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SENATE BILL 1137
Rules and Operations of the Senate Committee Substitute Adopted 10/1/02
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Short Title: County Utilities Authority. (Public)

Sponsors:

Referred to:

June 3, 2002

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A COUNTY UTILITIES AUTHORITY TO OPERATE
WATER AND SEWER SYSTEMS IN CERTAIN COUNTIES.

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 8.

"County Utility Authorities.

"§ 162A-111. Title.

This Article shall be known and may be cited as the "North Carolina County Utility
Authorities Act".

"§ 162A-112. Applicability.

This Article applies only to counties that adjoin both the State line and a county with
a population of 500,000 or over according to the most recent decennial federal census
and that operate county-owned water and sewer systems.

"§ 162A-113. Creation of authority.

(a) In any county in which this Article is applicable, the board of commissioners
by ordinance may create a county utilities authority. The board of commissioners shall
hold a public hearing prior to adoption of any such ordinance. Upon adoption, the
ordinance shall be filed with the Secretary of State.

(b) In any county in which an authority is created under this Article, the county
shall convey to the authority all of its water and sewer systems after compliance with
subsection (c) of this section. The authority is obligated to amortize any bonded
indebtedness owed by the county on such systems. The county shall, within 60 days
after the certification under subsection (c) of this section, take all necessary action to
convey such property and identify the indebtedness in question.

(c) No conveyance of water and sewer systems shall be made until the Local
Government Commission has certified that appropriate provisions have been made to

1 transfer debt and other liabilities, and the county is authorized to take appropriate action
2 under any outstanding contracts, bond orders or other debt instruments to effectuate
3 such conveyances.

4 **"§ 162A-114. Membership of the authority.**

5 An authority created by this Article is governed by a board of directors consisting of
6 seven members. One member shall be appointed by the board of commissioners of the
7 county. One member shall be appointed by each municipality located wholly within that
8 county which levies an ad valorem tax of at least eight cents per one hundred dollars
9 (\$100.00) valuation, and provides at least three municipal services. All members shall
10 be residents of that county. Members shall serve terms of four years. Of the initial
11 members, one shall be appointed for a one-year term, two shall be appointed for two-
12 year terms, two shall be appointed for three-year terms, and two shall be appointed for
13 four-year terms. The selection of which initial members get which terms shall be made
14 by lot. The members shall annually elect from among their membership a chair and a
15 vice-chair and shall elect a secretary.

16 **"§ 162A-115. Definitions.**

17 As used in this Article the following words and terms shall have the following
18 meanings, unless the context shall indicate another or different meaning or intent:

- 19 (1) The word "authority" shall mean an authority created under the
20 provisions of this Article.
- 21 (2) The word "Commission" shall mean the Environmental Management
22 Commission.
- 23 (3) The word "cost" as applied to a water system or a sewer system shall
24 include the purchase price of any such system, the cost of construction,
25 the cost of all labor and materials, machinery and equipment, the cost
26 of improvements, the cost of all lands, property, rights, easements and
27 franchises acquired, financing charges, interest prior to and during
28 construction and, if deemed advisable by the authority, for one year
29 after completion of construction, cost of plans and specifications,
30 surveys and estimates of cost and of revenues, cost of engineering and
31 legal services, and all other expenses necessary or incident to
32 determining the feasibility or practicability of such construction,
33 administrative expense and such other expenses, including reasonable
34 provision for working capital, as may be necessary or incident to the
35 financing herein authorized. Any obligation or expense incurred by the
36 authority or by any political subdivision prior to the issuance of bonds
37 under the provisions of this Article in connection with any of the
38 foregoing items or cost may be regarded as a part of such cost.
- 39 (4) The term "governing body" shall mean the board, commission,
40 council, or other body, by whatever name it may be known, in which
41 the general legislative powers of the political subdivision are vested.
- 42 (5) The word "improvements" shall mean such repairs, replacements,
43 additions, extensions and betterments of and to a water system or a
44 sewer system as are deemed necessary by the authority to place or to

1 maintain such system in proper condition for its safe, efficient, and
2 economic operation or to meet requirements for service in areas which
3 may be served by the authority and for which no existing service is
4 being rendered.

5 (6) The word "person" shall mean any and all persons, including
6 individuals, firms, partnerships, associations, public or private
7 institutions, municipalities, or political subdivisions, governmental
8 agencies, or private or public corporations organized and existing
9 under the laws of this State or any other state or country.

10 (7) The term "political subdivision" shall mean any county, city, town,
11 incorporated village, sanitary district, or other political subdivision or
12 public corporation of this State now or hereafter incorporated.

13 (7a) The word "revenues" shall mean all moneys received by an authority
14 from or in connection with any sewer system or water system
15 including, without limitation, any moneys received as interest grants.

16 (8) The word "sewage" shall mean the water-carried wastes created in and
17 carried or to be carried away from residences, hotels, schools,
18 hospitals, industrial establishments, commercial establishments, or any
19 other private or public building together with such surface or
20 groundwater or household and industrial wastes as may be present.

