the mortgagee's summons and complaint.

(3) In all mortgage foreclosure actions filed after the effective date of the boundary clarification legislation, the mortgagee, through its attorney of record, shall serve along with the summons and complaint a copy of the recorded Notice of Boundary Clarification upon the mortgagor and all parties identified on the Notice of Boundary Clarification or known to have an interest in the subject affected lands.

(C) If within thirty days after having been served with Notice of Boundary Clarification as set forth in subsection (B)(1), any party served has failed, refused, or voluntarily elected not to file a response in the foreclosure proceeding, the mortgagee, through its attorney, shall certify that fact to the court, and the foreclosure action may proceed with the parties being bound as any other party in the action by the judgment and order of the court having jurisdiction over the foreclosure action; provided, however, that all parties shall receive actual notice of any hearings and sales in the foreclosure.

(D) The court having jurisdiction over the foreclosure action shall hear and determine any dispute concerning any party's right, title, or interest in the subject affected lands."

Part IV Recording

Real property recordings and filings

SECTION 17. Chapter 5, Title 30 of the 1976 Code is amended by adding:

"Section 30-5-270. (A) For the following counties of this State bordering North Carolina, Oconee, Pickens, Greenville, Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry, hereinafter referred to as the 'affected counties', the following provisions apply to a deed, plat, mortgage, security instrument, right of way, utility right of way, or other instrument affecting real property in the affected jurisdiction previously believed to be located in whole or in part in North Carolina and which is determined to be located in whole or in part in South Carolina as a result of the boundary clarification legislation.

(B) Unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) 'Abutter' means an owner whose property abuts or adjoins the property of another person with no intervening land in between owned by a third party.

(2) 'Affected counties' means any South Carolina county that abuts or adjoins the boundary with an affected jurisdiction.

(3) 'Affected jurisdiction' means a sovereign state whose common boundary with South Carolina has been clarified resulting in a change in the perceived location of the boundary to be that of the actual boundary.

(4) 'Affected lands' means real property of an owner whose perceived location has been clarified pursuant to the boundary clarification legislation.

(5) 'Boundary', as used in this chapter, has the meaning as established in Section 1-1-10 and in accordance with the constitution of this State.

(6) 'Boundary clarification legislation' means the amendments to Section 1-1-10, effective January 1, 2017.

(7) 'Clarification' means the official recognition of the original boundary as confirmed and agreed between an affected jurisdiction and the State of South Carolina pursuant to the boundary clarification legislation.

- (8) 'Clarified line' means the officially recognized boundary between an affected jurisdiction and the State of South Carolina pursuant to the boundary clarification legislation.
- (9) 'Muniments of title', where the term is used in this chapter, constitutes documents of record setting forth a legal or equitable real property interest or incorporeal hereditament in affected lands of an owner in the respective affected counties or an affected jurisdiction, or both.
- (10) 'Notice of State Boundary Clarification', where the term is used in this chapter, constitutes the statutory form of notice to be recorded in South Carolina in the particular affected counties where affected lands now or previously lie.
- (11) 'Owner' as used in this chapter means any person or entity owning of record a legal or equitable real property interest or incorporeal hereditament in affected lands as an abutter.
- (12) 'Preclarification title' means muniments of title of record in an affected jurisdiction or the affected counties, or both, of an owner prior to the effective date of the boundary clarification legislation.
- (C) Notice of State Boundary Clarification:
- (1) On the effective date of this section, with respect to preclarification title as defined in this chapter where the instruments disclosing the muniments of title for that land were recorded in the public land records of an affected jurisdiction or the affected counties, or both, prior to the effective date of the clarification, the registers of deeds in the affected counties or the clerks of court in those counties not having registers where the affected lands are now or previously were perceived to be located, shall file the Notice of State Boundary Clarification, as specified in this section, in the record for all affected lands. The purpose of this notice is to alert anyone checking the title to real property that the real property constitutes affected lands that may be affected by the boundary clarification legislation and muniments of title for this land also may be recorded in the public land records of an affected jurisdiction. The notice must be properly indexed, including the correct order of indexing, in the same manner as any instrument conveying or encumbering real property.
- (2) On or before the effective date of this section, the registers of deeds or clerks referenced above must inform attorneys and others using their offices of the requirements of this section. The information may be provided by clerks and registers by those means that they would normally utilize to provide general notices to users of their services such as postings on their web pages. This information shall include a copy of or a link to the notice of state boundary clarification form.
- (3) The notice form must be substantially in the following format:
 'STATE OF SOUTH CAROLINA)
) Notice of South Carolina - North Carolina
 COUNTY OF) State Boundary Clarification
 The undersigned Register of Deeds/Clerk of Court of the County and State set forth above, does hereby certify, under the penalty of perjury, the following:
 (1) The following described tracts or parcels constitute affected lands as defined in Section 30-5-270(B)(4), which may be affected by the boundary clarification legislation effective January 1, 2017.
 [Legal description, derivation (if available) and TMS#]
 (2) The parties set forth below are an Owner, as defined in Section 30-5-270(B)(11).
 [List the name and address of all owners of record]
 (3) The muniments of title, as defined in Section 30-5-270(B)(9), providing the basis for this claim of ownership, recorded in the public records of the aforesaid County and State, are as follows:
 [List the specific instrument name and recording information]
 (4) Muniments of title of those claiming an interest in this land also may be recorded in the public land records of an affected jurisdiction, as defined in Section 30-5-270(B)(3).
 Date:
 Signature of Register of Deeds / Clerk of Court
 Printed Name: _____',
- (D) Policies of Title and Casualty Insurance issued prior to the effective date of the boundary clarification legislation are enforceable according to their terms and shall remain in effect regardless of whether the insured property has been determined to be in another state.
- (E) Clarification of the boundary does not alter, change, or affect in any manner the sovereignty rights of federally recognized Native American tribes over tribal lands on either side of a confirmed boundary line. Tribal sovereignty rights continue to be established and defined by controlling state and federal law."

Part V Environmental Permittees

Environmental permits and permittees

SECTION 18. Chapter 1, Title 44 of the 1976 Code is amended by adding:

"Section 44-1-315. (A) For purposes of the section, 'impacted location' means any facility issued or otherwise subject to a permit, license, or approval from the North Carolina Department of Environment and Natural Resources that has now been determined to be located within the jurisdiction of the South Carolina Department of Health and Environmental Control as a result of the amendments to Section 1-1-10, effective January 1, 2017.

(B) Notwithstanding any other provision of law, the South Carolina Department of Health and Environmental Control, in issuing any environmental permit, license, or approval to an impacted location shall provide a schedule of compliance that allows the permittee a reasonable period of time to be no greater than five years to come into compliance with any South Carolina environmental rule, regulation, or standard established by the department or by law that has no corresponding rule, regulation, or standard under North Carolina law or regulation, or is more stringent than the corresponding rule, regulation, or standard established under North Carolina law or regulation. The department may include increments of progress applicable in each year of the schedule established under this subsection, and may shorten the period of compliance as necessary to prevent an imminent threat to the public health and environment. The department may extend a permittee's compliance schedule under this section beyond five years upon written application by the permittee only if the department determines that circumstances reasonably require such an extension, and the extension of time would pose no threat to public health or the environment."

Part VI Medicaid Providers

Medicaid providers

SECTION 19. Article 1, Chapter 6, Title 44 of the 1976 Code is amended by adding:

"Section 44-6-110. A Medicaid provider, outside of the geographical boundary of South Carolina but within the South Carolina Medicaid Service Area, as defined by R. 126-300(B) of the Code of State Regulations, prior to the effective date of the amendments to Section 1-1-10, which are effective January 1, 2017, shall not lose status as a Medicaid provider as a result of the clarification of the South Carolina - North Carolina border."

