

GENERAL ASSEMBLY OF NORTH CAROLINA  
1989 SESSION

CHAPTER 263  
SENATE BILL 770

AN ACT AUTHORIZING THE ACQUISITION, ENLARGEMENT,  
IMPROVEMENT, OPERATION AND REVENUE BOND FINANCING OF  
SANITARY SEWER AND WATER SYSTEMS WITHIN AND WITHOUT THE  
CORPORATE LIMITS OF A MUNICIPALITY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-96 as rewritten by Section 44 of Chapter 168, Session Laws of 1989, reads as rewritten:

**"§ 159-96. Limitation on extraterritorial operation of enterprises financed by revenue bonds.**

(a) Each utility or public service enterprise listed in G.S. 159-81(3), if financed wholly or partially by revenue bonds issued under this Article, shall be owned or operated by the municipality for its own use and for the use of public and private consumers residing within its corporate limits. A utility or public service enterprise financed wholly or partially by revenue bonds, when operated primarily for the municipality's own use and for users within its corporate limits, may be operated incidentally for users outside its corporate limits. Provided, however, that revenue bonds may be issued for the purpose of financing in whole or in part mass transit systems, aeronautical facilities, marine facilities and systems, facilities and equipment for the collection, treatment or disposal of solid waste, notwithstanding that such systems, facilities or equipment may be operated for users outside the corporate limits of a municipality where the municipality finds that the system, facilities or equipment so financed would benefit the municipality.

(b) A revenue bond project financed wholly or partially by revenue bonds of the State may be located either within or without the State and, when operated primarily for the State's own use and for users within the State, may be operated incidentally for users outside the State.

(c) The provisions of subsection (b) of this section shall not apply to the financing of any revenue bond project by the North Carolina Low-Level Radioactive Waste Management Authority or by the North Carolina Hazardous Waste Management Commission.

(d) Notwithstanding the provisions of subsections (a) and (b) of this section and G.S. 160A-312, municipalities may acquire sewage collection and disposal systems and water supply and distribution systems located within and without the corporate limits of such municipalities and finance such acquisition with revenue bonds. Further, municipalities may own, maintain and operate such acquired systems, enlarge and

improve such acquired systems and finance the enlargement and improvement of such acquired systems with revenue bonds. This subsection applies only to acquisitions by municipalities financed by revenue bonds during the calendar year ending December 31, 1989."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 7th day of June, 1989.