

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

S

2

SENATE BILL 1137  
Rules and Operations of the Senate Committee Substitute Adopted 10/1/02

Short Title: County Utilities Authority. (Public)

Sponsors:

Referred to:

June 3, 2002

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH A COUNTY UTILITIES AUTHORITY TO OPERATE  
3 WATER AND SEWER SYSTEMS IN CERTAIN COUNTIES.

4 The General Assembly of North Carolina enacts:

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

7 "Article 8.

8 "County Utility Authorities.

9 **"§ 162A-111. Title.**

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

12 **"§ 162A-112. Applicability.**

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

16 **"§ 162A-113. Creation of authority.**

17 (a) In any county in which this Article is applicable, there is created a county  
18 utilities authority.

19 (b) In any county in which an authority is created under this Article, the county  
20 shall convey to the authority all of its water and sewer systems. The authority is  
21 obligated to amortize any bonded indebtedness owed by the county on such systems.  
22 The county shall, within 60 days after this Article becomes effective, take all necessary  
23 action to convey such property and identify the indebtedness in question.

24 **"§ 162A-114. Membership of the authority.**

25 An authority created by this Article is governed by a board of directors consisting of  
26 seven members. The initial board shall be appointed by the board of commissioners of  
27 the county. All members shall be residents of that county. Members shall serve terms of  
28 four years. Of the initial members, one shall be appointed for a one-year term, two shall  
29 be appointed for two-year terms, two shall be appointed for three-year terms, and two

1 shall be appointed for four-year terms. After the expiration of the initial term, a  
2 successor to the member initially serving a one-year term shall be appointed by the  
3 Governor. In each year two other terms expire, the successor to one shall be appointed  
4 by the General Assembly upon the recommendation of the President Pro Tempore of the  
5 Senate, and the successor to the other shall be appointed by the General Assembly upon  
6 the recommendation of the Speaker of the House of Representatives. The members shall  
7 annually elect from among their membership a chair and a vice-chair and shall elect a  
8 secretary.

9 **"§ 162A-115. Definitions.**

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

- 12 (1) The word "authority" shall mean an authority created under the  
13 provisions of this Article.
- 14 (2) The word "Commission" shall mean the Environmental Management  
15 Commission.
- 16 (3) The word "cost" as applied to a water system or a sewer system shall  
17 include the purchase price of any such system, the cost of construction,  
18 the cost of all labor and materials, machinery and equipment, the cost  
19 of improvements, the cost of all lands, property, rights, easements and  
20 franchises acquired, financing charges, interest prior to and during  
21 construction and, if deemed advisable by the authority, for one year  
22 after completion of construction, cost of plans and specifications,  
23 surveys and estimates of cost and of revenues, cost of engineering and  
24 legal services, and all other expenses necessary or incident to  
25 determining the feasibility or practicability of such construction,  
26 administrative expense and such other expenses, including reasonable  
27 provision for working capital, as may be necessary or incident to the  
28 financing herein authorized. Any obligation or expense incurred by the  
29 authority or by any political subdivision prior to the issuance of bonds  
30 under the provisions of this Article in connection with any of the  
31 foregoing items or cost may be regarded as a part of such cost.
- 32 (4) The term "governing body" shall mean the board, commission,  
33 council, or other body, by whatever name it may be known, in which  
34 the general legislative powers of the political subdivision are vested.
- 35 (5) The word "improvements" shall mean such repairs, replacements,  
36 additions, extensions and betterments of and to a water system or a  
37 sewer system as are deemed necessary by the authority to place or to  
38 maintain such system in proper condition for its safe, efficient, and  
39 economic operation or to meet requirements for service in areas which  
40 may be served by the authority and for which no existing service is  
41 being rendered.
- 42 (6) The word "person" shall mean any and all persons, including  
43 individuals, firms, partnerships, associations, public or private  
44 institutions, municipalities, or political subdivisions, governmental