Part VII Utilities

Utility service

SECTION 20. Title 58 of the 1976 Code is amended by adding:

"CHAPTER 2

Utility Service Where State Boundaries Clarified

Section 58-2-100. Upon the effective date of the amendments to Section 1-1-10, which are effective January 1, 2017, the clarified North Carolina - South Carolina boundary property located in whole or in part in North Carolina immediately prior to that date and receiving utility service from a North Carolina utility as defined under North Carolina law, may continue to receive utility service from that utility or its successors although the property is determined to be located in whole or in part in South Carolina as a result of the boundary clarification. The owners of that property have the option of requesting utility service by a similar South Carolina utility if the property is located within that utility's service area, regardless of whether the property is inside or outside a municipality. For purposes of this section only, the term 'utility' shall encompass the same utilities that are covered by one or more of the various definitions for utilities and utility providers used elsewhere in the general law of this State including, but not limited to, systems owned or operated by or on behalf of a municipality or county; municipal systems as authorized in Chapter 31, Title 5; 'public utility' as defined in Section 58-3-5; 'telephone cooperative' as defined in Section 33-46-20; 'cooperative' as used in Chapter 36, Title 33; 'corporations not for profit' as used in Chapter 49, Title 33; 'special purpose' and 'public service districts' as authorized in Chapter 11, Title 6; 'rural community water districts' as authorized in Chapter 13, Title 6; 'joint municipal water systems' as authorized in Chapter 25, Title 6; 'joint agency' as authorized in Chapter 24, Title 6; 'natural gas authorities' created by act of the General Assembly, or are otherwise similar to utilities defined under North Carolina law."

Part VIII School Attendance and Tuition

School attendance

SECTION 21. Article 5, Chapter 63, Title 59 of the 1976 Code is amended by adding:

"Section 59-63-550. (A) Upon the effective date of the amendments to Section 1-1-10 which are effective January 1, 2017, enacting the clarified North Carolina - South Carolina boundary, persons residing on property which is determined to be located in North Carolina as a result of the boundary clarification, may enroll their children residing with them in the South Carolina district in which that property was previously believed to be located or in the statewide public charter school district, without charge, as long as the family maintains residence on that same property. For the purpose of this section regarding the boundary clarification, the word 'children' includes those children who are residing with their legal guardians whose property is determined to be located in North Carolina as a result of the boundary clarification.

(B) This section only applies to those persons residing on the property as of January 1, 2017, and their children who reside with them. Once those persons move from the property or no longer have children at home who are attending or will attend schools in the South Carolina K-12 public education system, then this provision no longer applies to that property. A district may draw down South Carolina state and federal funding for students enrolled under this section.

(C) This section does not require a former South Carolina resident to continue enrollment of their children in school in South Carolina."

School tuition

SECTION 22. Chapter 112, Title 59 of the 1976 Code is amended by adding:

"Section 59-112-150. (A) Notwithstanding any other provision of law, independent persons and their dependents formerly domiciled in South Carolina counties who are residing in North Carolina counties as a result of the clarified North Carolina - South Carolina boundary as contained in the amendments in Section 1-1-10, effective January 1, 2017, may be considered eligible for instate tuition rates for a period of up to ten years from January 1, 2017. To be eligible for instate tuition rates, these persons must have been domiciled and reside on property in South Carolina in accordance with this chapter immediately prior to January 1, 2017, and must maintain residence and domicile on that same property within North Carolina.

(B) Notwithstanding any other provision of law, independent persons and their dependents previously domiciled on property in North Carolina which is located in South Carolina as a result of the North Carolina - South Carolina boundary clarification, for a period of two years from January 1, 2017, are eligible for instate tuition rates without the requirement of residency and domicile for twelve months in this State provided these independent persons have evidenced the intent to establish domicile in South Carolina in accordance with this chapter. To be eligible under this section, these persons must reside on the same property that was in North Carolina immediately prior to January 1, 2017. To maintain eligibility for instate tuition rates longer than the two years permitted under this section, the independent persons and their dependents must satisfy the requirements of Section 59-112-20.

(C) The provisions established under subsections (A) and (B) are not transferable to persons other than those independent persons and their dependents falling within the scope of those provisions.

(D) Should the domicile and residence of independent persons and their dependents change from the property affected by the boundary clarification, maintenance of eligibility for instate tuition rates must be determined as provided in Section 59-112-20.

(E) Persons eligible for instate tuition rates pursuant to this section may be eligible for state-supported scholarships and grants provided all other eligibility requirements are met."

Part IX Severability and Time Effective

Severability

SECTION 23. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this , and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 24. This act takes effect January 1, 2017.

Ratified the 6th day of June, 2016.

Approved the 10th day of June, 2016.

ADDENDUM - 7. COMPARISON BETWEEN NC & SC PROPERTY TAX CALENDARS

EVENT	NC	SC
Official Lien Date:	1 January 2017	31 December 2016
For parcels impacted by the reestablished boundary for FY17-18 ONLY:		1 January 2017
For FY:	1 July 2017 - - 30 June 2018	Same
Tax Due:	1 September 2017	30 September 2017
Payable at Par:	5 January 2018	15 January 2018
Delinquency Date:	6 January 2018	16 January 2018
Delinquency Interest Rate:	2%	3%
Subsequent Delinquency Date:	1 February 2018	2 February 2018
Delinquency Interest Rate:	Additional 3/4ths of 1% as of the first day of each month or portion thereof on the unpaid balance until paid-in-full.	Additional 7%, for a total of 10% on the unpaid balance if paid before 17 March 2018
Subsequent Delinquency Date:	None	17 March 2018
Delinquency Interest Rate:	(see above)	Additional 5% for a total of 15% on the unpaid balance until paid-in-full.

NOTE: Provided that counties in each state complete their processing of the plats scheduled for recordation in each of the border counties prior to their respective lien dates, there should not be an instance of double taxation or omitted taxation. The change of the South Carolina lien date for parcels affected by the re-established boundary, is for the fiscal year 2017-18 ONLY.

The assessed valuations for instances where an entire parcel transitions from one state to the other other will likely be different, due to the reappraisal cycle in place for each county, their respective schedule of values on which the valuations are based, differences between the property tax systems in each state, and the tax relief programs for which the property may be eligible.

In all instances where a parcel is traversed by the re-established boundary line, property owners will receive two tax bills; one from a North Carolina county, one from a South Carolina county for the relative portion of the property (land and any improvements), in each state.

§ 141-1. Governor to cause boundaries to be established and protected.

The Governor of North Carolina is hereby authorized to appoint two competent commissioners and a surveyor and a sufficient number of chainbearers, on the part of the State of North Carolina, to act with the commissioners or surveyors appointed or to be appointed by any of the contiguous states of Virginia, Tennessee, South Carolina, and Georgia, to return and remark, by some permanent monuments at convenient intervals, not greater than five miles, the boundary lines between this State and any of the said states.

The Governor is also authorized, whenever in his judgment it shall be deemed necessary to protect or establish the boundary lines between this State and any other state, to institute and prosecute in the name of the State of North Carolina any and all such actions, suits, or proceedings at law or in equity, and to direct the Attorney General or such other person as he may designate to conduct and prosecute such actions, suits, or proceedings. (1881, c. 347, s. 1; Code, s. 2289; 1889, c. 475, s. 1; Rev., s. 5315; 1909, c. 51, s. 1; C.S., s. 7396.)

§ 141-2. Payment of expenses of establishing boundaries.

When the line has been rerun and remarked as above provided between this State and any of the contiguous states, or such portion of said lines as shall be mutually agreed by the commissioners, the Governor is authorized to issue his warrant upon the State Treasurer for such portion of the expenses as shall fall to the share of this State. (1881, c. 347, s. 2; Code, s. 2290; 1889, c. 475, s. 2; Rev., s. 5316; C.S., s. 7397.)

§ 141-3. Appointment of arbitrators.

If any disagreement shall arise between the commissioners, the Governor of this State is hereby authorized to appoint arbitrators to act with similar officers to be appointed by the other states in the settlement of the exact boundary. (1881, c. 347, s. 3; Code, s. 2291; 1889, c. 475, s. 3; Rev., s. 5317; C.S., s. 7398.)

§ 141-4. Disagreement of arbitrators reported to General Assembly.

In case of any serious disagreement and inability on the part of the said arbitrators to agree upon said boundary, such fact shall be reported by the Governor to the next General Assembly for their action. (1881, c. 347, s. 4; Code, s. 2292; 1889, c. 475, s. 4; Rev., s. 5318; C.S., s. 7399.)

§ 141-5. Approval of survey.