21 (9) The term "sewage disposal system" shall mean and shall include any
22 plant, system, facility, or property used or useful or having the present
23 capacity for future use in connection with the collection, treatment,
24 purification, or disposal of sewage (including industrial wastes
25 resulting from any processes of industry, manufacture, trade, or
26 business or from the development of any natural resources), or any
27 integral part thereof, including, but not limited to, septic tank systems
28 or other on-site collection or disposal facilities or systems, treatment
29 plants, pumping stations, intercepting sewers, trunk sewers, pressure
30 lines, mains, and all necessary appurtenances and equipment, and all
31 property, rights, easements and franchises relating thereto and deemed
32 necessary or convenient by the authority for the operation thereof.

33 (10) The word "sewers" shall include mains, pipes, and laterals for the
34 reception of sewage and carrying such sewage to an outfall or some
35 part of a sewage disposal system, including pumping stations where
36 deemed necessary by the authority.

37 (11) The term "sewer system" shall embrace both sewers and sewage
38 disposal systems and all property, rights, easements and franchises
39 relating thereto.

40 (12) The term "water system" shall mean and include all plants, systems,
41 facilities, or properties used or useful or having the present capacity
42 for future use in connection with the supply or distribution of water or
43 the control and drainage of stormwater runoff and any integral part
44 thereof, including, but not limited to, water supply systems, water

1 distribution systems, stormwater management programs designed to
2 protect water quality by controlling the level of pollutants in, and the
3 quantity and flow of, stormwater and structural and natural stormwater
4 and drainage systems of all types, sources of water supply including
5 lakes, reservoirs and wells, intakes, mains, laterals, aqueducts,
6 pumping stations, standpipes, filtration plants, purification plants,
7 hydrants, meters, valves, and all necessary appurtenances and
8 equipment and all properties, rights, easements and franchises relating
9 thereto and deemed necessary or convenient by the authority for the
10 operation thereof.

11 **"§ 162A-116. Powers of authority generally.**

12 Each authority created hereunder shall be deemed to be a public instrumentality
13 exercising public and essential governmental functions to provide for the public health
14 and welfare, and each authority is authorized and empowered:

- 15 (1) To adopt bylaws for the regulation of its affairs and the conduct of its
16 business.
- 17 (2) To adopt an official seal and alter the same at pleasure.
- 18 (3) To maintain an office at such place or places as it may designate.
- 19 (4) To sue and be sued in its own name, plead and be impleaded.
- 20 (5) To acquire, lease as lessee or lessor, construct, reconstruct, improve,
21 extend, enlarge, equip, repair, maintain, and operate any water system
22 or part thereof or any sewer system or part thereof or any combination
23 thereof within or without the participating political subdivisions or any
24 thereof.
- 25 (6) To issue revenue bonds of the authority as hereinafter provided to pay
26 the cost of such acquisition, construction, reconstruction,
27 improvement, extension, enlargement, or equipment.
- 28 (7) To issue revenue refunding bonds of the authority as hereinafter
29 provided.
- 30 (8) To combine any water system and any sewer system as a single system
31 for the purpose of operation and financing.
- 32 (9) To fix and revise, from time to time, and to collect rates, fees, and
33 other charges for the use of or for the services and facilities furnished
34 by any system operated by the authority.
- 35 (10) To acquire in the name of the authority by gift, grant, purchase, devise,
36 exchange, lease, acceptance of offers of dedication by plat, or any
37 other lawful method, to the same extent and in the same manner as
38 provided for cities and towns under the provisions of G.S. 160A-240.1
39 and G.S. 160A-374, or the exercise of the right of eminent domain in
40 accordance with the General Statutes which may be applicable to the
41 exercise of such powers by municipalities or counties, any lands or
42 rights in land or water rights in connection therewith, and to acquire
43 such personal property, as it may deem necessary in connection with
44 the acquisition, construction, reconstruction, improvement, extension,

1 enlargement, or operation of any water system or sewer system, and to
2 hold and dispose of all real and personal property under its control;
3 provided, that the taking of water from any stream or reservoir by any
4 authority created under the provisions of this Article shall not vest in
5 the taker any rights by prescription; provided, further, that nothing in
6 this section shall affect rights by prescription, if any, now held by any
7 municipality and which may be later transferred to any authority of
8 which such municipality may become a member.

9 (11) To make and enter into all contracts and agreements necessary or
10 incidental to the performance of its duties and the execution of its
11 powers under this Article, including a trust agreement or trust
12 agreements securing any revenue bonds issued hereunder, and to
13 employ such consulting and other engineers, superintendents,
14 managers, construction and financial experts, accountants and
15 attorneys, and such employees and agents as may, in the judgment of
16 the authority, be deemed necessary, and to fix their compensation;
17 provided, however, that all such expenses shall be payable solely from
18 funds made available under the provisions of this Article.

19 (12) To enter into contracts with the government of the United States or any
20 agency or instrumentality thereof, or with any political subdivision,
21 private corporation, copartnership, association or individual providing
22 for the acquisition, construction, reconstruction, improvement,
23 extension, enlargement, operation, or maintenance of any water system
24 or sewer system or providing for or relating to the treatment and
25 disposal of sewage or providing for or relating to any water system or
26 the purchase or sale of water.

27 (13) To receive and accept from any federal, State, or other public agency
28 and any private agency, person or other entity, donations, loans, grants,
29 aid or contributions of any money, property, labor, or other things of
30 value for any sewer system or water system, and to agree to apply and
31 use the same in accordance with the terms and conditions under which
32 the same are provided.

33 (14) To enter into contract with any political subdivision by which the
34 authority shall assume the payment of the principal of and interest on
35 indebtedness of such subdivision.

