

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 803
HOUSE BILL 333

AN ACT IMPLEMENTING ARTICLE V, SECTION 2(5) OF THE CONSTITUTION OF
NORTH CAROLINA WITH RESPECT TO THE LEVY OF PROPERTY TAXES BY
COUNTIES, CITIES, AND OTHER UNITS OF LOCAL GOVERNMENT.

The General Assembly of North Carolina enacts:

Section 1. Article 8 of Chapter 153 of the General Statutes is amended by inserting a new section therein as follows:

"§ 153-65. **Property taxes; authorized purposes; rate limitation.** — (a) Pursuant to Article V, § 2(5) of the Constitution of North Carolina, the General Assembly confers upon each county in this State the power to levy, within the limitations set out in this section, taxes on property having a situs within the county under the rules and according to the procedures prescribed in the Machinery Act (G.S. Chapter 105, Subchapter II).

(b) Each county may levy property taxes without restriction as to rate or amount for the following purposes:

- (1) Courts. To provide adequate facilities for and the county's share of the cost of operating the General Court of Justice in the county.
- (2) Debt Service. To pay the principal of and interest on all general obligation bonds and notes of the county.
- (3) Deficits. To supply an unforeseen deficiency in the revenue (other than revenues of public enterprises), when revenues actually collected or received fall below revenue estimates made in good faith and in accordance with the Local Government Budget and Fiscal Control Act.
- (4) Elections. To provide for all federal, State, district and county elections.
- (5) Jails. To provide for the operation of a jail and other local confinement facilities.
- (6) Joint Undertakings. To cooperate with any other county, city, or political subdivision in providing any of the functions, services, or activities listed in this subsection.
- (7) Schools. To provide for the county's share of the cost of kindergarten, elementary, secondary, and post-secondary public education.
- (8) Social Services. To provide for public assistance required by Chapters 108 and 111 of the General Statutes.

(c) Each county may levy property taxes for one or more of the purposes listed in this subsection up to an effective combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation before the application of any assessment ratio. To find the actual rate limit for a particular county .divide the effective rate limit of one dollar and fifty cents (\$1.50) by the county assessment ratio. Authorized purposes subject to the rate limitation are:

- (1) To provide for the general administration of the county through the board of county commissioners, the office of the county manager, the office of the county budget officer, the office of the county finance officer, the office of the county tax supervisor, the office of the county tax collector, the county

- purchasing agent, and the county attorney, and for all other general administrative costs not allocated to a particular board, commission, office, agency, or activity of the county.
- (2) Agricultural Extension. To provide for the county's share of the cost of maintaining and administering programs and services offered to agriculture by or through the Agricultural Extension Service or other agencies.
 - (3) Air Pollution. To maintain and administer air pollution control programs.
 - (4) Airports. To establish and maintain airports and related aeronautical facilities.
 - (5) Ambulance Service. To provide ambulance services, rescue squads, and other emergency medical services.
 - (6) Animal Protection and Control. To provide animal protection and control programs.
 - (7) Beach Erosion and Natural Disasters. To provide for shoreline protection, beach erosion control, and flood and hurricane protection.
 - (8) Cemeteries. To provide for cemeteries.
 - (9) Civil Defense. To provide for civil defense programs.
 - (10) Debts and Judgments. To pay and discharge any valid debt of the county or any judgment lodged against it, other than debts and judgments evidenced by or based on bonds and notes.
 - (11) Fire Protection. To provide fire protection services and fire prevention programs.
 - (12) Forest Protection. To provide forest management and protection programs.
 - (13) Health. To provide for the county's share of maintaining and administering services offered by or through the county or district health department.
 - (14) Historic Preservation. To undertake historic preservation programs and projects.
 - (15) Hospitals. To establish, support and maintain public hospitals and clinics, and other related health programs and facility, or to aid any private, non-profit hospital, clinic, related facilities, or other health program or facility.
 - (16) Human Relations. To undertake human relations programs.
 - (17) Joint Undertakings. To cooperate with any other county, city, or political subdivision in providing any of the functions, services, or activities listed in this subsection.
 - (18) Law Enforcement. To provide for the operation of the office of the sheriff of the county and for any other county law enforcement agency not under the sheriff's jurisdiction.
 - (19) Libraries. To establish and maintain public libraries.
 - (20) Mapping. To provide for mapping the lands of the county.
 - (21) Medical Examiner. To provide for the county medical examiner or coroner.
 - (22) Mental Health. To provide for the county's share of the cost of maintaining and administering services offered by or through the county or area mental health department.
 - (23) Open Space. To acquire open space land and easements in accordance with Article 19, Part 4, Chapter 160A of the General Statutes.
 - (24) Parking. To provide off-street lots and garages for the parking and storage of motor vehicles.
 - (25) Parks and Recreation. To establish, support and maintain public parks and programs of supervised recreation.