When the commissioners shall have completed the survey, or so much as shall be necessary, they shall report the same to the Governor, who shall lay the same before the Council of State; and when the Governor and the Council of State shall have approved the same the Governor shall issue his proclamation, declaring said lines to be the true boundary line or lines, and the same shall be the true boundary line or lines between this and the states above referred to. (1881, c. 347, s. 5; Code, s. 2293; 1889, c. 475, s. 5; Rev., s. 5319; C.S., s. 7400.)

§ 141-6. Eastern boundary of State; jurisdiction over territory within littoral waters and lands under same.

(a) The Constitution of the State of North Carolina, adopted in 1868, having provided in Article I, Sec. 34, that the "limits and boundaries of the State shall be and remain as they now are," and the eastern limit and boundary of the State of North Carolina on the Atlantic seaboard having always been, since the Treaty of Peace with Great Britain in 1783 and the Declaration of Independence of July 4, 1776, one marine league eastward from the Atlantic seashore, measured from the extreme low-water mark, the eastern boundary of the State of North Carolina is hereby declared to be fixed as it has always been at one marine league eastward from the seashore of the Atlantic Ocean bordering the State of North Carolina, measured from the extreme low-water mark of the Atlantic Ocean seashore aforesaid.

(b) The State of North Carolina shall continue as it always has to exercise jurisdiction over the territory within the littoral waters and ownership of the lands under the same within the boundaries of the State, subject only to the jurisdiction of the federal government over navigation within such territorial waters.

(c) The Governor and the Attorney General are hereby directed to take all such action as may be found appropriate to defend the jurisdiction of the State over its littoral waters and the ownership of the lands beneath the same. (1947, c. 1031, ss. 1-3; 1969, c. 541, s. 1.)

§ 141-7. Repealed by Session Laws 1977, c. 342.

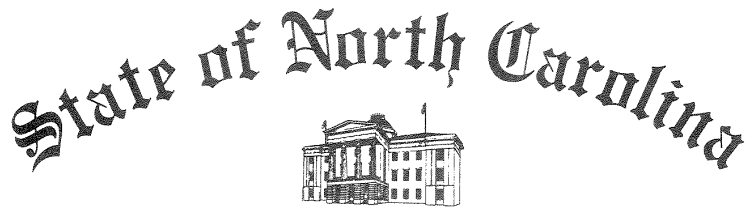
§ 141-7.1. Southern lateral seaward boundary.

The lateral seaward boundary between North Carolina and South Carolina from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a continuation of the North Carolina-South Carolina boundary line as described by monuments located at Latitude 33° 51' 50.7214" North, Longitude 78° 33' 22.9448" West, at Latitude 33° 51' 36.4626" North, Longitude 78° 33' 06.1937" West, and at Latitude 33° 51' 07.8792" North, Longitude 78° 32' 32.6210" West, in a straight line projection of said line to the seaward limits of the States' territorial jurisdiction, such line to be extended on the same bearing insofar as a need for further delimitation may arise. (1979, c. 894; 1981, c. 744.)

§ 141-8. Northern lateral seaward boundary.

The lateral seaward boundary between North Carolina and Virginia eastward from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a line beginning at the intersection of the low-water mark of the Atlantic Ocean and the existing North Carolina-Virginia boundary line; thence due east on a true 90 degree bearing to the seaward jurisdictional limit of North Carolina; such boundary line to be extended on the true 90 degree bearing as far as a need for further delineation may arise. (1969, c. 841; 1971, c. 452, s. 1.)

NC General Statutes - Chapter 141



MICHAEL F. EASLEY
GOVERNOR

EXECUTIVE ORDER NO. 108

**TO DECLARE BY PROCLAMATION THE TRUE BOUNDARY LINE BETWEEN THE
STATE OF NORTH CAROLINA AND THE STATE OF SOUTH CAROLINA
ALONG THE COUNTIES OF JACKSON AND TRANSYLVANIA**

WHEREAS, the Joint North Carolina/South Carolina Boundary Commission determined at its duly-convened meeting on December 11, 1997, to establish the true boundary line between the states along the North Carolina county of Jackson and a portion of the county of Transylvania; and

WHEREAS, both states have undertaken the necessary steps to locate, survey, and mark the 19.3-mile segment of the boundary, as identified through historical research and field work and by using the Global Positioning System ("GPS"); and

WHEREAS, pursuant to N.C.G.S. § 141-5, the completion of the survey of the above-described boundary has been reported to the undersigned Governor Michael F. Easley and placed before and approved by the Council of State on July 11, 2006; and

WHEREAS, N.C.G.S. § 141-5 further requires that the Governor issue a Proclamation declaring the reported and approved survey line to be the true boundary of the State of North Carolina.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

- (1) That, pursuant to the provisions of N.C.G.S. § 141-5, the true boundary line between the State of North Carolina and the State of South Carolina along the county of Jackson and a portion of the county of Transylvania is hereby declared, by PROCLAMATION, to be the surveyed line represented on the attached plat of the completed survey captioned as North Carolina/South Carolina State Boundary from Indian Camp Boundary to the Chattooga River, dated May 2005, and which is described by a monument located at Latitude 35° 05' 07.96294" North, Longitude 082° 47' 01 .49862" West (North American Datum 1983-86 "NAD 83-86"), and marked by the "●" inside a triangle on a brass disk stamped with "BLACKBURN, 1996, NORTH CAROLINA, SOUTH CAROLINA, STATE

BOUNDARY LINE” and set in a concrete monument; thence from said point following a geodetic line to a monument located at Latitude 35° 00' 04.88130" North and Longitude 083° 06' 30.84455" West, NAD 83-86, marked by the “+” in the inscription “LAT 35, AD 1813, NC + SC” chiseled on Commissioners’ Rock on the east bank of the Chattooga River; thence following a geodetic line with a geodetic azimuth of 270 degrees to the centerline of the Chattooga River.

- (2) That the North Carolina Geodetic Survey of the Department of Environment and Natural Resources, and the North Carolina State Property Office of the Department of Administration continue to retain and manage sufficient and necessary records of the state boundary marking and re-markings, including but not limited to this Executive Order.

This Executive Order shall take effect immediately and remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-fifth day of September in the year of our Lord two thousand and six, and of the Independence of the United States of America the two hundred and thirtieth.



Michael F. Easley

Michael F. Easley
Governor

ATTEST:

Elaine F. Marshall

Elaine F. Marshall
Secretary of State



EXECUTIVE ORDER NO. 74

TO DECLARE BY PROCLAMATION THE TRUE BOUNDARY LINE BETWEEN THE STATE OF NORTH CAROLINA AND THE STATE OF SOUTH CAROLINA FROM TRANSYLVANIA COUNTY TO POLK COUNTY

WHEREAS, the Joint North Carolina/South Carolina Boundary Commission determined at its meeting on September 27, 2006, to establish the true boundary line between the states along the North Carolina counties of Henderson and Polk, and a portion of the county of Transylvania; and

WHEREAS, both states have undertaken the necessary steps to locate, survey, and resolve ambiguities in the "ridge line" survey and the boundary lines of North Carolina and South Carolina in the 1815 survey and the U.S. Geological Survey topographic maps, using the 1815 survey as a guide for the resurvey; and

WHEREAS, pursuant to N.C.G.S. § 141-5, the completion of the survey of the above-described boundary has been reported to the undersigned Governor Beverly Eaves Perdue and placed before and approved by the Council of State on November 2, 2010; and

WHEREAS, N.C.G.S. § 141-5 further requires that the Governor issue a Proclamation declaring the reported and approved survey line to be the true boundary of the State of North Carolina.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to the provisions of N.C.G.S. § 141-5, the true boundary line between the State of North Carolina and the State of South Carolina along the counties of Henderson and Polk and a portion of the county of Transylvania is hereby declared, by Proclamation, to be the surveyed line represented by the 39 plats of the completed survey captioned as the North Carolina/South Carolina Boundary, and described as follows:

