

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 570*

Short Title: Water/Wastewater Public Enterprise Reform. (Public)

Sponsors: Representatives McGrady and Hanig (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Energy and Public Utilities, if favorable, State and Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 4, 2019

A BILL TO BE ENTITLED

AN ACT TO IMPROVE VIABILITY OF THE WATER AND WASTEWATER SYSTEMS OF CERTAIN UNITS OF LOCAL GOVERNMENT BY REQUIRING LOCAL GOVERNMENT COMMISSION APPROVAL OF GRANT APPLICATIONS; TO REQUIRE CERTAIN WATER AND WASTEWATER SYSTEMS TO UNDERGO A REVIEW OF INFRASTRUCTURE MANAGEMENT, ORGANIZATIONAL MANAGEMENT, AND FINANCIAL MANAGEMENT; TO CREATE THE VIABLE UTILITY RESERVE TO PROVIDE GRANT MONEY FOR LOCAL GOVERNMENT UNITS; TO CREATE A MONTHLY SURCHARGE TO FUND THE VIABLE UTILITY RESERVE; TO PROVIDE A STATUTORY PROCESS FOR MERGER AND DISSOLUTION OF WATER AND WASTEWATER SYSTEMS ESTABLISHED UNDER CHAPTER 162A OF THE GENERAL STATUTES; TO PROMOTE THE IMPORTANCE OF INTERLOCAL AGREEMENTS TO THE OPERATION OF WATER AND WASTEWATER SYSTEMS; AND TO STUDY SUB-BASIN TRANSFERS AND HISTORICAL CHARTERS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 159G-20 reads as rewritten:

"§ 159G-20. Definitions.

The following definitions apply in this Chapter:

...

(4a) Distressed unit. – A public water system or wastewater system operated by a local government unit exhibiting signs of failure to identify or address those financial or operating needs necessary to enable that system to become or to remain a local government unit generating sufficient revenues to adequately fund management and operations, personnel, appropriate levels of maintenance, and reinvestment that facilitate the provision of reliable water or wastewater services.

...

(13) Local government unit. – Any of the following:

- a. A city as defined in G.S. 160A-1.
- b. A county.
- c. A consolidated city-county as defined in G.S. 160B-2.



- 1 d. ~~A county water and sewer district created pursuant to Article 6 of~~
 2 ~~Chapter 162A of the General Statutes.~~Any of the following entities
 3 created pursuant to Chapter 162A of the General Statutes:
 4 1. A water and sewer authority created pursuant to Article 1.
 5 2. A metropolitan water district created pursuant to Article 4.
 6 3. A metropolitan sewerage district created pursuant to Article 5.
 7 4. A metropolitan water and sewerage district created pursuant to
 8 Article 5A.
 9 5. A county water and sewer district created pursuant to Article
 10 6.
 11 e. ~~A metropolitan sewerage district or a metropolitan water district~~
 12 ~~created pursuant to Article 4 of Chapter 162A of the General Statutes.~~
 13 f. ~~A water and sewer authority created under Article 1 of Chapter 162A~~
 14 ~~of the General Statutes.~~
 15 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter
 16 130A of the General Statutes.
 17 h. A joint agency created pursuant to Part 1 or Part 5 of Article 20 of
 18 Chapter 160A of the General Statutes.
 19 i. A joint agency that was created by agreement between two cities and
 20 towns to operate an airport pursuant to G.S. 63-56 and that provided
 21 drinking water and wastewater services off the airport premises before
 22 1 January 1995.

23 ...
 24 (22a) Viable Utility Reserve. – The Viable Utility Reserve established in
 25 G.S. 159G-22 as an account in the Water Infrastructure Fund.

26"
 27 **SECTION 1.(b)** G.S. 159G-21 is amended by adding a new subdivision to read:
 28 "(3) Revenue received under G.S. 162A-221 to provide grants to be administered
 29 in accordance with this Chapter."