- 1                    agencies, or private or public corporations organized and existing  
2                    under the laws of this State or any other state or country.
- 3            (7)        The term "political subdivision" shall mean any county, city, town,  
4                    incorporated village, sanitary district, or other political subdivision or  
5                    public corporation of this State now or hereafter incorporated.
- 6            (7a)       The word "revenues" shall mean all moneys received by an authority  
7                    from or in connection with any sewer system or water system  
8                    including, without limitation, any moneys received as interest grants.
- 9            (8)        The word "sewage" shall mean the water-carried wastes created in and  
10                   carried or to be carried away from residences, hotels, schools,  
11                   hospitals, industrial establishments, commercial establishments, or any  
12                   other private or public building together with such surface or  
13                   groundwater or household and industrial wastes as may be present.
- 14           (9)        The term "sewage disposal system" shall mean and shall include any  
15                   plant, system, facility, or property used or useful or having the present  
16                   capacity for future use in connection with the collection, treatment,  
17                   purification, or disposal of sewage (including industrial wastes  
18                   resulting from any processes of industry, manufacture, trade, or  
19                   business or from the development of any natural resources), or any  
20                   integral part thereof, including, but not limited to, septic tank systems  
21                   or other on-site collection or disposal facilities or systems, treatment  
22                   plants, pumping stations, intercepting sewers, trunk sewers, pressure  
23                   lines, mains, and all necessary appurtenances and equipment, and all  
24                   property, rights, easements and franchises relating thereto and deemed  
25                   necessary or convenient by the authority for the operation thereof.
- 26           (10)       The word "sewers" shall include mains, pipes, and laterals for the  
27                   reception of sewage and carrying such sewage to an outfall or some  
28                   part of a sewage disposal system, including pumping stations where  
29                   deemed necessary by the authority.
- 30           (11)       The term "sewer system" shall embrace both sewers and sewage  
31                   disposal systems and all property, rights, easements and franchises  
32                   relating thereto.
- 33           (12)       The term "water system" shall mean and include all plants, systems,  
34                   facilities, or properties used or useful or having the present capacity  
35                   for future use in connection with the supply or distribution of water or  
36                   the control and drainage of stormwater runoff and any integral part  
37                   thereof, including, but not limited to, water supply systems, water  
38                   distribution systems, stormwater management programs designed to  
39                   protect water quality by controlling the level of pollutants in, and the  
40                   quantity and flow of, stormwater and structural and natural stormwater  
41                   and drainage systems of all types, sources of water supply including  
42                   lakes, reservoirs and wells, intakes, mains, laterals, aqueducts,  
43                   pumping stations, standpipes, filtration plants, purification plants,  
44                   hydrants, meters, valves, and all necessary appurtenances and

1 equipment and all properties, rights, easements and franchises relating  
2 thereto and deemed necessary or convenient by the authority for the  
3 operation thereof.

4 **"§ 162A-116. Powers of authority generally.**

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

8 (1) To adopt bylaws for the regulation of its affairs and the conduct of its  
9 business.

10 (2) To adopt an official seal and alter the same at pleasure.

11 (3) To maintain an office at such place or places as it may designate.

12 (4) To sue and be sued in its own name, plead and be impleaded.

13 (5) To acquire, lease as lessee or lessor, construct, reconstruct, improve,  
14 extend, enlarge, equip, repair, maintain, and operate any water system  
15 or part thereof or any sewer system or part thereof or any combination  
16 thereof within or without the participating political subdivisions or any  
17 thereof.

18 (6) To issue revenue bonds of the authority as hereinafter provided to pay  
19 the cost of such acquisition, construction, reconstruction,  
20 improvement, extension, enlargement, or equipment.

21 (7) To issue revenue refunding bonds of the authority as hereinafter  
22 provided.

23 (8) To combine any water system and any sewer system as a single system  
24 for the purpose of operation and financing.

25 (9) To fix and revise, from time to time, and to collect rates, fees, and  
26 other charges for the use of or for the services and facilities furnished  
27 by any system operated by the authority.

28 (10) To acquire in the name of the authority by gift, grant, purchase, devise,  
29 exchange, lease, acceptance of offers of dedication by plat, or any  
30 other lawful method, to the same extent and in the same manner as  
31 provided for cities and towns under the provisions of G.S. 160A-240.1  
32 and G.S. 160A-374, or the exercise of the right of eminent domain in  
33 accordance with the General Statutes which may be applicable to the  
34 exercise of such powers by municipalities or counties, any lands or  
35 rights in land or water rights in connection therewith, and to acquire  
36 such personal property, as it may deem necessary in connection with  
37 the acquisition, construction, reconstruction, improvement, extension,  
38 enlargement, or operation of any water system or sewer system, and to  
39 hold and dispose of all real and personal property under its control;  
40 provided, that the taking of water from any stream or reservoir by any  
41 authority created under the provisions of this Article shall not vest in  
42 the taker any rights by prescription; provided, further, that nothing in  
43 this section shall affect rights by prescription, if any, now held by any

1 municipality and which may be later transferred to any authority of  
2 which such municipality may become a member.