From a point at latitude 35° 11' 46.41502" N. and longitude 082° 12' 57.37020" W., North American Datum 1983-86 (NAD 83-86) marked by a brass screw in a stone inscribed 'S.C. 1815' on one side and 'N.C., Sept 15' on the other; thence westward as


recorded by a set of 39 plats signed by Gary W. Thompson and Sidney C. Miller, co-chairmen of the North Carolina-South Carolina Joint Boundary Commission, dated 12/20/2005 (plats available from North Carolina Geodetic Survey, North Carolina Secretary of State, the Transylvania County Register of Deeds, the Henderson County Register of Deeds and the Polk County Register of Deeds) to a point at latitude 35° 12' 00.31689" N. and longitude 082° 17' 27.89089" W., North American Datum 1983-86 (NAD 83-86), marked by a brass disk stamped with 'POINT 1, 2004, NORTH CAROLINA, SOUTH CAROLINA, STATE BOUNDARY LINE' and set in a concrete monument; thence southwestward (according to the previously referenced plats) to a point at latitude 35° 11' 43.48762" N. and longitude 082° 17' 38.97840" W., North American Datum 1983-86 (NAD 83-86), marked by an aluminum disk on an iron pin, stamped with 2, 2001, NC, SC, STATE LINE on the ridge line dividing the waters of the north fork of the Pacolet River from the north fork of the Saluda River; thence westward along the various courses of said ridge (according to the previously referenced plats) to a point at latitude 35° 05' 07.96924" N. and longitude 082° 47' 01.49862" W., North American Datum 1983-86 (NAD 83-86), where the Cherokee boundary of 1897 intersected the ridge, now marked by a brass disk stamped with 'BLACKBURN, 1996, NORTH CAROLINA, SOUTH CAROLINA, STATE BOUNDARY LINE' and set in a concrete monument.

Section 2. The North Carolina Geodetic Survey of the Department of Environment and Natural Resources and the North Carolina State Property Office of the Department of Administration shall continue to retain and manage sufficient and necessary records of the state boundary marking and re-markings, including but not limited to this Executive Order.

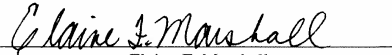
This Executive Order is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of December in the year of our Lord two thousand and ten, and of the Independence of the United States of America the two hundred and thirty-fifth.




Beverly Eaves Perdue
Governor

ATTEST:


Elaine F. Marshall
Secretary of State

ADDENDUM - 11. **A Mapping Perspective**

Authored and contributed by Pam Carver, Henderson County Land Records Supervisor

I. Boundaries Database – A redesign of the Henderson County Boundary Database to enhance communication and documentation for reconciling and updating the state and county boundaries.

- A. Political boundaries for and within North Carolina are being officially documented and re-documented.⁴¹ In order to represent this documentation geographically the County Line Database needed to be redesigned. The geometry of the database has been converted from a polygon to a line so documentation could be attached to the appropriate line segment. The map line segments now match monuments set and/or found during the survey process.
- B. The NC geodetic survey has adopted an Official State/County Boundary Shapefile⁴² and is tracking the update history. To communicate with NC Geodetic survey a relational “one to many” table has been added to the County Line Layer to store documentation and track status of the county line review.
 - 1. Documents are geographically attached to the appropriate line segment and are easily delivered to NCGS for review by assigned surveyors.
 - 2. Status domains track the line segments that have been reviewed by county mapping personnel through approval by the assigned NCGS surveyor.

REJECTED - review has rendered a better configuration

RETIRED - line has been officially reinterpreted/relocated

UNREVIEWED - not reviewed by Henderson County

REVIEWED - by Henderson county to be approved by NCGS

APPROVED - reviewed and accept by NCGS

II. Review of the State Line Survey

- A. Archive the existing State Line parcel map configuration.
 - 1. Layers created for historical purposes and stored in SDE on SQL Server
 - Existing County Line Layer-original polygon as it has been displayed on public access
 - Assessed County Line Layer-county line as it was mapped for assessment, created from the state line edge of the parcel polygons.
- B. Create a set of existing records for all of the parcels which boarder the state line. This record set includes a spreadsheet for tracking all assessment changes as well as an individual file for each assessment.
- C. Create digital plots of all the state line survey plats
- D. Import the digital plots into Arc GIS
 - 1. North Carolina Surveys
 - 2. South Carolina SurveysEleven of the state line surveys were completed by South Carolina and were

⁴¹ NC county and State Boundary Program <http://portal.ncdenr.org/web/lr/geodetic/boundary>.

⁴² <http://portal.ncdenr.org/web/lr/geodetic/official-boundaries>.

projected in the NAD 1983 StatePlane South Carolina FIPS 3900 (US Feet) projection. To project these surveys in our database correctly it was necessary we follow a few additional steps.

- Create a workspace using the South Carolina projection listed above and add the digital surveys to the workspace
- Re-define the projection using the “Project” tool in the ArcGIS Data management toolbox and choose the desired projection, NAD83 NC Stateplane (feet) coordinate system. The files saved in this process are now ready to add to the original project.
- Visually check the mapping of the State line referring to monuments and as-builts on the surveys.

E. Review each parcel individually

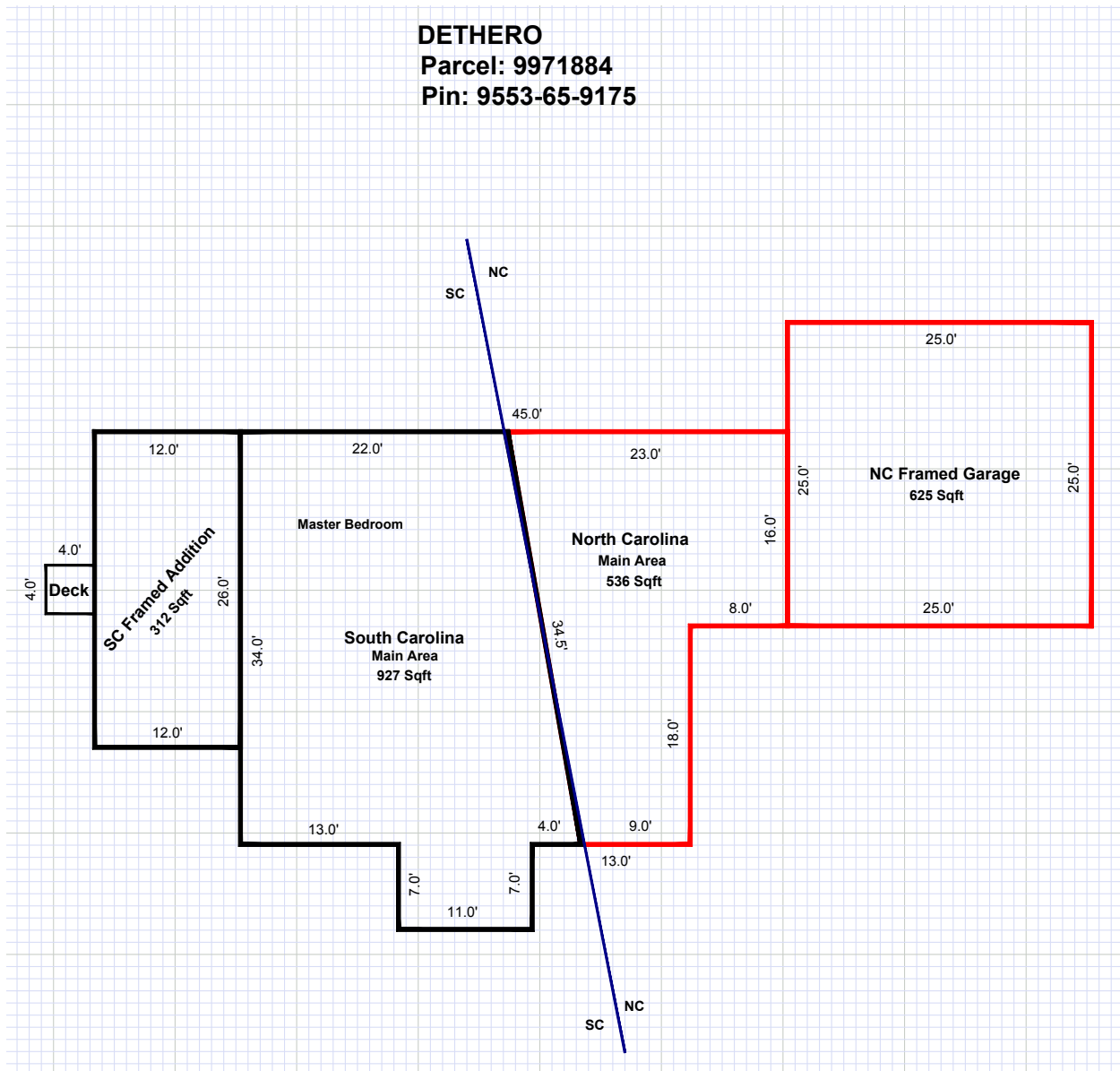
1. Collect all available documentation- it is important to review the current mapping of the parcel to make sure it is as accurate as possible.
2. Map the parcel to the state line. Any portion of the parcel that extends over the state line should not be included in the assessed polygon but should be represented with a broken line.
3. Facts effecting assessment are logged in the original spreadsheet where they can be reviewed and analyzed if necessary.