36 (14a) To make special assessments against benefited property within the area
37 served or to be served by the authority for the purpose of constructing,
38 reconstructing, extending, or otherwise improving water systems or
39 sanitary collection, treatment, and sewage disposal systems, in the
40 same manner that a county may make special assessments under
41 authority Article 9 of Chapter 153A of the General Statutes, except
42 that the language appearing in G.S. 153A-185 reading as follows: "A
43 county may not assess property within a city pursuant to subdivision
44 (1) or (2) of this section unless the governing board of the city has by

1 resolution approved the project," shall not apply. For the purposes of
2 this paragraph, references in Article 9 of Chapter 153A of the General
3 Statutes to the "county," the "board of county commissioners," "the
4 board", or a specific county official or employee are deemed to refer,
5 respectively, to the authority and to the official or employee of the
6 authority who performs most nearly the same duties performed by the
7 specified county official or employee.

8 Assessment rolls after being confirmed shall be filed for
9 registration in the office of the register of deeds of the county in which
10 the property being assessed is located, and the term "county tax
11 collector" wherever used in G.S. 153A-195 and G.S. 153A-196, shall
12 mean the Executive Director or other administrative officer designated
13 by the authority to perform the functions described in said sections of
14 the statute.

15 (14b) To provide for the defense of civil and criminal actions and payment
16 of civil judgments against employees and officers or former employees
17 and officers and members or former members of the governing body as
18 authorized by G.S. 160A-167, as amended.

19 (14c) To adopt ordinances to regulate and control the discharge of sewage or
20 stormwater into any sewerage system owned or operated by the
21 authority, to adopt ordinances concerning stormwater management
22 programs designed to protect water quality by controlling the level of
23 pollutants in and the quantity and flow of stormwater, and to adopt
24 ordinances to regulate and control structural and natural stormwater
25 and drainage systems of all types. Prior to the adoption of any such
26 ordinance or any amendment to any such ordinance, the authority shall
27 first pass a declaration of intent to adopt such ordinance or
28 amendment. The declaration of intent shall describe the ordinance
29 which it is proposed that the authority adopt. The declaration of intent
30 shall be submitted to each governing body for review and comment.
31 The authority shall consider any comment or suggestions offered by
32 any governing body with respect to the proposed ordinance or
33 amendment. Thereafter, the authority shall be authorized to adopt such
34 ordinance or amendment to it at any time after 60 days following the
35 submission of the declaration of intent to each governing body.

36 (14d) To require the owners of developed property on which there are
37 situated one or more residential dwelling units or commercial
38 establishments located within the jurisdiction of the authority and
39 within a reasonable distance of any waterline or sewer collection line
40 owned, leased as lessee, or operated by the authority to connect the
41 property with the waterline, sewer connection line, or both, and fix
42 charges for the connections. The power granted by this subdivision
43 may be exercised by an authority only to the extent that the service,
44 whether water, sewer, or a combination thereof, to be provided by the

1 authority is not then being provided to the improved property by any
2 other political subdivision or by a public utility regulated by the North
3 Carolina Utilities Commission pursuant to Chapter 62 of the General
4 Statutes. In the case of improved property that would qualify for the
5 issuance of a building permit for the construction of one or more
6 residential dwelling units or commercial establishments, and where the
7 authority has installed water or sewer lines or a combination thereof
8 directly available to the property, the authority may require payment of
9 a periodic availability charge, not to exceed the minimum periodic
10 service charge for properties that are connected. This subdivision
11 applies only to a water and sewer authority whose membership
12 includes part or all of a county that has a population of at least 40,000
13 according to the most recent annual population estimates certified by
14 the State Planning Officer.

15 (15) To do all acts and things necessary or convenient to carry out the
16 powers granted by this Article.

17 (16) To purchase real or personal property as provided by G.S. 160A-20, in
18 addition to any other method allowed under this Article.

19 **"§ 162A-117. Revenue bonds.**

20 A county utility authority may, from time to time, issue revenue bonds under the
21 Local Government Revenue Bond Act.

22 **"§ 162A-118. Rates and charges; contracts for water or services; deposits;**
23 **delinquent charges.**

24 (a) An authority may establish and revise a schedule of rates, fees, and other
25 charges for the use of and for the services furnished or to be furnished by any water
26 system or sewer system or parts thereof owned or operated by the authority. The rates,
27 fees, and charges established under this subsection are not subject to supervision or
28 regulation by any bureau, board, commission, or other agency of the State or of any
29 political subdivision.

30 Before an authority sets or revises rates, fees, or other charges for stormwater
31 management programs and structural or natural stormwater and drainage system
32 service, the authority shall hold a public hearing on the matter. At least seven days
33 before the hearing, the authority shall publish notice of the public hearing in a
34 newspaper having general circulation in the area. An authority may impose rates, fees,
35 or other charges for stormwater management programs and stormwater and drainage
36 system service on a person even though the person has not entered into a contract to
37 receive the service.

38 Rates, fees, and charges shall be fixed and revised so that the revenues of the
39 authority, together with any other available funds, will be sufficient at all times:

40 (1) To pay the cost of maintaining, repairing, and operating the systems or
41 parts thereof owned or operated by the authority, including reserves for
42 such purposes, and including provision for the payment of principal of
43 and interest on indebtedness of a political subdivision or of political
44 subdivisions which payment shall have been assumed by the authority.