- (26) Planning. To provide for a program of planning and regulation of development in accordance with Article 17 of this chapter and Article 19, Parts 3A and 6, of Chapter 160A of the General Statutes.
- (27) Ports and Harbors. To participate in programs with the North Carolina Ports Authority and to provide for harbor masters.
- (28) Register of Deeds. To provide for the operation of the office of the register of deeds of the county.
- (29) Sewage. To provide sewage collection and treatment services.
- (30) Social Services. To provide for the public welfare through the maintenance and administration of public assistance programs not required by Chapters 108 and 111 of the General Statutes, and by establishing and maintaining a county home.
- (31) Solid Waste. To provide solid waste collection and disposal services, and to acquire and operate landfills.
- (32) Surveyor. To provide for a county surveyor.
- (33) Veterans' Service Officer. To provide for the county's share of the cost of services offered by or through the county Veterans' Service Officer.
- (34) Water. To provide water supply and distribution systems.
- (35) Watershed Improvement. To undertake watershed improvement projects.
- (36) Water Resources. To participate in federal water resources development projects.

(d) With an approving vote of the people, any county may levy property taxes for any purpose for which the county is authorized by law to appropriate money. Any property tax levy approved by a vote of the people shall not be counted for purposes of the rate limitation imposed in subsection (c).

The county commissioners may call a referendum on approval of a property tax levy. The referendum may be held at the same time as any other referendum or election, but may not be otherwise held within the period of time beginning 30 days before and ending 10 days after any other referendum or election to be held in the county and already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the county board of elections. The clerk to the board of commissioners shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

- (1) Shall _____ County be authorized to levy annually a property tax at an effective rate not in excess of ____ cents on the one hundred dollars value of property subject to taxation for the purpose of _____ ?
- (2) Shall _____ County be authorized to levy annually a property tax at a rate not in excess of that which will produce \$ _____ for the purpose of _____ ?
- (3) Shall _____ County be authorized to levy annually a property tax without restriction as to rate or amount for the purpose of _____ ?

If a majority of those participating in the referendum approve the proposition, the board of commissioners may proceed to levy annually a property tax within the limitations (if any) described in the proposition.

The board of elections shall canvass the referendum and certify the results to the board of commissioners. The board of commissioners shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement

appended: 'Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication).' The statement of results shall be filed in the clerk's office and inserted in the minutes of the board.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

Except for supplemental school taxes and except for tax referendums on functions not included in subsection (c) of this section, any referendum held before July 1, 1973, on the levy of property taxes is not valid for the purposes of this subsection. Counties in which such referendums have been held may support programs formerly supported by voted property taxes within the general rate limitation set out in subsection (d) at any appropriate level and are not subject to the former voted rate limitation.

(e) With an approving vote of the people, any county may increase the property tax rate limitation imposed in subsection (c) and may call a referendum for that purpose. The referendum may be held at the same time as any other referendum or election, but may not be otherwise held within the period of time beginning 30 days before and ending 30 days after any other referendum or election. The referendum shall be conducted by the county board of elections.

The proposition submitted to the voters shall be substantially in the following form:

Shall the effective property rate limitation applicable to _____ County be increased from _____ on the one hundred dollars (\$100.00) value of property subject to taxation to _____ on the one hundred dollars (\$100.00) value of property subject to taxation?

If a majority of those participating in the referendum approve the proposition, the rate limitation imposed in subsection (c) shall be increased for the county.

(f) With respect to any of the categories listed in subsections (b) and (c) of this section, the county may provide the necessary personnel, land, buildings, equipment, supplies, and financial support from property tax revenues for the program, function, or service.