F. Written notification to the taxpayers, to include:

1. Specifics regarding change in listing and appraisal
2. An individual parcel map Effective Year for; 201x (2014)
3. Effective year for the change; ie 201x (2014)
4. Stated opportunity for 30-day window for appeal of listing or appraisal

ADDENDUM - 12. **Examples of Split Residence Assessment Procedures**

Perhaps the easiest of residences to *split* for property tax listing, appraisal, and assessment purposes. The angle of the re-established State Line was taken from one of the 16 plats recorded in February 2013.

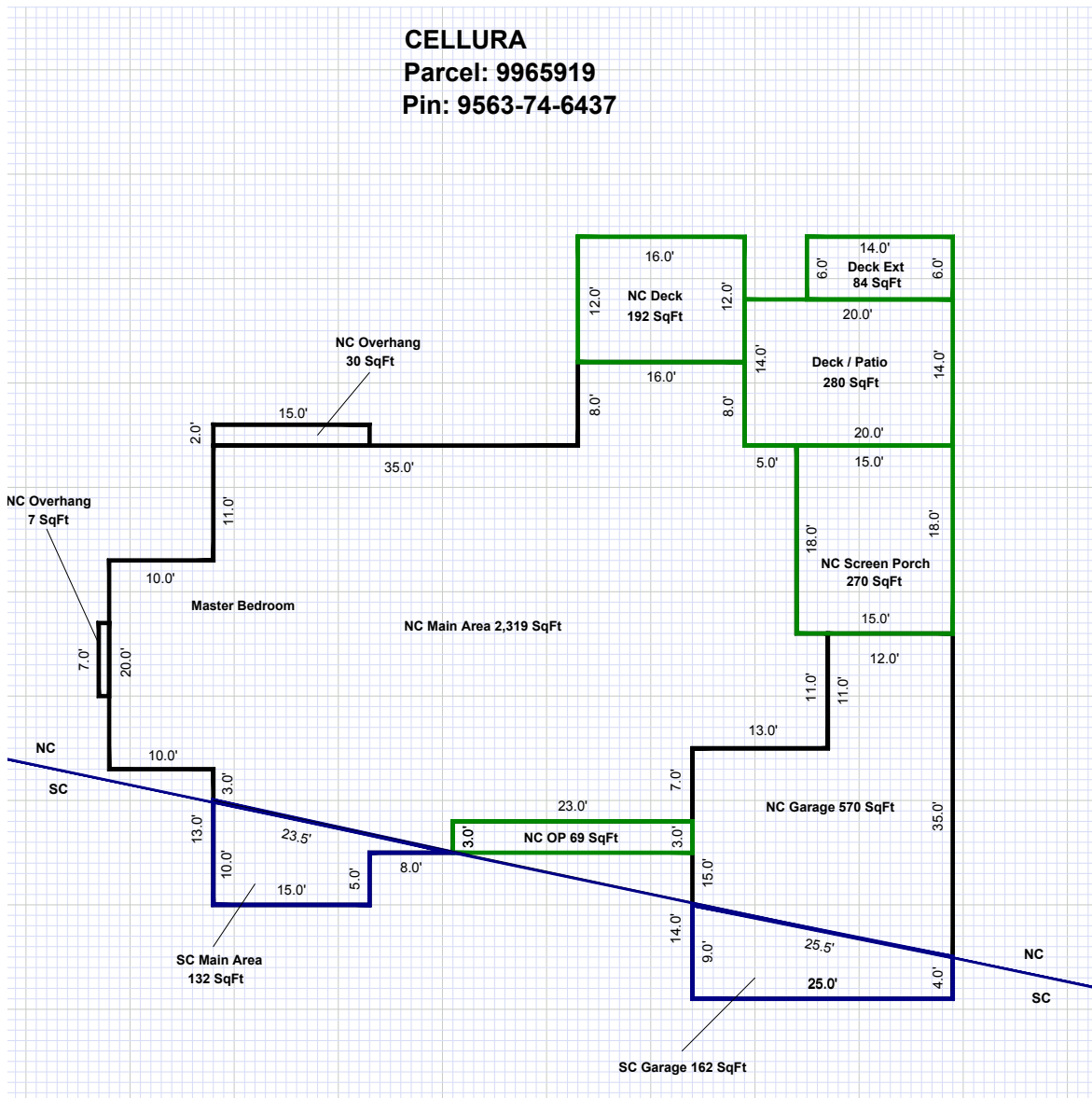


Residence main area: 1,463 s.f.; 927 s.f. in SC (66.36%); 536 s.f. in NC (33.64%).

1. Appraise the residence main area of 1,463 s.f. according to the Schedules of Values, Standards, and Rules adopted for the most recent general reappraisal (including any Grade Factor, and Accrued Depreciation).
2. Reduce the contributing value of the main area by 66.36% (the portion of the main area in SC)
3. Add 100% of the contributing value of the 625 s.f. Frame Garage
4. The net sum of #2 and #3 represent the total assessed value of the residence in NC.

NOTE the location of the master bedroom is in South Carolina.

The angle of the re-established State Line was taken from one of the 16 plats recorded in February 2013.



Residence main area: 2,451 s.f.; 132 s.f. in SC (5.39%); 2,319 s.f. in NC (94.61%).

Garage: 732 s.f.; 162 s.f. in SC (22.13%); 570 s.f. in NC (77.87%)

1. Price the residence main area of 2,451 s.f. according to the Schedules of Values, Standards, and Rules adopted for the most recent general reappraisal (including any Grade Factor, and Accrued Depreciation).
2. Reduce the contributing value of the main area by 5.39% (the portion of the main area in SC)
3. Price the garage area of the 732 s.f. according to the Schedules of Values, Standards, and Rule adopted for the most recent general reappraisal (including any Grade Factor, and Accrued Depreciation).
- 4 Reduce the contributing value of the Garage by 22.13% (the portion of the garage in SC)
5. Add 100% of the contributing value of all other additions as they are all in NC.
4. The net sum of #2, 4, and #5 represent the total assessed value of the residence in NC.

NOTE the location of the master bedroom is in North Carolina.

A. Timeline of Creation Dates for Counties Located Along the SC Border

- **1749 - Anson County** established from portion of Bladen County
- **1762 - Mecklenburg County** established from portion of Anson County
- **1764 - Brunswick County** established from portions of Bladen and New Hanover counties
- **April 1779 - Rutherford County** established from portion of Tryon County⁴⁴
- **October 1779 - Richmond County** established from Anson County
- **1787 - Robeson County** established from portion of Bladen County
- **1808 - Columbus County** established from portions of Bladen and Brunswick counties
- **1838 - Henderson County** established from portion of Buncombe County
- **1841 - Cleveland County** established from portions of Lincoln and Rutherford counties
- **1842 - Union County** established from portions of Anson and Mecklenburg counties
- **1846 - Gaston County** established from Lincoln County
- **1851 - Jackson County** established from portions Haywood and Macon counties
- **1855 - Polk County** established from portions of Henderson and Rutherford counties
- **1861 - Transylvania County** established from portions of Henderson and Jackson counties
- **1899 - Scotland County** established from Richmond County

B. Timeline of Significant Events, 1993 - Present

- **April 1993;** The NC General Assembly and SC General Assembly sign a NC-SC Boundary Memorandum of Agreement enacting legislation authorizing the creation of the North Carolina Boundary Commission.
- **1994;** NC Governor, James B. Hunt authorizes the creation of the North Carolina Boundary Commission, per NC General Statute 141.

⁴³ Depiction of Historical Survey Events, prepared by the SC Geodetic Survey and taken from *History of the South Carolina - North Carolina Boundary*, a PowerPoint Presentation prepared by Gary W. Thompson, PLS, NC Geodetic Surveyor for presentation before the NC/SC Joint Boundary Commission.