1 (2) To pay the principal of and the interest on all bonds issued by the
2 authority under the provisions of this Article as the same shall become
3 due and payable and to provide reserves therefor.

4 (3) To pay the principal of and the interest on all bonds issued by county
5 for its water and sewer systems prior to those systems having been
6 conveyed to the authority under the provisions of this Article as the
7 same shall become due and payable and to provide reserves therefor.

8 The fees established under this subsection must be made applicable throughout the
9 service area. Schedules of rates, fees, charges, and penalties for providing stormwater
10 management programs and structural and natural stormwater and drainage system
11 service may vary according to whether the property served is residential, commercial, or
12 industrial property, the property's use, the size of the property, the area of impervious
13 surfaces on the property, the quantity and quality of the runoff from the property, the
14 characteristics of the watershed into which stormwater from the property drains, and
15 other factors that affect the stormwater drainage system. Rates, fees, and charges
16 imposed under this subsection for stormwater management programs and stormwater
17 and drainage system service may not exceed the authority's cost of providing a
18 stormwater management program and a structural and natural stormwater and drainage
19 system. The authority's cost of providing a stormwater management program and a
20 structural and natural stormwater and drainage system includes any costs necessary to
21 assure that all aspects of stormwater quality and quantity are managed in accordance
22 with federal and State laws, regulations, and rules.

23 No stormwater utility fee may be levied under this subsection whenever two or more
24 units of local government operate separate stormwater management programs or
25 separate structural and natural stormwater and drainage system services in the same area
26 within a county. However, two or more units of local government may allocate among
27 themselves the functions, duties, powers, and responsibilities for jointly operating a
28 stormwater management program and structural and natural stormwater and drainage
29 system service in the same area within a county, provided that only one unit may levy a
30 fee for the service within the joint service area. For purposes of this subsection, a unit of
31 local government shall include a regional authority providing stormwater management
32 programs and structural and natural stormwater and drainage system services.

33 (b) Notwithstanding any of the foregoing provisions of this section, the authority
34 may enter into contracts relating to the collection, treatment, or disposal of sewage or
35 the purchase or sale of water which shall not be subject to revision except in accordance
36 with their terms.

37 (c) In order to ensure the payment of such rates, fees, and charges as the same
38 shall become due and payable, the authority may do the following in addition to
39 exercising any other remedies which it may have:

40 (1) Require reasonable advance deposits to be made with it to be subject
41 to application to the payment of delinquent rates, fees, and charges.

42 (2) At the expiration of 30 days after any rates, fees, and charges become
43 delinquent, discontinue supplying water or the services and facilities of
44 any water system or sewer system of the authority.

1 (3) Specify the order in which partial payments are to be applied when a
2 bill covers more than one service.

3 **"§ 162A-119. Adoption and enforcement of ordinances.**

4 (a) An authority shall have the same power as a city under G.S. 160A-175 to
5 assess civil fines and penalties for violation of its ordinances; and, an authority may
6 seek and recover injunctive relief to ensure compliance with its ordinances as provided
7 by this section.

8 (b) An ordinance may provide that its violation shall subject the offender to a
9 civil penalty of not more than one thousand dollars (\$1,000) per violation, to be
10 recovered by the authority in a civil action in the nature of debt if the offender does not
11 pay the penalty within a prescribed period of time after he has been cited for violation of
12 the ordinance. Any person assessed a civil penalty by the authority shall be notified of
13 the assessment by registered or certified mail, and the notice shall specify the reasons
14 for the assessment of the civil penalty. If the person assessed fails to pay the amount of
15 the assessment to the authority within 30 days after receipt of such notice, or such
16 longer period, not to exceed 180 days, as the authority may specify, the authority may
17 institute a civil action in the General Court of Justice of the county in which the
18 violation occurred, or, in the discretion of the authority, in the General Court of Justice
19 of the county in which the person has his or its principal place of business, to recover
20 the amount of the assessment. The validity of the authority's action in assessing the
21 violation may be appealed directly to the General Court of Justice in the county in which
22 the violation occurred, or may be raised at any time in the action to recover the
23 assessment. No failure to contest directly the validity of the authority's action in levying
24 the assessment shall preclude the person assessed from later raising the issue of validity
25 in any action to collect the assessment.

26 (c) An ordinance may provide that it may be enforced, and it may be enforced,
27 by any appropriate equitable remedy issuing from a court of competent jurisdiction. In
28 such cases, the General Court of Justice shall have jurisdiction and authority to issue
29 such orders as may be appropriate to enforce the ordinances of the authority, and it shall
30 not be a defense to the application made by the authority therefor that there is an
31 adequate remedy at law.

32 (d) Subject to the express terms of any ordinance, an ordinance adopted by the
33 authority may be enforced by any one, all, or a combination of the remedies authorized
34 and prescribed by this section.

35 (e) An ordinance may provide, when appropriate, that each day's continuing
36 violation thereof shall constitute and be a separate and distinct offense.

37 **"§ 162A-120. Moneys received deemed trust funds.**

38 All moneys received pursuant to the authority of this Article shall be deemed to be
39 trust funds, to be held and applied solely as provided in this Article. The resolution
40 authorizing the issuance of bonds or the trust agreement securing such bonds shall
41 provide that any officer to whom, or bank, trust company or fiscal agent to which, such
42 moneys shall be paid shall act as trustee of such moneys and shall hold and apply the
43 same for the purposes hereof, subject to such regulations as this Article and such
44 resolution or trust agreement may provide.