(g) This section does not authorize any county to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the levy of property taxes within the limitations set out herein to finance programs, functions, or services authorized by other portions of the General Statutes or by local acts."

Sec. 2. G.S. 160A-209 is rewritten as follows:

"§ 160A-209. **Property taxes.** — (a) Pursuant to Article V, §2(5) of the Constitution of North Carolina, the General Assembly confers upon each city in this State the power to levy, within the limitations set out in this section, taxes on property having a situs within the city under the rules and according to the procedures prescribed in the Machinery Act (G.S. Chapter 105, Subchapter II).

(b) Each city may levy property taxes without restriction as to rate or amount for the following purposes:

- (1) Debt Service. To pay the principal of and interest on all general obligation bonds and notes of the city.
- (2) Deficits. To supply an unforeseen deficiency in the revenue (other than revenues of any of the enterprises listed in § 160A-311), when revenues actually collected or received fall below revenue estimates made in good faith in accordance with the Local Government Budget and Fiscal Control Act.
- (3) Civil Disorders. To meet the cost of additional law enforcement personnel and equipment that may be required to suppress riots or other civil disorders

involving an extraordinary breach of law and order within the jurisdiction of the city.

(c) Each city may levy property taxes for one or more of the following purposes subject to the rate limitation set out in subsection (d):

- (1) Administration. To provide for the general administration of the city through the city council, the office of the city manager, the office of the city budget officer, the office of the city finance officer, the office of the city tax collector, the city purchasing agent, the city attorney, and for all other general administrative costs not allocated to a particular board, commission, office, agency, or activity.
- (2) Air Pollution. To maintain and administer air pollution control programs.
- (3) Airports. To establish and maintain airports and related aeronautical facilities.
- (4) Ambulance Service. To provide ambulance services, rescue squads, and other emergency medical services.
- (5) Animal Protection and Control. To provide animal protection and control programs.
- (6) Auditoriums, Coliseums, and Convention Centers. To provide public auditoriums, coliseums, and convention centers.
- (7) Beach Erosion and Natural Disasters. To provide for shoreline protection, beach erosion control and flood and hurricane protection.
- (8) Cemeteries. To provide for cemeteries.
- (9) Civil Defense. To provide for civil defense programs.
- (10) Debts and Judgments. To pay and discharge any valid debt of the city or any judgment lodged against it, other than debts or judgments evidenced by or based on bonds or notes.
- (11) Elections. To provide for all city elections and referendums.
- (12) Electric Power. To provide electric power generation, transmission, and distribution services.
- (13) Fire Protection. To provide fire protection services and fire prevention programs.
- (14) Gas. To provide natural gas transmission and distribution services.
- (15) Historic Preservation. To undertake historic preservation programs and projects.
- (16) Human Relations. To undertake human relations programs.
- (17) Hospitals. To establish, support and maintain public hospitals and clinics, and other related health programs and facilities, and to aid any private, non-profit hospital, clinic, related facility, or other health program or facility.
- (18) Jails. To provide for the operation of a jail and other local confinement facilities.
- (19) Joint Undertakings. To cooperate with any other county, city, or political subdivision of the State in providing any of the functions, services, or activities listed in this subsection.
- (20) Libraries. To establish and maintain public libraries.
- (21) Mosquito Control.
- (22) Off-Street Parking. To provide off-street lots and garages for the parking and storage of motor vehicles.
- (23) Open Space. To acquire open space land and easements in accordance with Article 19, Part 4, of this chapter.
- (24) Parks and Recreation. To establish, support and maintain public parks and programs of supervised recreation.

- (25) Planning. To provide for a program of planning and regulation of development in accordance with Article 19 of this chapter.
- (26) Police. To provide for law enforcement.
- (27) Ports and Harbors. To participate in programs with the North Carolina Ports Authority and to provide for harbor masters.
- (28) Sewage. To provide sewage collection and treatment services.
- (29) Solid Waste. To provide solid waste collection and disposal services, and to acquire and operate landfills.
- (30) Streets. To provide for the public streets, sidewalks, and bridges of the city.
- (31) Traffic Control and On-Street Parking. To provide for the regulation of vehicular and pedestrian traffic within the city, and for the parking of motor vehicles on the public streets.
- (32) Water. To provide water supply and distribution services.
- (33) Water Resources. To participate in federal water resources development projects.
- (34) Watershed Improvement. To undertake watershed improvement projects.