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

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

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

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

30 (14a) To make special assessments against benefited property within the area  
31 served or to be served by the authority for the purpose of constructing,  
32 reconstructing, extending, or otherwise improving water systems or  
33 sanitary collection, treatment, and sewage disposal systems, in the  
34 same manner that a county may make special assessments under  
35 authority Article 9 of Chapter 153A of the General Statutes, except  
36 that the language appearing in G.S. 153A-185 reading as follows: "A  
37 county may not assess property within a city pursuant to subdivision  
38 (1) or (2) of this section unless the governing board of the city has by  
39 resolution approved the project," shall not apply. For the purposes of  
40 this paragraph, references in Article 9 of Chapter 153A of the General  
41 Statutes to the "county," the "board of county commissioners," "the  
42 board", or a specific county official or employee are deemed to refer,  
43 respectively, to the authority and to the official or employee of the

1 authority who performs most nearly the same duties performed by the  
2 specified county official or employee.

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

10 (14b) To provide for the defense of civil and criminal actions and payment  
11 of civil judgments against employees and officers or former employees  
12 and officers and members or former members of the governing body as  
13 authorized by G.S. 160A-167, as amended.

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

31 (14d) To require the owners of developed property on which there are  
32 situated one or more residential dwelling units or commercial  
33 establishments located within the jurisdiction of the authority and  
34 within a reasonable distance of any waterline or sewer collection line  
35 owned, leased as lessee, or operated by the authority to connect the  
36 property with the waterline, sewer connection line, or both, and fix  
37 charges for the connections. The power granted by this subdivision  
38 may be exercised by an authority only to the extent that the service,  
39 whether water, sewer, or a combination thereof, to be provided by the  
40 authority is not then being provided to the improved property by any  
41 other political subdivision or by a public utility regulated by the North  
42 Carolina Utilities Commission pursuant to Chapter 62 of the General  
43 Statutes. In the case of improved property that would qualify for the  
44 issuance of a building permit for the construction of one or more

1           residential dwelling units or commercial establishments, and where the  
2           authority has installed water or sewer lines or a combination thereof  
3           directly available to the property, the authority may require payment of  
4           a periodic availability charge, not to exceed the minimum periodic  
5           service charge for properties that are connected. This subdivision  
6           applies only to a water and sewer authority whose membership  
7           includes part or all of a county that has a population of at least 40,000  
8           according to the most recent annual population estimates certified by  
9           the State Planning Officer.

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

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

14           **"§ 162A-117. Revenue bonds.**

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

17           **"§ 162A-118. Rates and charges; contracts for water or services; deposits;**  
18           **delinquent charges.**

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

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

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

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

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

43           (3) To pay the principal of and the interest on all bonds issued by county  
44           for its water and sewer systems prior to those systems having been

1           conveyed to the authority under the provisions of this Article as the  
2           same shall become due and payable and to provide reserves therefor.

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

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

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

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

- 35           (1) Require reasonable advance deposits to be made with it to be subject  
36           to application to the payment of delinquent rates, fees, and charges.
- 37           (2) At the expiration of 30 days after any rates, fees, and charges become  
38           delinquent, discontinue supplying water or the services and facilities of  
39           any water system or sewer system of the authority.
- 40           (3) Specify the order in which partial payments are to be applied when a  
41           bill covers more than one service.

42          **"§ 162A-119. Adoption and enforcement of ordinances.**

43          (a) An authority shall have the same power as a city under G.S. 160A-175 to  
44          assess civil fines and penalties for violation of its ordinances; and, an authority may



1 seek and recover injunctive relief to ensure compliance with its ordinances as provided  
2 by this section.

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

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

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

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

32 **"§ 162A-120. Moneys received deemed trust funds.**

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

40 **"§ 162A-121. Bondholder's remedies.**

41 Any holder of revenue bonds issued under the provisions of this Article or of any of  
42 the coupons appertaining thereto, and the trustee under any trust agreement, except to  
43 the extent the rights herein given may be restricted by the resolution authorizing the  
44 issuance of such bonds or such trust agreement, may, either at law or in equity, by suit,

1 action, mandamus, or other proceeding, protect and enforce any and all rights under the  
2 laws of the State or granted hereunder or under such resolution or trust agreement, and  
3 may enforce and compel the performance of all duties required by this Article or by  
4 such resolution or trust agreement to be performed by the authority or by any officer  
5 thereof, including the fixing, charging, and collecting of rates, fees, and charges for the  
6 use of or for the services and facilities furnished by a water system or sewer system.