1 **"§ 162A-121. Bondholder's remedies.**

2 Any holder of revenue bonds issued under the provisions of this Article or of any of
3 the coupons appertaining thereto, and the trustee under any trust agreement, except to
4 the extent the rights herein given may be restricted by the resolution authorizing the
5 issuance of such bonds or such trust agreement, may, either at law or in equity, by suit,
6 action, mandamus, or other proceeding, protect and enforce any and all rights under the
7 laws of the State or granted hereunder or under such resolution or trust agreement, and
8 may enforce and compel the performance of all duties required by this Article or by
9 such resolution or trust agreement to be performed by the authority or by any officer
10 thereof, including the fixing, charging, and collecting of rates, fees, and charges for the
11 use of or for the services and facilities furnished by a water system or sewer system.

12 **"§ 162A-122. Refunding bonds.**

13 Each authority may issue, from time to time, revenue refunding bonds for the
14 purpose of refunding any revenue bonds of the authority then outstanding, including the
15 payment of any redemption premium thereon and any interest accrued or to accrue to
16 the date of redemption of such bonds. The authority further may issue, from time to
17 time, revenue bonds of the authority for the combined purpose of:

- 18 (1) Refunding any revenue bonds or revenue refunding bonds of the
19 authority then outstanding, including the payment of any redemption
20 premium thereon and any interest accrued or to accrue to the date of
21 redemption of such bonds.
22 (2) Paying all or any part of the cost of acquiring or constructing any
23 additional water system or sewer system or part thereof, or any
24 improvements, extensions, or enlargements of any water system or
25 sewer system.

26 The issuance of such bonds, the maturities and other details thereof, the rights and
27 remedies of the holders thereof, and the rights, powers, privileges, duties, and
28 obligations of the authority with respect to the same, shall be governed by the foregoing
29 provisions of this Article insofar as the same may be applicable.

30 **"§ 162A-123. Conveyances and contracts between political subdivisions and**
31 **authority.**

32 The governing body of any political subdivision may:

- 33 (1) Pursuant to the provisions of G.S. 160A-274 and subject to the
34 approval of the Local Government Commission, except for action
35 taken hereunder by any State agency, to transfer jurisdiction over, and
36 to lease, lend, grant, or convey to an authority upon the request of the
37 authority, upon such terms and conditions as the governing body of
38 such political subdivision may agree with the authority as reasonable
39 and fair, the whole or any part of any existing water system or sewer
40 system or such real or personal property as may be necessary or
41 desirable in connection with the acquisition, construction,
42 reconstruction, improvement, extension, enlargement, equipment,
43 repair, maintenance, or operation of any water system or sewer system

- 1 or part thereof by the authority, including public roads and other
2 property already devoted to public use.
- 3 (2) To make and enter into contracts or agreements with an authority,
4 upon such terms and conditions and for such periods as are agreed to
5 by the governing body of such political subdivision and the authority:
- 6 a. For the collection, treatment, or disposal of sewage by the
7 authority or for the purchase of a supply of water from the
8 authority.
- 9 b. For the collecting by such political subdivision or by the
10 authority of fees, rates, or charges for water furnished to such
11 political subdivision or to its inhabitants and for the services
12 and facilities rendered to such political subdivision or to its
13 inhabitants by any water system or sewer system of the
14 authority, and for the enforcement of delinquent charges for
15 such water, services, and facilities.
- 16 c. For shutting off the supply of water furnished by any water
17 system owned or operated by such political subdivision in the
18 event that the owner, tenant, or occupant of any premises
19 utilizing such water shall fail to pay any rates, fees, or charges
20 for the use of or for the services furnished by any sewer system
21 of the authority, within the time or times specified in such
22 contract.
- 23 d. For requiring the owners of developed property on which there
24 are situated one or more residential dwelling units or
25 commercial establishments located within the corporate limits
26 of the political subdivision and located within a reasonable
27 distance of any waterline or sewer connection line owned,
28 leased as lessee, or operated by the authority to connect to the
29 line and collecting, on behalf of the authority, charges for the
30 connections and requiring, as a condition to the issuance of any
31 development permit or building permit by the political
32 subdivision, evidence that any impact fee by the authority has
33 been paid by or on behalf of the applicant for the permit.
- 34 (3) To fix, and revise from time to time, rates, fees, and other charges for
35 water and for the services furnished or to be furnished by any water
36 system or sewer system of the authority, or parts thereof, under any
37 contract between the authority and such political subdivision, and to
38 pledge all or any part of the proceeds of such rates, fees, and charges
39 to the payment of any obligation of such political subdivision under
40 such contract.
- 41 (4) In its discretion, to submit to the qualified electors under the election
42 laws applicable to such political subdivision any contract or agreement
43 which such governing body is authorized to make and enter into with
44 the authority under the provisions of this Article.