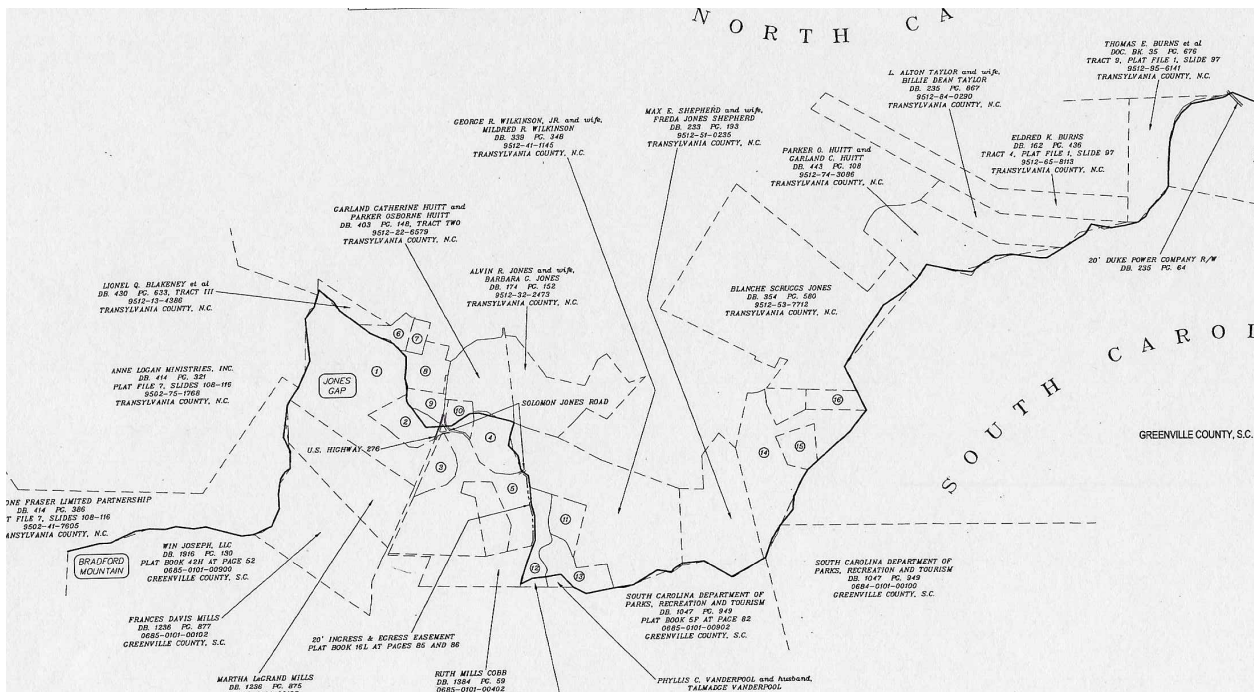
⁴⁴ Tryon County was established in 1768 from part of Mecklenburg County. It was described as being approximately 45 miles in breadth due north and south and 80 miles due east and west, essentially encompassing the area between the Catawba River to the east and the Cherokee hunting grounds to the west. In NC, the present-day counties of Cleveland, Gaston, Lincoln, Polk, Rutherford, and a portion of McDowell, and the present-day SC counties of Cherokee, Chester, Laurens, Spartanburg, Union, and portions of Greenville and Newberry, were once a part of Tryon County. It was abolished in 1779 before some of the SC counties were established in 1785.

- **20 October 1994;** By letter, NC Governor, James B. Hunt to the Honorable Carroll A. Campbell, Jr., SC Governor, requesting South Carolina appoint members to a Boundary Commission per NC General Statute 141.
- **29 March 1994;** By letter, SC Governor, David M. Beasley to the Honorable James B. Hunt, NC Governor, naming the members appointed to represent SC on the Boundary Commission.
- **26 April 1996;** By letter, NC Governor, James B. Hunt to the Honorable David M. Beasley, SC Governor, naming the members appointed to represent NC to the NC Boundary Commission.
- **11 December 1997;** The first meeting of the Joint Boundary Commission held in Charlotte, NC.
- **11 March 2003;** Initial contact from NC Geodetic Survey (hereinafter, NCGS), noting some significant differences regarding the location of the state line due to errors in the interpretation of the original description, a preliminary survey plat⁴⁵ of the area subject to change was provided to Henderson County (land records section of the county assessor's office).
- **17 May 2005;** a single plat depicting the re-established boundary affecting Jackson County, NC and a portion of Transylvania County, NC is signed by James E. Davis, SC PLS #18199 and NC PLS L-3747.
- **7 October 2005; 20 December 2005; 19 August 2009;** 16 sections of the State Line Survey, located between Henderson County, North Carolina and Greenville County, South Carolina are completed.
- **20 December 2005;** 16 plats resulting from the survey coordinated between the Co-Chairs of the Joint NC-SC Boundary Commission (Gary W. Thompson for the North Carolina Geodetic Survey, and Sid C. Miller for the South Carolina Geodetic Survey), are signed. To the credit of the survey team(s), where the re-established line either was relatively close or where it actually traversed a structure (residence, etc.), the position of the structure was depicted with the re-established line traversing the structure, or depicting the relative distance and angle of the structure to the re-established state line.
- **25 September 2006;** On this date, Executive Order No. 108 was signed by North Carolina Governor, Michael F. Easley (witnessed by Elaine F. Marshall, NC Secretary of State), declaring by proclamation the true boundary line between North Carolina and South Carolina along the North Carolina counties of Jackson and a portion of Transylvania.⁴⁶
- **21 August 2007;** 16 plats of the State Line Survey are recorded in Greenville County, South Carolina, with the following notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.

⁴⁵ Paper copies of the unrecorded plats are referenced in Henderson County Land Records as Unrecorded Plat 9573-49-9401.

⁴⁶ Refer to Addendum for copy of Executive Order No. 108 as it pertains to the NC counties of Jackson and Transylvania.

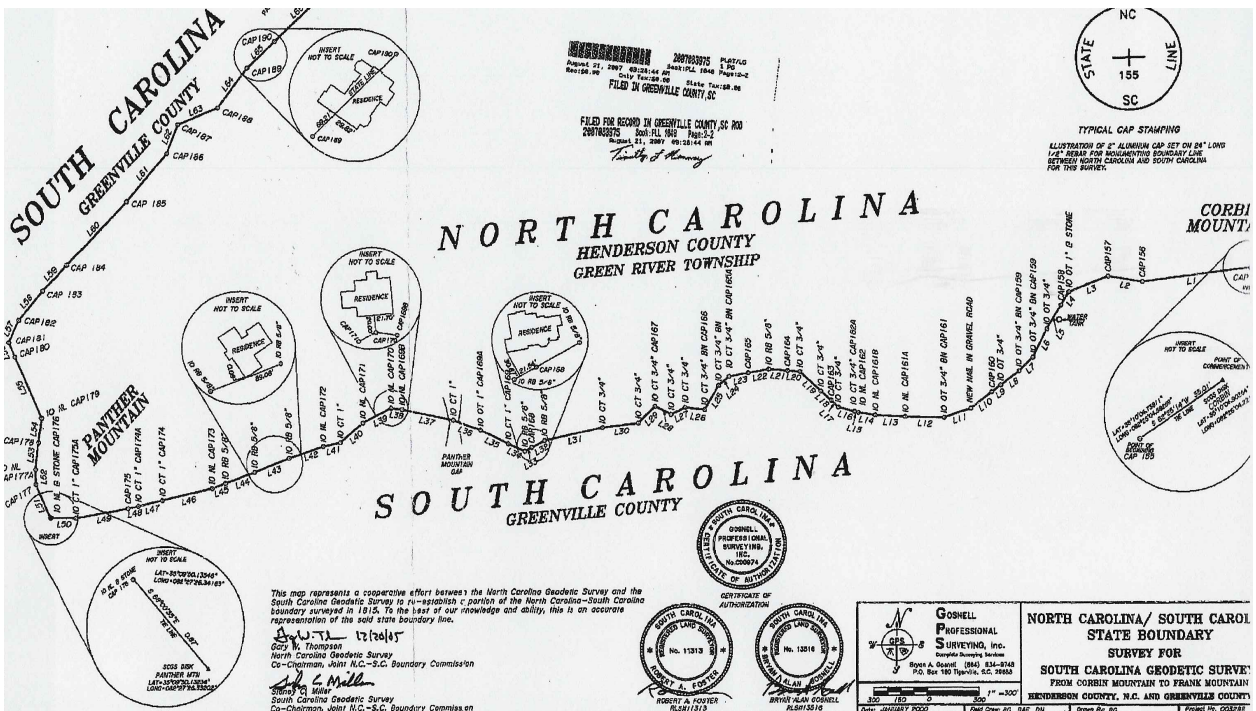
- 4 November 2008;** Invitation issued by Dennis Lee, PLS (State and County Boundary Surveyor with the NC Geodetic Survey), extended to “Entities affected by the resurvey of the Polk to Jackson County section of the NC/SC State Boundary” and inviting those entities to comment on the resurvey,⁴⁷ and including a reference to the survey plats posted by NCGS at: http://geodetic.ncdenr.org/requests/NC-SC_Boundary_from_Polk_to_Jackson_County/
- Early 2009;** A CAD (computer aided drafting, a .dwg file), was delivered by NCGS to the counties along the western state line. Henderson County added this “re-established line” to the county line layer for reference as the best available information. Area surveyors began including the re-established state line survey markers in their work. As there were no overall changes made to the public record via recording of any new plats by NCGS, overall changes to individual parcels were not made unless a recorded deed document referenced the newly re-established survey line within either the deed description or a recorded survey plat.
- 22 December 2010;** On this date, Executive Order No. 74 was signed by North Carolina Governor, Beverly Eaves Perdue (witnessed by Elaine F. Marshall, NC Secretary of State), declaring by proclamation the true boundary line between North Carolina and South Carolina from Transylvania County to Polk County. NOTE: this Executive Order necessary to be in effect before plats depicting the re-established boundary line could be recorded in the affected North Carolina counties (Transylvania, Henderson and part of Polk County).⁴⁸
- 15 May 2012;** plats recorded at 8:47am in Register of Deeds Office in Transylvania County, NC with all necessary notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.