30 **SECTION 1.(c)** G.S. 159G-22 is amended by adding two new subsections to read:
 31 "(h) Viable Utility Reserve. – The Viable Utility Reserve is established as an account
 32 within the Water Infrastructure Fund. The account is established to receive amounts collected
 33 under G.S. 162A-221, as well as any appropriated State funds, to be used for grants to local
 34 government units for those purposes authorized under this Article. Revenue credited to the Viable
 35 Utility Reserve is neither received from the federal government nor provided as a match for
 36 federal funds.

37 (i) Viable Utility Accounts. – The Department is directed to establish accounts within
 38 the Viable Utility Reserve to administer grants for public water systems or wastewater systems
 39 owned by local government units."

40 **SECTION 1.(d)** G.S. 159G-30 reads as rewritten:

41 "**§ 159G-30. Department's responsibility.**

42 The Department, through the ~~Division of Water Infrastructure,~~ Division, administers loans
 43 the following:

- 44 (1) Loans and grants made from the CWSRF, the DWSRF, the Wastewater
 45 Reserve, and the Drinking Water Reserve and shall administer the Reserve.
- 46 (2) The award of funds by the State Water Infrastructure Authority from the
 47 Community Development Block Grant program to local government units for
 48 infrastructure projects.
- 49 (3) Grants made from the Viable Utility Reserve."

50 **SECTION 1.(e)** G.S. 159G-31 is amended by adding a new subsection to read:

1 "(d) A local government unit is eligible to apply for a grant from the Viable Utility
2 Reserve."

3 **SECTION 1.(f)** G.S. 159G-32 is amended by adding a new subsection to read:

4 "(d) Viable Utility Reserve. – The Department is authorized to make grants from the
5 Viable Utility Reserve to do any of the following:

6 (1) Provide physical interconnection and extension of public water or wastewater
7 infrastructure to provide regional service.

8 (2) Rehabilitate existing public water or wastewater infrastructure.

9 (3) Decentralize an existing public water system or wastewater system into
10 smaller viable parts.

11 (4) Fund a study of any one or more of the following:

12 a. Rates.

13 b. Asset inventory and assessment.

14 c. Merger and regionalization options.

15 (5) Fund other options deemed feasible which results in local government units
16 generating sufficient revenues to adequately fund management and
17 operations, personnel, appropriate levels of maintenance, and reinvestment
18 that facilitate the provision of reliable water or wastewater services."

19 **SECTION 1.(g)** Article 2 of Chapter 159G of the General Statutes is amended by
20 adding a new section to read:

21 **"§ 159G-34A. Grant types available from Viable Utility Reserve.**

22 (a) The Department is authorized to make the following types of grants from the Viable
23 Utility Reserve:

24 (1) Asset assessment and rate study grant. – An asset inventory and assessment
25 grant is available to inventory the existing public water or wastewater system,
26 or both, document the condition of the inventoried infrastructure, and conduct
27 a rate study to determine a rate structure sufficient to prevent the local
28 government unit from becoming a distressed unit.

29 (2) Merger/regionalization feasibility grant. – A merger/regionalization grant is
30 available to determine the feasibility of consolidating the management of
31 multiple utilities into a single utility operation or to provide regional treatment
32 or water supply and the best way of carrying out the consolidation or
33 regionalization. The Department shall not make a grant under this subdivision
34 for a merger or regionalization proposal that would result in a new surface
35 water transfer regulated under G.S. 143-215.22L.

36 (3) Project grant. – A project grant is available for a portion of the costs of a public
37 water system or wastewater system project as defined in G.S. 159G-32(d).

38 (b) Each type of grant must be administered through a separate account within the Viable
39 Utility Reserve.

40 (c) The Department of Environmental Quality, through the Division of Water
41 Infrastructure, may budget and commit to grants based upon estimates of collections remitted in
42 accordance with G.S. 162A-222 provided by the Office of State Budget and Management and
43 the Fiscal Research Division of the Legislative Services Commission. If the actual remittance of
44 collections in accordance with G.S. 162A-222 is less than the estimate for that given year, no
45 grant shall be awarded and priority shall be given to that local government unit in the next
46 subsequent year."