1 **"§ 162A-124. Services to authority by private water companies; records of water**
2 **taken by authority; reports to the Commission.**

3 Each private water company which is supplying water to the owners, lessees, or
4 tenants of real property which is or will be served by any sewer system of an authority
5 is authorized to act as the billing and collecting agent of the authority for any rates, fees,
6 or charges imposed by the authority for the services rendered by such sewer system.
7 Any such company shall, if requested by an authority, furnish to the authority copies of
8 its regular periodic meter reading and water consumption records and other pertinent
9 data as may be required for the authority to act as its own billing and collecting agent.
10 The authority shall pay to such water company the reasonable additional cost of clerical
11 services and other expenses incurred by the water company in rendering such services
12 to the authority. The authority shall, by means of suitable measuring and recording
13 devices and facilities, record the quantity of water taken daily by it from any stream or
14 reservoir and make monthly reports of such daily recordings to the Commission.

15 **"§ 162A-125. Contributions or advances to authority by political subdivisions.**

16 Any political subdivision is hereby authorized to make contributions or advances to
17 an authority, from any moneys which may be available for such purpose, to provide for
18 the preliminary expenses of such authority in carrying out the provisions of this Article.
19 Any such advances may be repaid to such political subdivisions from the proceeds of
20 bonds issued by such authority under this Article.

21 **"§ 162A-126. Article regarded as supplemental.**

22 This Article provides an additional and alternative method for the doing of the things
23 authorized hereby and shall be regarded as supplemental and additional to powers
24 conferred by other laws, and shall not be regarded as in derogation of or as repealing
25 any powers now existing under any other law, either general, special, or local; provided,
26 however, that the issuance of revenue bonds or revenue refunding bonds under the
27 provisions of this Article need not comply with the requirements of any other law
28 applicable to the issuance of bonds.

29 **"§ 162A-127. Actions against authority by riparian owners.**

30 Any riparian owner alleging an injury as a result of any act of an authority created
31 under this Article may maintain an action for relief against the acts of the authority
32 either in the county where the lands of such riparian owner lie or in the county in which
33 the principal office of the authority is maintained.

34 **"§ 162A-128. Inconsistent laws declared inapplicable.**

35 All general, special, or local laws, or parts thereof, inconsistent herewith are hereby
36 declared to be inapplicable to the provisions of this Article."

37 **SECTION 2.** G.S. 40A-3(c) reads as rewritten:

38 "(c) Other Public Condemnors. – For the public use or benefit, the following
39 political entities shall possess the power of eminent domain and may acquire property
40 by purchase, gift, or condemnation for the stated purposes.

- 41 (1) A sanitary district board established under the provisions of Part 2 of
42 Article 2 of Chapter 130A for the purposes stated in that Part.

- 1 (2) The board of commissioners of a mosquito control district established
2 under the provisions of Part 2 of Article 12 of Chapter 130A for the
3 purposes stated in that Part.
- 4 (3) A hospital authority established under the provisions of Part B of
5 Article 2 of Chapter 131E for the purposes stated in that Part,
6 provided, however, that the provisions of G.S. 131E-24(c) shall
7 continue to apply.
- 8 (4) A watershed improvement district established under the provisions of
9 Article 2 of Chapter 139 for the purposes stated in that Article,
10 provided, however, that the provisions of G.S. 139-38 shall continue to
11 apply.
- 12 (5) A housing authority established under the provisions of Article 1 of
13 Chapter 157 for the purposes of that Article, provided, however, that
14 the provisions of G.S. 157-11 shall continue to apply.
- 15 (6) A corporation as defined in G.S. 157-50 for the purposes of Article 3
16 of Chapter 157, provided, however, the provisions of G.S. 157-50 shall
17 continue to apply.
- 18 (7) A commission established under the provisions of Article 22 of
19 Chapter 160A for the purposes of that Article.
- 20 (8) An authority created under the provisions of Article 1 of Chapter 162A
21 for the purposes of that Article.
- 22 (9) A district established under the provisions of Article 4 of Chapter
23 162A for the purposes of that Article.
- 24 (10) A district established under the provisions of Article 5 of Chapter
25 162A for purposes of that Article.
- 26 (11) The board of trustees of a community college established under the
27 provisions of Article 2 of Chapter 115D for the purposes of that
28 Article.
- 29 (12) A district established under the provisions of Article 6 of Chapter
30 162A for the purposes of that Article.
- 31 (13) A regional public transportation authority established under Article 26
32 of Chapter 160A of the General Statutes for the purposes of that
33 Article.
- 34 (14) An authority created under the provisions of Article 8 of Chapter 162A
35 of the General Statutes for the purposes of that Article.

36 The power of eminent domain shall be exercised by a public condemnor listed in this
37 subsection under the procedures of Article 3 of this Chapter."

38 **SECTION 3.** G.S. 58-32-10 reads as rewritten:

39 **"§ 58-32-10. Powers and duties of Commission.**

40 The Commission may acquire from an insurance company or insurance companies a
41 group plan of professional liability insurance covering the law-enforcement officers
42 and/or public officers and employees of any political subdivision of the State. The
43 Commission shall have full authority to negotiate with insurance companies submitting
44 bids or proposals and shall award its group plan master contract on the basis of the

1 company or companies found by it to offer maximum coverage at the most reasonable
2 premium. The Commission is authorized to enter into a master policy contract of such
3 term as it finds to be in the best interests of the law-enforcement officers and/or public
4 officers and employees of the political subdivisions of the State, not to exceed five
5 years. The Commission, in negotiating for such contract, is not authorized to pledge or
6 offer the credit of the State of North Carolina. The insurance premiums shall be paid by
7 the political subdivisions whose employees are covered by the professional liability
8 insurance. Any political subdivision may elect coverage for any or all of its employees
9 on a departmental basis; provided all employees in a department must be covered if
10 coverage is elected for that department. Nothing contained herein shall be construed to
11 require any political subdivision to participate in any group plan of professional liability
12 insurance.