⁴⁷ Refer to Item #12 in the Addendum for copy of the Memorandum, dated 4 November 2008, from Dennis Lee, with the NC Geodetic Survey, stating the state boundary survey had been divided into three sections and contracts let to the following: AOS, Inc.; Concord Engineering & Surveying, Inc.; and Gosnell Professional Surveying, Inc., and inviting “Entities affected by the resurvey of the Polk to Jackson County section of the NC/SC State Boundary” to comment on said resurvey.

⁴⁸ Refer to Item #10 the Addendum for a complete copy of Executive Order No. 74, affecting the North Carolina counties of Henderson and the eastern portion of Transylvania and the western portion of Polk.

- **7 February 2013;** 16 plats of the State Line Survey are recorded in the Henderson County Register of Deeds Office (Plat Book 2013, Pages 8840 – 8855), with all necessary notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.⁴⁹



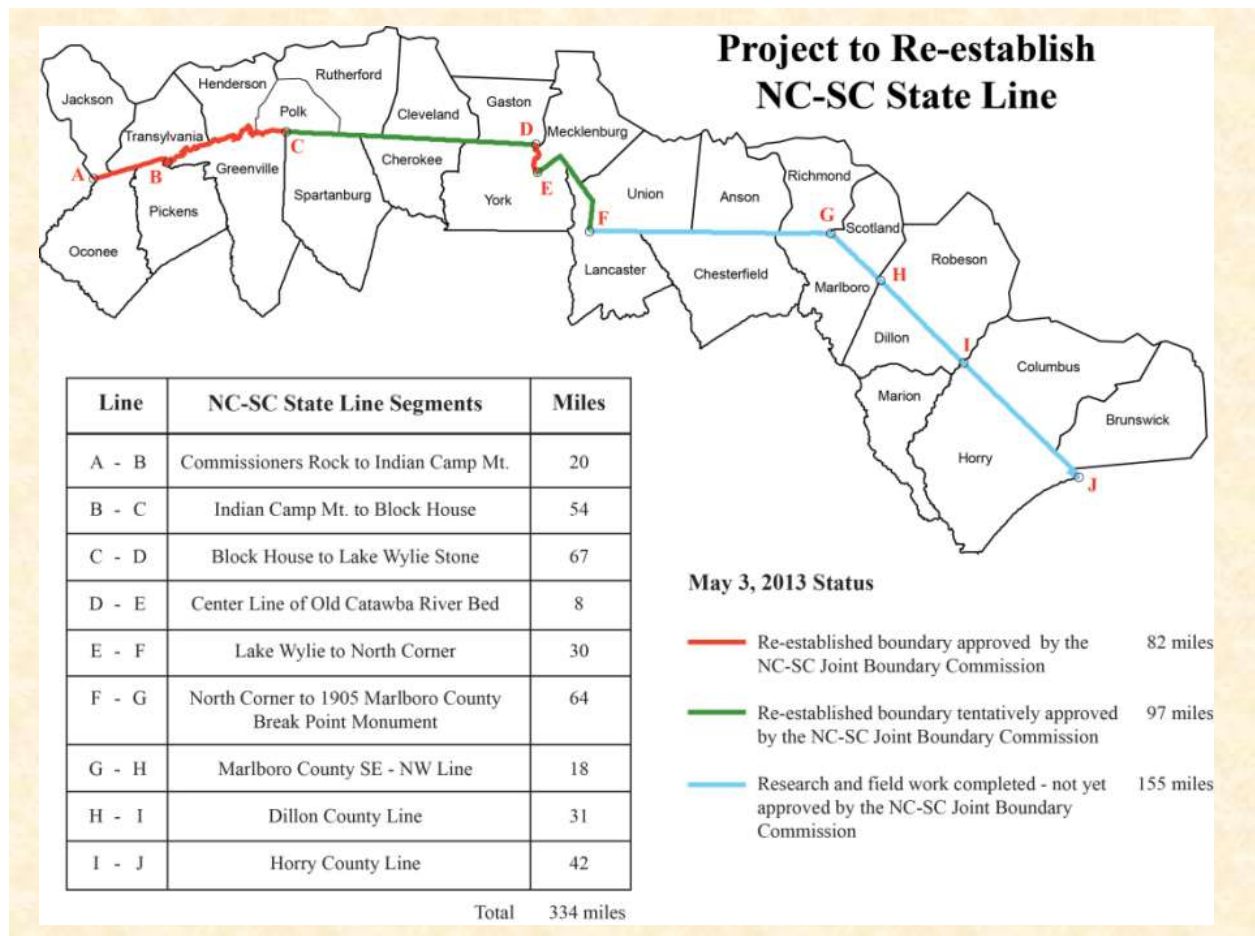
NOTE: The above portion of the above plat depicts the relationship of the re-established State Boundary Line to the following:

- three (3) existing residential parcels where the land is traversed by the re-established boundary line, but the residential improvement is not;
- one (1) existing residence where both the land and the residence is traversed by the re-established boundary; and
- one (1) instance where, at the time of the field survey, the land was traversed by the re-established boundary, but the residential improvement was not depicted.

⁴⁹ By recordation of the 16 plats in the Henderson County Registry, public notice was given to Henderson County (residents, surveyors, attorneys and all interested parties), affirming the data about the State Line previously shared with private surveyors in early 2009. All citizens are presumed to have been notified. North Carolina is a *race to the courthouse state*, whereby citizens are presumed responsible for making themselves aware of anything that might be recorded either in the form of a Deed, Deed of Trust, or plat, possibly affecting their real property.

An argument might be made that the recording of the identical plats on 21 August 2007 in Greenville County, SC, contributed sufficient public notice on which Henderson County, NC could rely on to make changes to their assessment records. This position is strengthened by the notion that any title work being performed for a parcel of real property abutting, traversing, or closely situated to where the state boundary is either thought to be or known to be via the re-established boundary, prudence dictates the legal examination should include a trip to the county registry (or registries) in the adjoining state to ensure the most thorough title examination has been performed. Where that additional effort reveals a concern or legal issue, best practices would require that information be disclosed in the resulting deed, plat, or deed of trust.