47 **SECTION 1.(h)** G.S. 159G-35 reads as rewritten:

48 **"§ 159G-35. Criteria for loans and grants.**

49 (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or
50 grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts
51 must meet the criteria set under federal law. The Department is directed to establish through

1 negotiation with the United States Environmental Protection Agency the criteria for evaluating
2 applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to
3 the criteria. The Department must incorporate the negotiated criteria and priorities in the
4 Capitalization Grant Operating Agreement between the Department and the United States
5 Environmental Protection Agency. The criteria and priorities incorporated in the Agreement
6 apply to a loan or grant from the CWSRF or the DWSRF. The priority considerations in
7 G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the DWSRF.

8 (b) Certain Reserves. – The priority considerations in G.S. 159G-23 apply to a loan or
9 grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may
10 establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the
11 Drinking Water Reserve.

12 (c) Viable Utility Reserve. – The Local Government Commission and the Authority shall
13 jointly develop evaluation criteria for grants from the Viable Utility Reserve. This evaluation
14 criteria shall be used to review applications and award grants as provided in G.S. 159G-39."

15 **SECTION 1.(i)** G.S. 159G-36 reads as rewritten:

16 "**§ 159G-36. Limits on loans and grants.**

17 (a) CWSRF and DWSRF. – Federal law governs loans and grants from the CWSRF and
18 the DWSRF. An award of a loan or grant from one of these accounts must be consistent with
19 federal law.

20 (b) Certain Reserve Cost Limit. – The amount of a loan or grant from the Wastewater
21 Reserve or the Drinking Water Reserve may not exceed the construction costs of a project. A
22 loan or grant from one of these Reserves is available only to the extent that other funding sources
23 are not reasonably available to the applicant.

24 (b1) Viable Utility Reserve Cost Limit. – The amount of a grant from the Viable Utility
25 Reserve may not exceed the construction costs of a project. A grant from this Reserve is available
26 only to the extent that other funding sources are not reasonably available to the applicant.

27 (c) Certain Reserve Recipient Limit. – The following limits apply to the loan or grant
28 types made from the Wastewater Reserve or the Drinking Water Reserve to the same local
29 government unit or nonprofit water corporation:

- 30 (1) The amount of loans awarded for a fiscal year may not exceed three million
31 dollars (\$3,000,000).
- 32 (2) The amount of loans awarded for three consecutive fiscal years for targeted
33 interest rate projects may not exceed three million dollars (\$3,000,000).
- 34 (3) The amount of project grants awarded for three consecutive fiscal years may
35 not exceed three million dollars (\$3,000,000).
- 36 (4) The amount of merger/regionalization feasibility grants awarded for three
37 consecutive fiscal years may not exceed fifty thousand dollars (\$50,000).
- 38 (5) The amount of asset inventory and assessment grants awarded for three
39 consecutive fiscal years may not exceed one hundred fifty thousand dollars
40 (\$150,000).

41 (d) Viable Utility Reserve Recipient Limit. – Grants under the Viable Utility Reserve
42 shall not exceed fifteen million dollars (\$15,000,000) to any single local government unit. Where
43 two or more local government units are merging into a single utility, the total grant awarded shall
44 not exceed thirty million dollars (\$30,000,000)."

45 **SECTION 1.(j)** G.S. 159G-37 reads as rewritten:

46 "**§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water**
47 **Reserve, Reserve, and Viable Utility Reserve.**

48 (a) Application. – An application for a loan or grant from the CWSRF, the Wastewater
49 Reserve, the DWSRF, or the Drinking Water Reserve, or a grant from the Viable Utility
50 Reserve, must be filed with the ~~Division of Water Infrastructure of the Department~~ Division. An
51 application must be submitted on a form prescribed by the Division and must contain the

1 information required by the Division. An applicant must submit to the Division any additional
2 information requested by the Division to enable the Division to make a determination on the
3 application. An application that does not contain information required on the application or
4 requested by the Division is incomplete and is not eligible for consideration. An applicant may
5 submit an application in as many categories as it is eligible for consideration under this Article.