7 **"§ 162A-122. Refunding bonds.**

8 Each authority may issue, from time to time, revenue refunding bonds for the  
9 purpose of refunding any revenue bonds of the authority then outstanding, including the  
10 payment of any redemption premium thereon and any interest accrued or to accrue to  
11 the date of redemption of such bonds. The authority further may issue, from time to  
12 time, revenue bonds of the authority for the combined purpose of:

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

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

25 **"§ 162A-123. Conveyances and contracts between political subdivisions and**  
26 **authority.**

27 The governing body of any political subdivision may:

- 28 (1) Pursuant to the provisions of G.S. 160A-274 and subject to the  
29 approval of the Local Government Commission, except for action  
30 taken hereunder by any State agency, to transfer jurisdiction over, and  
31 to lease, lend, grant, or convey to an authority upon the request of the  
32 authority, upon such terms and conditions as the governing body of  
33 such political subdivision may agree with the authority as reasonable  
34 and fair, the whole or any part of any existing water system or sewer  
35 system or such real or personal property as may be necessary or  
36 desirable in connection with the acquisition, construction,  
37 reconstruction, improvement, extension, enlargement, equipment,  
38 repair, maintenance, or operation of any water system or sewer system  
39 or part thereof by the authority, including public roads and other  
40 property already devoted to public use.  
41 (2) To make and enter into contracts or agreements with an authority,  
42 upon such terms and conditions and for such periods as are agreed to  
43 by the governing body of such political subdivision and the authority:

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

40    **"§ 162A-124. Services to authority by private water companies; records of water**  
41    **taken by authority; reports to the Commission.**

42    Each private water company which is supplying water to the owners, lessees, or  
43    tenants of real property which is or will be served by any sewer system of an authority  
44    is authorized to act as the billing and collecting agent of the authority for any rates, fees,

1 or charges imposed by the authority for the services rendered by such sewer system.  
2 Any such company shall, if requested by an authority, furnish to the authority copies of  
3 its regular periodic meter reading and water consumption records and other pertinent  
4 data as may be required for the authority to act as its own billing and collecting agent.  
5 The authority shall pay to such water company the reasonable additional cost of clerical  
6 services and other expenses incurred by the water company in rendering such services  
7 to the authority. The authority shall, by means of suitable measuring and recording  
8 devices and facilities, record the quantity of water taken daily by it from any stream or  
9 reservoir and make monthly reports of such daily recordings to the Commission.

10 **"§ 162A-125. Contributions or advances to authority by political subdivisions.**

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

16 **"§ 162A-126. Article regarded as supplemental.**

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

24 **"§ 162A-127. Actions against authority by riparian owners.**

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

29 **"§ 162A-128. Inconsistent laws declared inapplicable.**

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

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

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

- 36 (1) A sanitary district board established under the provisions of Part 2 of  
37 Article 2 of Chapter 130A for the purposes stated in that Part.
- 38 (2) The board of commissioners of a mosquito control district established  
39 under the provisions of Part 2 of Article 12 of Chapter 130A for the  
40 purposes stated in that Part.
- 41 (3) A hospital authority established under the provisions of Part B of  
42 Article 2 of Chapter 131E for the purposes stated in that Part,  
43 provided, however, that the provisions of G.S. 131E-24(c) shall  
44 continue to apply.

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

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

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

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

33 The Commission may acquire from an insurance company or insurance companies a  
34 group plan of professional liability insurance covering the law-enforcement officers  
35 and/or public officers and employees of any political subdivision of the State. The  
36 Commission shall have full authority to negotiate with insurance companies submitting  
37 bids or proposals and shall award its group plan master contract on the basis of the  
38 company or companies found by it to offer maximum coverage at the most reasonable  
39 premium. The Commission is authorized to enter into a master policy contract of such  
40 term as it finds to be in the best interests of the law-enforcement officers and/or public  
41 officers and employees of the political subdivisions of the State, not to exceed five  
42 years. The Commission, in negotiating for such contract, is not authorized to pledge or  
43 offer the credit of the State of North Carolina. The insurance premiums shall be paid by  
44 the political subdivisions whose employees are covered by the professional liability

1 insurance. Any political subdivision may elect coverage for any or all of its employees  
2 on a departmental basis; provided all employees in a department must be covered if  
3 coverage is elected for that department. Nothing contained herein shall be construed to  
4 require any political subdivision to participate in any group plan of professional liability  
5 insurance.