(d) Property taxes may be levied for one or more of the purposes listed in subsection (c) up to a combined effective rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation before the application of any assessment ratio. To find the actual rate limit for a particular city, divide the effective rate limit of one dollar and fifty cents (\$1.50) by the county assessment ratio.

(e) With an approving vote of the people, any city may levy property taxes for any purpose for which the city is authorized by its charter or general law to appropriate money. Any property tax levy approved by a vote of the people shall not be counted for purposes of the rate limitation imposed in subsection (d).

The city council may call a referendum on approval of a property tax levy. The referendum may be held at the same time as any other city referendum or city election, but may not be otherwise held (i) on the day of any federal, State, district, or county election already validly called or scheduled by law at the time the tax referendum is called, or (ii) within the period of time beginning 30 days before and ending 10 days after the day of any other city referendum or city election already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the same board of elections that conducts regular city elections. The city clerk shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

- (1) Shall the City/Town of _____ be authorized to levy annually a property tax at an effective rate not in excess of _____ cents on the one hundred dollars (\$100.00) value of property subject to taxation for the purpose of _____?
- (2) Shall the City/Town of _____ be authorized to levy annually a property tax at a rate not in excess of that which will produce \$ _____ for the purpose of _____?
- (3) Shall the City/Town of _____ be authorized to levy annually a property tax without restriction as to rate or amount for the purpose of _____?

If a majority of those participating in the referendum approve the proposition, the city council may proceed to levy annually a property tax within the limitations (if any) described in the proposition. Unless otherwise provided in the proposition submitted to the voters, a vote on

a property tax levy not to exceed a specified rate per one hundred dollars (\$100.00) value of property subject to taxation is a vote on an effective rate per one hundred dollars (\$100.00) of appraised value of property before the application of any assessment ratio.

The board of elections shall canvass the referendum and certify the results to the city council. The council shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended: 'Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication).' The statement of results shall be filed in the clerk's office and inserted in the minutes of the council.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

Except for tax referendums on functions not included in subsection (c) of this section, any referendum held before July 1, 1973, on the levy of property taxes is not valid for the purposes of this subsection. Cities in which such referendums have been held may support programs formerly supported by voted property taxes within the general rate limitation set out in subsection (d) at any appropriate level and are not subject to the former voted rate limitation.

(f) With an approving vote of the people, any city may increase the property tax rate limitation imposed in subsection (c) and may call a referendum for that purpose. The referendum may be held at the same time as any other city referendum or election, but may not be otherwise held (i) on the day of any federal, State, district, or county election, or (ii) within the period of time beginning 30 days before and ending 30 days after the day of any other city referendum or city election. The election shall be conducted by the same board of elections that conducts regular city elections.

The proposition submitted to the voters shall be substantially in the following form:

Shall the effective property rate limitation applicable to the City/Town of _____ be increased from _____ on the one hundred dollars (\$100.00) value of property subject to taxation to _____ on the one hundred dollars (\$100.00) value of property subject to taxation?

If a majority of those participating in the referendum approve the proposition, the rate limitation imposed in subsection (c) shall be increased for the city.

(g) With respect to any of the categories listed in subsection (b) and (c) of this section, the city may provide the necessary personnel, land, buildings, equipment, supplies, and financial support from property tax revenues for the program, function, or service.

(h) This section does not authorize any city to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the levy of property taxes within the limitations set out herein to finance programs, functions, or services authorized by other portions of the General Statutes or by city charters."

Sec. 3. G.S. 63-8.1 is repealed.

Sec. 4. Chapter 69 of the General Statutes is amended by inserting a new section therein as follows:

"§ 69-24.1. **Local appropriations.** — Each county and municipality is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. Sanitary districts are authorized to make appropriations for the purposes of this article and to fund them by annual levy of a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act (G.S. chapter 105, Subchapter II) and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 5. G.S. 69-21 is amended by striking out the second sentence.