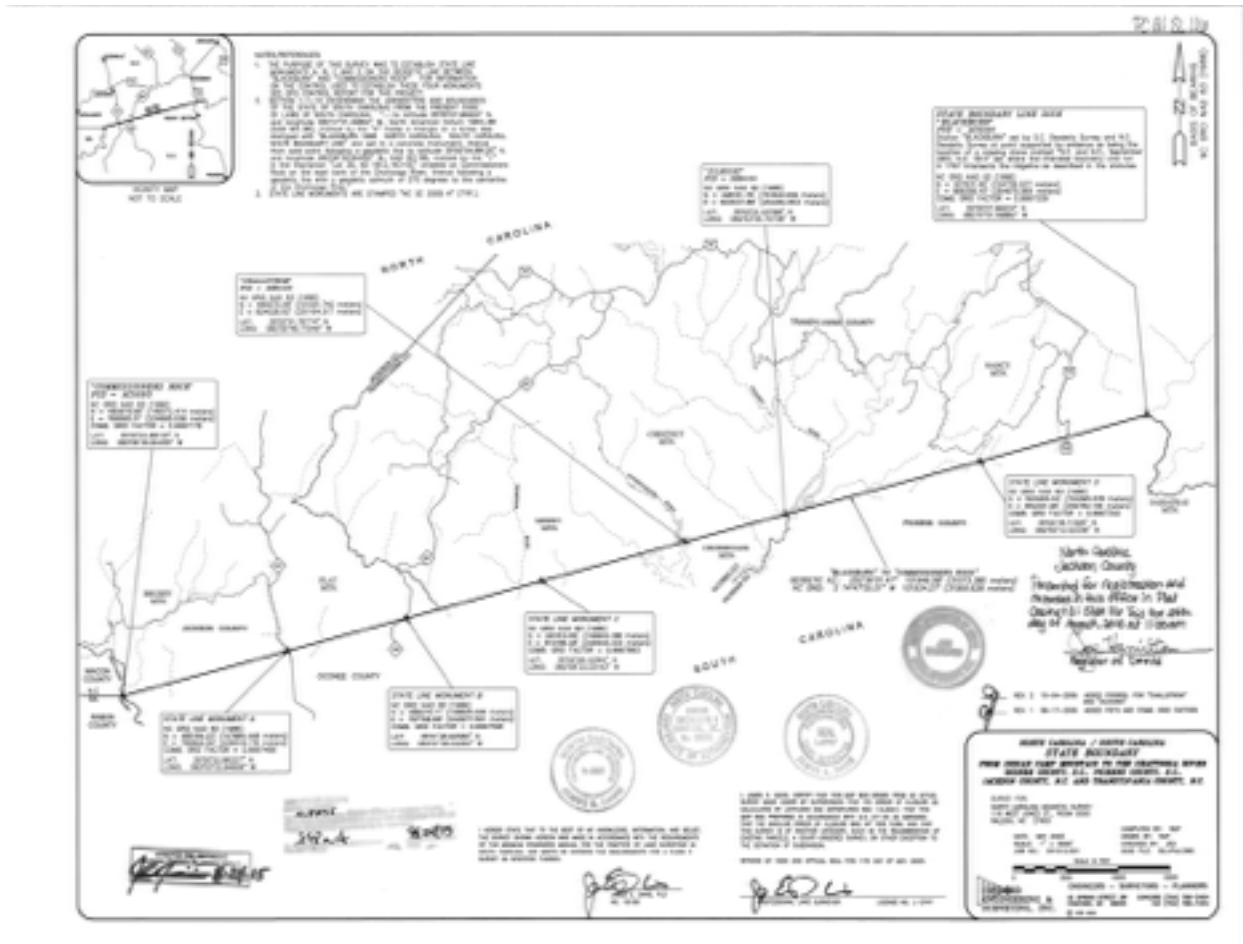
- **3 May 2013;** Meeting of the North Carolina - South Carolina Joint Boundary Commission, at which time the status of the 334-mile project (below), was shared with commission members.



- **June 2013;** Henderson County begins to reconcile existing tax records to the changes indicated and supported by the February recordation of the re-established, original state line.
- **December 2013;** 151 letters prepared and mailed to owners of real property affected by recognizing the re-established state line.
- **1 January 2014;** all real property listed as to the best information available, and reflects the changes supported by the re-established state line and the work of the State Line Survey as recorded in the public record (Henderson County Registry), on 27 February 2013.
- **24 February 2014;** plats recorded at 10:46am in Register of Deeds Office in Polk County, NC with all necessary notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.
- **2 July 2014;** plats are recorded in Oconee County, South Carolina, with the following notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.

- 24 August 2015;** A single plat dated 17 May 2005, recorded in Plat Cabinet 21 Slide 116, at 11:43am in Register of Deeds Office in Jackson County, NC with all necessary notations and the signature of James E. Davis, PLS (in conjunction with Concord Engineering & Surveying, Inc.), at the behest of the NC Geodetic Survey. This plat covers parts of Oconee County, SC., Pickens County, S.C., Jackson County, N.C., and the western portion of Transylvania County, N.C., and more particularly as follows:

“North Carolina / South Carolina
 STATE BOUNDARY
 From Indian Camp Mountain To The Chattanooga River
 Oconee County, S.C., Pickens County, S.C.,
 Jackson County, N.C., And Transylvania County, N.C.”

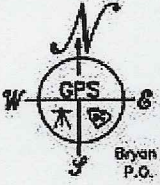



- **11 September 2015;** plats recorded in Pickens County, South Carolina, with the following notations and the signatures of Gary W. Thompson (North Carolina Geodetic Surveyor), and Sidney W. Miller (South Carolina Geodetic Surveyor), dated 20 December 2005.

This map represents a cooperative effort between the North Carolina Geodetic Survey and the South Carolina Geodetic Survey to re-establish a portion of the North Carolina-South Carolina boundary surveyed in 1815. To the best of our knowledge and ability, this is an accurate representation of the said state boundary line.

G.W. Thompson 12/20/05
 Gary W. Thompson
 North Carolina Geodetic Survey
 Co-Chairman, Joint N.C.-S.C. Boundary Commission.

Sidney C. Miller 12/20/05
 Sidney C. Miller
 South Carolina Geodetic Survey
 Co-Chairman, Joint N.C.-S.C. Boundary Commission

 <p>GOSNELL PROFESSIONAL SURVEYING, Inc. Complete Surveying Services Bryan A. Gosnell (864) 834-9748 P.O. Box 180 Tigenilla, S.C. 29688</p>	NORTH CAROLINA/SOUTH CAROLINA STATE BOUNDARY SURVEY FOR SOUTH CAROLINA GEODETIC SURVEY	
	ZOLLO To TRAMMEL To BRANDYS RIDGE HENDERSON COUNTY, N.C. AND GREENVILLE COUNTY, S.C.	
	<p>Date: MARCH 2001 Field Crew: BG RAF PC JG Drawn By: BG Project No. 003288</p>	

- 6 June 2016; S667 is RATIFIED by the South Carolina General Assembly, effective as of 1 January 2017 (the revised lien date for properties affected by the legislation and the re-established NC/SC Boundary), and subsequently APPROVED on 10 June 2016
- 20 June 2016, S575 (Session Law 2016-23) is RATIFIED by the North Carolina General Assembly and subsequently APPROVED on 22 June 2016.
- To be announced; date when plats will be approved by the North Carolina Council of State.
- To be announced; dates when the Executive Order(s) will be proclaimed by North Carolina Governor, Pat McCrory.
- To be announced; dates when the respective plats and *Notice of Affected Parcels* will be presented for recordation in the North Carolina counties of Polk, Rutherford, Cleveland, Gaston, Mecklenburg, Union, Anson, Richmond, Scotland, Robeson, Columbus, and Brunswick.
- 1 January 2017; on the presumption that all plats are recorded in the remaining counties affected by the re-establishment of the NC/SC Boundary on or before 30 December 2016, the earliest effective date for North Carolina tax records to reflect the changes to listing, appraisal, and assessment of parcels impacted in the North Carolina counties of Brunswick, Columbus, Robeson, Scotland, Richmond, Anson, Union, Mecklenburg, Gaston, Cleveland, Rutherford and the eastern portion of Polk.