13 The Commission may, in its discretion, employ professional and clerical staff whose
14 salaries shall be as established by the State Personnel Commission.

15 Should the Commission determine that reasonable coverage is not available at a
16 reasonable cost, the Commission may undertake such studies and inquiries into the
17 situation and alternatives, including self insurance and State administered funds, as the
18 Commission deems appropriate. The Commission shall then bring before the General
19 Assembly such recommendations as it deems appropriate.

20 The Commission may acquire information regarding loss ratios, loss factors, loss
21 experience and other such facts and figures from any agency or company issuing
22 professional liability insurance covering public officers, employees or law-enforcement
23 officers in the State of North Carolina. Such information shall not be deemed a public
24 record within the meaning of Chapter 132 of the General Statutes where it names the
25 company divulging such information, but the Commission may make public such
26 information to show aggregate statistics in respect to the experience of the State as a
27 whole. The information shall be provided to the Commission upon its written demand
28 and shall be submitted to the Commission by such company or companies upon sworn
29 affidavit. If any agency or company shall fail or refuse to supply such information to the
30 Commission within a reasonable time following receipt of the demand, the Commission
31 may apply to the Superior Court sitting in Wake County for appropriate orders to
32 enforce the demand.

33 For purposes of this section, the term "political subdivision" includes any county,
34 city, town, incorporated village, sanitary district, metropolitan water district, county
35 water and sewer district, water and sewer authority, county utility authority, hospital
36 authority, parking authority, local ABC boards, special airport district, airport authority,
37 soil and water conservation district created pursuant to G.S. 139-5, fire district,
38 volunteer or paid fire department, rescue squads, city or county parks and recreation
39 commissions, area mental health boards, area mental health, mental retardation and
40 substance abuse authority as described in G.S. 122C-117, domiciliary home community
41 advisory committees, county and district boards of health, nursing home advisory
42 committees, county boards of social services, local school administrative units, local
43 boards of education, community colleges, and all other persons, bodies, or agencies

1 authorized or regulated by Chapters 108A, 115C, 115D, 118, 122C, 130A, 131A, 131D,
2 131E, 153A, 160A, and 160B of the General Statutes."

3 **SECTION 4.** G.S. 105-164.14(c) reads as rewritten:

4 "(c) Certain Governmental Entities. – A governmental entity listed in this
5 subsection is allowed an annual refund of sales and use taxes paid by it under this
6 Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct
7 purchases of tangible personal property. Sales and use tax liability indirectly incurred by
8 a governmental entity on building materials, supplies, fixtures, and equipment that
9 become a part of or annexed to any building or structure that is owned or leased by the
10 governmental entity and is being erected, altered, or repaired for use by the
11 governmental entity is considered a sales or use tax liability incurred on direct
12 purchases by the governmental entity for the purpose of this subsection. A request for a
13 refund must be in writing and must include any information and documentation required
14 by the Secretary. A request for a refund is due within six months after the end of the
15 governmental entity's fiscal year.

16 This subsection applies only to the following governmental entities:

- 17 (1) A county.
- 18 (2) A city as defined in G.S. 160A-1.
- 19 (2a) A consolidated city-county as defined in G.S. 160B-2.
- 20 (2b) A local school administrative unit.
- 21 (3) A metropolitan sewerage district or a metropolitan water district in this
22 State.
- 23 (4) A water and sewer authority created under Chapter 162A of the
24 General Statutes.
- 25 (5) A lake authority created by a board of county commissioners pursuant
26 to an act of the General Assembly.
- 27 (6) A sanitary district.
- 28 (7) A regional solid waste management authority created pursuant to G.S.
29 153A-421.
- 30 (8) An area mental health, developmental disabilities, and substance abuse
31 authority, other than a single-county area authority, established
32 pursuant to Article 4 of Chapter 122C of the General Statutes.
- 33 (9) A district health department, or a public health authority created
34 pursuant to Part 1A of Article 2 of Chapter 130A of the General
35 Statutes.
- 36 (10) A regional council of governments created pursuant to G.S. 160A-470.
- 37 (11) A regional planning and economic development commission or a
38 regional economic development commission created pursuant to
39 Chapter 158 of the General Statutes.
- 40 (12) A regional planning commission created pursuant to G.S. 153A-391.
- 41 (13) A regional sports authority created pursuant to G.S. 160A-479.
- 42 (14) A public transportation authority created pursuant to Article 25 of
43 Chapter 160A of the General Statutes.

- 1 (14a) A facility authority created pursuant to Part 4 of Article 20 of Chapter
2 160A of the General Statutes.
- 3 (15) A regional public transportation authority created pursuant to Article
4 26 of Chapter 160A of the General Statutes, or a regional
5 transportation authority created pursuant to Article 27 of Chapter 160A
6 of the General Statutes.
- 7 (16) A local airport authority that was created pursuant to a local act of the
8 General Assembly.
- 9 (17) A joint agency created by interlocal agreement pursuant to G.S.
10 160A-462 to operate a public broadcasting television station.
- 11 (18) Repealed by Session Laws 2001-474, s. 7.
- 12 (19) Repealed by Session Laws 2001-474, s. 7.
- 13 (20) A constituent institution of The University of North Carolina, but only
14 with respect to sales and use tax paid by it for tangible personal
15 property acquired by it through the expenditure of contract and grant
16 funds.
- 17 (21) The University of North Carolina Hospitals at Chapel Hill.
- 18 (22) A regional natural gas district created pursuant to Article 28 of Chapter
19 160A of the General Statutes.
- 20 (23) A county utilities authority created under Chapter 162A of the General
21 Statutes."