Sec. 6. G.S. 104B-4(b) is amended by striking out the words "whose county includes a portion of the outer banks of this State" in the first sentence.

Sec. 7. G.S. 104B-6(a) is amended by striking out the words "whose area includes a portion of the area subject to this article" in the first sentence.

Sec. 8. G.S. 104B-6(b) is amended by striking out the third sentence.

Sec. 9. G.S. 104B-9(b) is rewritten to read as follows: "Each county is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 10. G.S. 106-587 is rewritten to read as follows:

"§ 106-587. Local appropriations. — Each county and city in this State is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 11. The second paragraph, second, third and fourth sentences of G.S. 111-17 are rewritten to read as follows: "Each county shall make appropriations for the purposes of this article in an amount sufficient to cover its share of aid to the blind and may fund them by levy of property taxes pursuant to G.S. 153-65 and by the allocation of other revenues whose use is not otherwise restricted by law. This provision is mandatory on each county in the State."

Sec. 12. G.S. 127-113 is rewritten to read as follows:

"§ 127-113. Local financial support. — Each county and city in this State is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 13. G.S. 127-114 is repealed.

Sec. 14. G.S. 127-115 is repealed.

Sec. 15. G.S. 127-116 is repealed.

Sec. 16. G.S. 128-23(b) is rewritten to read as follows:

"(b) Pursuant to the favorable vote of a majority of the employees of the county, the board of commissioners of any county may, by resolution legally adopted and approved by the Board of Trustees, elect to have its employees become eligible to participate in the Retirement System. Each county is authorized to make appropriations for these purposes and to fund them by levy of property taxes pursuant to G.S. 153-65 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 17. G.S. 130-155 is rewritten to read as follows:

"§ 130-155. Tax levy for validated bonds. — Sanitary districts are authorized to make appropriations and to levy annually a tax on property having a situs in the district under the rules and according to the procedure prescribed in the Machinery Act (G.S. Chapter 105, Subchapter II) for the purpose of paying the principal of and interest on bonds validated in G.S. 130-154. Such tax shall be sufficient for such purpose and shall be in addition to all other taxes which may be levied upon the taxable property in the sanitary district."

Sec. 18. The fifth sentence of G.S. 131-28.2 is repealed.

Sec. 19. G.S. 131-28.4 is rewritten to read as follows:

"§ 131-28.4. Issuance of bonds. — A county may issue bonds under the Local Government Finance Act for the purpose of erecting, remodeling, enlarging or purchasing hospitals, including the acquisition of necessary land and equipment."

Sec. 20. G.S. 131-28.5 is rewritten to read as follows:

"§ 131-28.5. County financial support. — Each county in this State is authorized to make appropriations for the purposes of maintenance of hospital or hospitals from year to year and to

fund the appropriations by levy of property taxes pursuant to G.S. 153-65 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 21. G.S. 131-28.6 is repealed.

Sec. 22. G.S. 131-28.7 is repealed.

Sec. 23. The first sentence of G.S. 131-28.8 is rewritten to read as follows: "Each county in this State, upon conveyance to it of any hospital pursuant to the requirements of this article, shall proceed at once to appoint county citizens to serve upon a board of hospital trustees. The board shall consist of three trustees from each township in which a hospital or hospitals are to be acquired or erected hereunder and one trustee from each of the remaining townships in the county. These trustees are to be chosen with special reference to their fitness for such office."

Sec. 24. G.S. 131-28.23 is rewritten to read as follows:

"§ 131-28.23. **County-city hospital facilities for the poor.** — Authority is hereby granted to the board of commissioners of any county in the State now or hereafter having a population of 100,000 or over and a city within its borders now or hereafter having a population of 75,000 or over to provide adequate hospital facilities for the care of the sick and afflicted poor of such county. Each such county is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and by the allocation of other revenues whose use is not otherwise prohibited by law. The term 'board of aldermen,' as used in this article shall be deemed to include any governing body of any municipality coming within the provisions of this article by whatever name designated."

Sec. 25. The first, second, and third sentences of G.S. 131-28.28 are repealed.