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

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

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

26 For purposes of this section, the term "political subdivision" includes any county,  
27 city, town, incorporated village, sanitary district, metropolitan water district, county  
28 water and sewer district, water and sewer authority, county utility authority, hospital  
29 authority, parking authority, local ABC boards, special airport district, airport authority,  
30 soil and water conservation district created pursuant to G.S. 139-5, fire district,  
31 volunteer or paid fire department, rescue squads, city or county parks and recreation  
32 commissions, area mental health boards, area mental health, mental retardation and  
33 substance abuse authority as described in G.S. 122C-117, domiciliary home community  
34 advisory committees, county and district boards of health, nursing home advisory  
35 committees, county boards of social services, local school administrative units, local  
36 boards of education, community colleges, and all other persons, bodies, or agencies  
37 authorized or regulated by Chapters 108A, 115C, 115D, 118, 122C, 130A, 131A, 131D,  
38 131E, 153A, 160A, and 160B of the General Statutes."

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

40 "(c) Certain Governmental Entities. – A governmental entity listed in this  
41 subsection is allowed an annual refund of sales and use taxes paid by it under this  
42 Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct  
43 purchases of tangible personal property. Sales and use tax liability indirectly incurred by  
44 a governmental entity on building materials, supplies, fixtures, and equipment that

1 become a part of or annexed to any building or structure that is owned or leased by the  
2 governmental entity and is being erected, altered, or repaired for use by the  
3 governmental entity is considered a sales or use tax liability incurred on direct  
4 purchases by the governmental entity for the purpose of this subsection. A request for a  
5 refund must be in writing and must include any information and documentation required  
6 by the Secretary. A request for a refund is due within six months after the end of the  
7 governmental entity's fiscal year.

8 This subsection applies only to the following governmental entities:

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

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

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

15 **"§ 130A-334. Definitions.**

16 The following definitions shall apply throughout this Article:

17 ...

- 18 (8) "Public or community wastewater system" means a single system of  
19 wastewater collection, treatment and disposal owned and operated by a  
20 sanitary district, a metropolitan sewage district, a water and sewer  
21 authority, a county utilities authority, a county or municipality or a  
22 public utility."

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

24 **"§ 159-81. Definitions.**

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

- 27 (1) "Municipality" means a county, city, town, incorporated village,  
28 sanitary district, metropolitan sewerage district, metropolitan water  
29 district, county water and sewer district, water and sewer authority,  
30 county utilities authority, hospital authority, hospital district, parking  
31 authority, special airport district, regional public transportation  
32 authority, regional transportation authority, regional natural gas  
33 district, regional sports authority, airport authority, joint agency  
34 created pursuant to Part 1 of Article 20 of Chapter 160A of the General  
35 Statutes, and joint agency authorized by agreement between two cities  
36 to operate an airport pursuant to G.S. 63-56, but not any other forms of  
37 local government.

38 ....

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

40 **"§ 159G-3. Definitions.**

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

43 ...



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

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

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

- 15 (1) A county.  
16 (2) A city.  
17 (3) A water and sewer authority created under Article 1 of Chapter 162A  
18 of the General Statutes.  
19 (3a) A metropolitan sewerage district created under Article 5 of Chapter  
20 162A of the General Statutes.  
21 (3b) A sanitary district created under Part 2 of Article 2 of Chapter 130A of  
22 the General Statutes.  
23 (4) An airport authority whose situs is entirely within a county that has (i)  
24 a population of over 120,000 according to the most recent federal  
25 decennial census and (ii) an area of less than 200 square miles.  
26 (5) An airport authority in a county in which there are two incorporated  
27 municipalities with a population of more than 65,000 according to the  
28 most recent federal decennial census.  
29 (5a) An airport board or commission authorized by agreement between two  
30 cities pursuant to G.S. 63-56, one of which is located partially but not  
31 wholly in the county in which the jointly owned airport is located, and  
32 where the board or commission provided water and wastewater  
33 services off the airport premises before January 1, 1995; provided that  
34 the authority granted by this section may be exercised by such a board  
35 or commission with respect to water and wastewater systems or  
36 improvements only.  
37 (6) A local school administrative unit whose board of education is  
38 authorized to levy a school tax.  
39 (7) An area mental health, developmental disabilities, and substance abuse  
40 authority, acting in accordance with G.S. 122C-147.  
41 (8) A consolidated city-county, as defined by G.S. 160B-2(1).  
42 (9) Repealed by Session Laws 2001-414, s. 52.  
43 (10) A regional natural gas district, as defined by Article 28 of this Chapter.

- 1           (11) A regional public transportation authority or a regional transportation  
2           authority created pursuant to Article 26 or Article 27 of this Chapter.  
3           (12) A nonprofit corporation or association operating or leasing a public  
4           hospital as defined in G.S. 159-39.  
5           (13) A county utilities authority created under Article 8 of Chapter 162A of  
6           the General Statutes."

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

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

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