

GENERAL ASSEMBLY OF NORTH CAROLINA  
1989 SESSION

CHAPTER 573  
HOUSE BILL 1105

AN ACT TO ALLOW COUNTIES TO ASSUME THE INDEBTEDNESS OF  
CERTAIN SPECIAL DISTRICTS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 162A of the General Statutes is amended by adding a new Article to read:

"Article 7.

"Assumption of Indebtedness of Certain Districts.

**"§ 162A-101. Assumption of indebtedness of certain districts.**

Subject to approval by a majority of the qualified voters of the county voting at an election thereon, a county may assume all indebtedness, incurred for paying all or any part of the cost of a water supply and distribution system, a sewerage system, or both, of any:

- (1) Water and sewer authority organized under Article 1 of this Chapter;
- (2) Metropolitan water district organized under Article 4 of this Chapter;
- (3) Metropolitan sewerage district organized under Article 5 of this Chapter; or
- (4) County water and sewer district organized under Article 6 of this Chapter.

An election under this Article shall be called and held in accordance with the provisions of the Local Government Finance Act, insofar as the same may be made applicable, and the returns of the election shall be canvassed and a statement of the result thereof prepared, recorded and published as provided in the Local Government Finance Act. No right of action or defense founded upon the invalidity of the election shall be asserted nor shall the validity of the election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within 30 days after the publication of the statement of result. In the event that any indebtedness of a water and sewer authority, metropolitan water district, metropolitan sewerage district, or county water and sewer district is assumed by the county, there shall be annually levied and collected an ad valorem tax upon all the taxable property in the county sufficient to pay the assumed indebtedness and the interest thereon as it becomes due and payable; provided, however, the tax may be reduced by the amount of other moneys actually available for this purpose. The tax shall be determined, levied and collected in the manner provided by law."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 4th day of July,  
1989.