Sec. 26. G.S. 131-126.22 is rewritten to read as follows:

"§ 131-1 26.22 **Financing hospital facilities.** — (a) Each county or municipality in this State is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. Hospital districts are authorized to make appropriations and to levy annually a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act (G.S. Chapter 105, Subchapter II) for the purposes of this article.

(b) Each municipality is authorized to issue bonds and notes for the purposes of this article pursuant to the Local Government Finance Act."

Sec. 27. G.S. 131-126.23 is repealed.

Sec. 28. G.S. 131-126.26 is repealed.

Sec. 29. G.S. 131-126.41 is rewritten to read as follows:

"§ 131-126.41. **Supplementary financing of hospital facilities.** — (a) Each county or city in this State is authorized to make appropriations for the purposes of aiding in construction or financing the costs of equipment and maintenance of any hospital facility and to fund the appropriations by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(b) Each county or city is authorized to issue bonds and notes for the purposes of this article pursuant to the Local Government Bond Act."

Sec. 30. G.S. 131-126.42 is repealed.

Sec. 31. G.S. 131-126.43 is repealed.

Sec. 32. G.S. 131-126.44 is renumbered G.S. 131-126.42.

Sec. 33. The second paragraph of G.S. 139-37(b) is rewritten to read as follows: "Each county and city may fund appropriations for the purposes of this section by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 34. G.S. 97-7 is rewritten to read as follows:

"§ 97-7. **State or subdivision and employees thereof.** — Neither the State nor any municipal corporation within the State, nor any political subdivision thereof, nor any employee of the State or of any such corporation or subdivision, shall have the right to reject the provisions of this article relative to payment and acceptance of compensation, and the provisions of G.S. 97-4, 97-5, 97-14, 97-15, 97-16, and 97-100(j) shall not apply to them: Provided, that all such corporations or subdivisions are hereby authorized to self-insure or purchase insurance to secure its liability under this article and to include thereunder the liability of such subordinate governmental agencies as the county board of health, the school board, and other political and quasi-political subdivisions supported in whole or in part by the municipal corporation or political subdivision of the State. Each municipality is authorized to make appropriations for these purposes and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 35. The third unnumbered paragraph of G.S. 122-35.1 is rewritten to read as follows: "The governing authorities of local governmental units are authorized to appropriate funds for the support or partial support of mental health clinics which serve such localities whether or not the facilities of the clinic are physically located within the boundaries of such municipalities or counties, and whether or not such clinics are owned and operated by the local governmental units. Each county and municipality is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 36. G.S. 161-25 is repealed.

Sec. 37. G.S. 158-1 is rewritten to read as follows:

"§ 158-1. **Local development.** — Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by levy of property taxes pursuant to G.S. 153-65 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 38. G.S. 158-2 is rewritten to read as follows:

"§ 158-2. **Accounting for expenditures.** — In the event funds appropriated for the purposes of this article are turned over to any agency or organization other than the county or city for expenditure, no such expenditure shall be made until the county or city has approved the same, and all such expenditures shall be accounted for by the agency or organization at the end of the fiscal year for which they were appropriated."

Sec. 39. G.S. 158-3 is repealed.

Sec. 40. G.S. 158-4 is repealed.

Sec. 41. G.S. 158-5 is repealed.

Sec. 42. G.S. 158-6 is repealed.

Sec. 43. G.S. 158-7 is repealed.

Sec. 44. The second unnumbered paragraph of G.S. 158-12 is rewritten to read as follows: "Each municipality or county shall have authority to appropriate funds to any local or regional economic development commission which it may have created. These appropriations may be funded by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

The third unnumbered paragraph of G.S. 148-1 2 is repealed.

Sec. 45. Paragraph (a) of G.S. 166-10 is rewritten to read as follows:

"(a) Each county and city in this State is authorized to make appropriations for the purposes of this chapter and to fund them by levy of property taxes pursuant to G.S. 153-65 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 46. G.S. 130-21 is rewritten to read as follows:

"§ 130-21. **Local appropriations.** — Each county and city in this State is authorized to make appropriations for the purposes of this article and to fund them by levy of property taxes pursuant to G.S. 153-65 and by G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law."

Sec. 47. G.S. 130-22 is repealed.

Sec. 48. This act shall become effective on July 1, 1973.

In the General Assembly read three times and ratified, this the 24th day of May, 1973.