

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 472\*  
State and Local Government Committee Substitute Adopted 4/19/11  
House Committee Substitute Favorable 6/21/12

Short Title: Kinston Public Enterprises.

(Local)

Sponsors:

Referred to:

March 31, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT REGARDING THE OPERATION OF PUBLIC ENTERPRISES BY THE CITY OF  
3 KINSTON.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 160A-312 reads as rewritten:

6 "§ 160A-312. Authority to operate public enterprises.

7 (a) A city shall have authority to acquire, construct, establish, enlarge, improve,  
8 maintain, own, operate, and contract for the operation of any or all of the public enterprises as  
9 defined in this Article to furnish services to the city and its ~~citizens.~~ citizens and other areas and  
10 their citizens located outside the corporate limits of the city. Subject to Part 2 of this Article, a  
11 city may acquire, construct, establish, enlarge, improve, maintain, own, and operate any public  
12 enterprise outside its corporate limits, within reasonable ~~limitations, but in no case shall a city~~  
13 ~~be held liable for damages to those outside the corporate limits for failure to furnish any public~~  
14 ~~enterprise service limitations.~~

15 (b) A city shall have full authority to protect and regulate any public enterprise system  
16 belonging to or operated by it by adequate and reasonable rules. The rules shall be adopted by  
17 ~~ordinance~~ ordinance, and shall comply with all of the following:

- 18 (1) The rules shall apply equally to the public enterprise system both within and  
19 outside the corporate limits of the city.
- 20 (2) The rules may not apply differing treatment within and outside the corporate  
21 limits of the city.
- 22 (3) The rules shall make access to public enterprise services available to the city  
23 and its citizens and other areas and their citizens located outside the  
24 corporate limits of the city equally.
- 25 (4) The rules may prioritize the continuation of the provision of services based  
26 on availability of excess capacity to provide the service.
- 27 (5) The rules ~~and~~ may be enforced with the remedies available under any  
28 provision of law.

29 (c) A city may operate that part of a gas system involving the purchase and/or lease of  
30 natural gas fields, natural gas reserves and natural gas supplies and the surveying, drilling or  
31 any other activities related to the exploration for natural gas, in a partnership or joint venture  
32 arrangement with natural gas utilities and private enterprise.

33 (d) A city shall account for a public enterprise in a separate fund and may not transfer  
34 any money from that fund to another except for a capital project fund established for the  
35 construction or replacement of assets for that public enterprise. Obligations of the public



1 enterprise may be paid out of the separate fund. Obligations shall not include any other fund or  
2 line item in the city's budget."

3       **SECTION 2.** This act applies only to the City of Kinston. Section 1 of this act shall  
4 not apply to the operation of electric power generation, transmission, and distribution systems;  
5 public transportation systems; or off-street parking facilities and systems as public enterprises.

6       **SECTION 3.** This act becomes effective June 30, 2013. Section 1 of this act  
7 applies to the fiscal year 2013-2014 and thereafter, but the city may implement any rate  
8 changes required by that section over a two-year period from the effective date. Any assets,  
9 liabilities, or equity of a public enterprise operated or held by the city during the fiscal year  
10 2011-2012 shall be transferred to a separate fund in accordance with G.S. 160A-312, as  
11 amended by Section 1 of this act, when this act becomes law.