

# EXTRATERRITORIAL JURISDICTION

## Why It Matters

Since the post-World War II residential development boom, North Carolina and other states have authorized cities to enact what was then called “perimeter zoning” and is today known as extraterritorial jurisdiction.

ETJ authority came about due to chaotic and unregulated development along the urban fringe, with incompatible uses endangering both the health and property values of those living inside municipal boundaries. Today, with counties adopting their own land-use policies, questions have arisen about the continued importance of extraterritorial jurisdiction. In some ways, ETJ has become a more important planning tool than ever before, especially in fast-growing areas where taxpayer-funded resources for infrastructure must be carefully apportioned to meet the needs of residents.



**Here are some important considerations regarding ETJ and why it continues to be a crucial planning tool in many cities and towns:**

- A community’s land-use planning tools, including ETJ, are vital as infrastructure investments are made that pave the way for economic growth.
- Typically, city planning and inspections departments handle development approvals and permitting in the ETJ. In many fast-growing areas, county governments are not be equipped to handle the workload associated with this development. If ETJs were eliminated, development would slow and delays would ensue.
- A city may only extend its extraterritorial jurisdiction after mailed notice to residents and a public hearing process.
- Residents of ETJs do not pay municipal taxes. They do receive proportional representation on city planning boards and boards of adjustment.
- Several municipalities across North Carolina enter into interlocal agreements, carefully negotiated and planned among each other and the county government, to set their ETJs. These agreements allow each to anticipate service needs for the future. Some of these have been memorialized into local legislative acts.
- Protecting homes and businesses from incompatible uses continues to be an important feature of ETJs. As of 2022, at least 14 counties in North Carolina had no zoning restrictions, with several others being only partially zoned. Tourism communities are especially vulnerable to incompatible uses.