6 (b) Certification. – ~~The Division of Water Infrastructure~~ shall require all local
7 governments applying for loans or grants for water or wastewater purposes to certify that no
8 funds received from water or wastewater utility operations have been transferred to the local
9 government's general fund for the purpose of supplementing the resources of the general fund.
10 The prohibition in this section shall not be interpreted to include payments made to the local
11 government to reimburse the general fund for expenses paid from that fund that are reasonably
12 allocable to the regular and ongoing operations of the utility, including, but not limited to, rent
13 and shared facility costs, engineering and design work, plan review, and shared personnel costs."

14 **SECTION 1.(k)** G.S. 159G-39 is amended by adding a new subsection to read:

15 "(e) Viable Utility Reserve Terms. – The Department may not award a grant from the
16 Viable Utility Reserve Fund unless the Local Government Commission approves the award of
17 the grant and the terms of the grant. The Department and the Local Government Commission
18 may, in their discretion, impose specific performance measures or conditions on any grant
19 awarded from the Viable Utility Reserve."

20 **SECTION 1.(l)** Article 2 of Chapter 159G of the General Statutes is amended by
21 adding a new section to read:

22 "**§ 159G-45. Assessment of local government units; assistance.**

23 (a) The Authority and the Local Government Commission shall develop criteria to
24 determine how local government units should be assessed and reviewed in accordance with this
25 section, and such criteria shall address at least all of the following:

- 26 (1) Whether the public water or wastewater system that serves less than 10,000
27 customers.
- 28 (2) Whether the public water or wastewater system has an established,
29 operational, and adequately funded program for its repair, maintenance, and
30 management.
- 31 (3) Whether the annual debt service is disproportionate to the public water or
32 wastewater system's annual revenue.
- 33 (4) Whether the local government unit has appropriated monies from its utility or
34 public service enterprise fund in accordance with G.S. 159-13(b)(14) in two
35 or more of the preceding five fiscal years without maintaining a reserve fund
36 sufficient to provide for operating expenses, capital outlay, and debt service.
- 37 (5) Whether the local government unit has appropriated monies to supplement the
38 operating expenses, capital outlay, or debt service on outstanding utility or
39 enterprise bonds or notes in excess of the user fees collected in two or more
40 of the preceding five fiscal years.

41 (b) Utilizing the assessment and review process, the Authority and Local Government
42 Commission shall identify distressed units. Each distressed unit identified under this subsection
43 shall do all of the following:

- 44 (1) Conduct an asset assessment and rate study, as directed and approved by the
45 Authority and the Local Government Commission.
- 46 (2) Participate in a training and educational program approved by the Authority
47 and the Local Government Commission for that distressed unit. Attendance
48 shall be mandatory for any governing board members and staff whose
49 participation is required by the Authority and Local Government Commission.
50 The scope of training and education, and its method of delivery, shall be at the
51 discretion of the Authority and Local Government Commission.

- 1 (1) The name of the unit to be merged or dissolved.
- 2 (2) The names of the district board members of the unit to be merged or dissolved.
- 3 (3) The proposed date of the merger or dissolution.
- 4 (4) A map or description of the jurisdiction of the unit to be merged or dissolved.
- 5 (5) The name of the entity with whom the unit will be merged, if applicable.
- 6 (6) The names of the governing board members or district board members of the
7 entity with which the unit is proposed to be merged, if applicable.
- 8 (7) A map or description of the jurisdiction of the entity with which the unit is
9 proposed to be merged.
- 10 (8) Resolutions adopted by each district board or governing board requesting the
11 merger or dissolution.
- 12 (9) A request from each chair of a district board requesting a merger or dissolution
13 that a representative of the Environmental Management Commission hold a
14 public hearing in that district to discuss the proposed merger or dissolution
15 and to receive public comment. The date, time, and place of the public hearing
16 shall be mutually agreed to by the chair of the Environmental Management
17 Commission and the chair of each requesting district board.
- 18 (10) A copy of the most recent audit performed in accordance with G.S. 159-34 for
19 the unit to be merged or dissolved.
- 20 (11) A copy of any permits issued by the Department of Environmental Quality to
21 the unit to be merged or dissolved.
- 22 (12) A copy of any grant awarded under Article 2 of this Chapter involving the unit
23 to be merged or dissolved, and any conditions thereof, if applicable.
- 24 (13) Any other information deemed necessary by the Department of Environmental
25 Quality, the Local Government Commission, or the Environmental
26 Management Commission.