22 **SECTION 5.** G.S. 105-334(8) reads as rewritten:

23 **"§ 130A-334. Definitions.**

24 The following definitions shall apply throughout this Article:

25 ...

- 26 (8) "Public or community wastewater system" means a single system of
27 wastewater collection, treatment and disposal owned and operated by a
28 sanitary district, a metropolitan sewage district, a water and sewer
29 authority, a county utilities authority, a county or municipality or a
30 public utility."

31 **SECTION 6.** G.S. 159-81(1) reads as rewritten:

32 **"§ 159-81. Definitions.**

33 The words and phrases defined in this section shall have the meanings indicated
34 when used in this Article:

- 35 (1) "Municipality" means a county, city, town, incorporated village,
36 sanitary district, metropolitan sewerage district, metropolitan water
37 district, county water and sewer district, water and sewer authority,
38 county utilities authority, hospital authority, hospital district, parking
39 authority, special airport district, regional public transportation
40 authority, regional transportation authority, regional natural gas
41 district, regional sports authority, airport authority, joint agency
42 created pursuant to Part 1 of Article 20 of Chapter 160A of the General
43 Statutes, and joint agency authorized by agreement between two cities

1 to operate an airport pursuant to G.S. 63-56, but not any other forms of
2 local government.

3

4 **SECTION 7.** G.S. 159G-3(10) reads as rewritten:

5 **"§ 159G-3. Definitions.**

6 As used in this Chapter, the following words shall have the meanings indicated,
7 unless the context clearly requires otherwise:

8 ...

9 (10) "Local government unit" means a county, city, town, incorporated
10 village, consolidated city-county, as defined by G.S. 160B-2(1),
11 including such a consolidated city-county acting with respect to an
12 urban service district defined by a consolidated city-county, sanitary
13 district, metropolitan sewerage district, metropolitan water district,
14 county water and sewer district, water and sewer authority, county
15 utilities authority, joint agency authorized by agreement between two
16 cities and towns to operate an airport pursuant to G.S. 63-56 and that
17 also provided water and wastewater services off the airport premises
18 before January 1, 1995, or joint agency created pursuant to Part 1 of
19 Article 20 of Chapter 160A of the General Statutes."

20 **SECTION 8.** G.S. 160A-20(h) reads as rewritten:

21 "(h) As used in this section, the term "unit of local government" means any of the
22 following:

- 23 (1) A county.
24 (2) A city.
25 (3) A water and sewer authority created under Article 1 of Chapter 162A
26 of the General Statutes.
27 (3a) A metropolitan sewerage district created under Article 5 of Chapter
28 162A of the General Statutes.
29 (3b) A sanitary district created under Part 2 of Article 2 of Chapter 130A of
30 the General Statutes.
31 (4) An airport authority whose situs is entirely within a county that has (i)
32 a population of over 120,000 according to the most recent federal
33 decennial census and (ii) an area of less than 200 square miles.
34 (5) An airport authority in a county in which there are two incorporated
35 municipalities with a population of more than 65,000 according to the
36 most recent federal decennial census.
37 (5a) An airport board or commission authorized by agreement between two
38 cities pursuant to G.S. 63-56, one of which is located partially but not
39 wholly in the county in which the jointly owned airport is located, and
40 where the board or commission provided water and wastewater
41 services off the airport premises before January 1, 1995; provided that
42 the authority granted by this section may be exercised by such a board
43 or commission with respect to water and wastewater systems or
44 improvements only.

- 1 (6) A local school administrative unit whose board of education is
2 authorized to levy a school tax.
- 3 (7) An area mental health, developmental disabilities, and substance abuse
4 authority, acting in accordance with G.S. 122C-147.
- 5 (8) A consolidated city-county, as defined by G.S. 160B-2(1).
- 6 (9) Repealed by Session Laws 2001-414, s. 52.
- 7 (10) A regional natural gas district, as defined by Article 28 of this Chapter.
- 8 (11) A regional public transportation authority or a regional transportation
9 authority created pursuant to Article 26 or Article 27 of this Chapter.
- 10 (12) A nonprofit corporation or association operating or leasing a public
11 hospital as defined in G.S. 159-39.
- 12 (13) A county utilities authority created under Article 8 of Chapter 162A of
13 the General Statutes."

14 **SECTION 9.** G.S. 160A-167(d) reads as rewritten:

15 "(d) For the purposes of this section, "authority" means an authority organized
16 under Article 1 of Chapter 162A of the General Statutes, the North Carolina Water and
17 Sewer Authorities ~~Act~~ Act, or under Article 8 of Chapter 162A of the General Statutes,
18 the North Carolina County Utility Authorities Act. "District" means a soil and water
19 conservation district organized under Chapter 139 of the General Statutes."

20 **SECTION 10.** This act is effective when it becomes law.