27 (b) Upon receipt of a request to dissolve or merge, the Environmental Management
28 Commission shall provide a copy of all information submitted in accordance with this section to
29 the Department of Environmental Quality and the Local Government Commission.

30 (c) Upon confirmation of the time and place of the public hearing, each district board of
31 an affected unit and any other governing board affected shall do all of the following:

- 32 (1) Cause notice of the public hearing to be posted, at least 30 days prior to the
33 hearing, at the courthouse in any county within which the affected unit lies.
- 34 (2) Publish the notice at least once a week for four successive weeks in a
35 newspaper having general circulation in the affected unit, the first publication
36 to be at least 30 days prior to the public hearing.
- 37 (3) Publish notice in any other manner required by the Environmental
38 Management Commission.

39 **"§ 162A-860. Merger of units.**

40 (a) Any unit may merge with any other unit, any county, any city, any consolidated
41 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the
42 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
43 160A of the General Statutes, or any joint agency that was created by agreement between two
44 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
45 and wastewater services off the airport premises before January 1, 1995, if such merger is a
46 condition of receiving a grant from the Viable Utility Reserve as provided in Article 2 of Chapter
47 159G of the General Statutes. The Environmental Management Commission shall adopt a
48 resolution transferring the assets, liabilities, and other obligations to the entity with which the
49 unit is being merged and dissolving the unit as provided for in this Article.

50 (b) Any unit may merge with any other unit, any county, any city, any consolidated
51 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the

1 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
2 160A of the General Statutes, or any joint agency that was created by agreement between two
3 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
4 and wastewater services off the airport premises before January 1, 1995, on approval by the
5 Environmental Management Commission, upon consultation with the Department of
6 Environmental Quality and the Local Government Commission. The Environmental
7 Management Commission may adopt a resolution transferring the assets, liabilities, and other
8 obligations to the entity with which the unit is being merged and dissolving the unit as provided
9 for in this Article, if the Environmental Management Commission deems the merger in the best
10 interest of the people of the State.

11 (c) The Environmental Management Commission shall adopt a resolution dissolving a
12 unit and transferring the assets, liabilities, and other obligations of the unit to another unit when
13 the procedures set forth in G.S. 162A-855 have been completed and all of the following apply:

14 (1) Both units are created pursuant to Article 5 of this Chapter.

15 (2) Both units are located in the same county.

16 (3) The jurisdiction of the units are contiguous.

17 (4) The unit to be merged and dissolved does not directly provide sewerage
18 services to any customers.

19 (5) The unit to be merged and dissolved leases its assets to the unit with which it
20 is proposed to be merged.

21 (6) The unit to be merged and dissolved has no outstanding debts.

22 **"§ 162A-865. Dissolution of units.**

23 (a) Any unit may be dissolved, if such dissolution is a condition of a grant from the Viable
24 Utility Reserve as provided in Article 2 of Chapter 159G of the General Statutes. The
25 Environmental Management Commission shall adopt a resolution transferring the assets,
26 liabilities, and other obligations as provided for in the grant conditions imposed under Article 2
27 of Chapter 159G of the General Statutes.

28 (b) Any unit may be dissolved in order to merge that unit with any other unit, any county,
29 any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article
30 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5
31 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by
32 agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that
33 provided drinking water and wastewater services off the airport premises before January 1, 1995,
34 and establish a new entity created under the General Statutes, on approval by the Environmental
35 Management Commission, upon consultation with the Department of Environmental Quality and
36 the Local Government Commission. The Environmental Management Commission may adopt a
37 resolution transferring the assets, liabilities, and other obligations to the new entity and dissolving
38 the unit as provided for in this Article, if the Environmental Management Commission deems the
39 merger in the best interest of the people of the State.

40 **"§ 162A-870. Effective date of merger or dissolution.**

41 Upon the adoption of a resolution of merger or dissolution by the Environmental
42 Management Commission as provided in this Article, the effective date for merger and
43 dissolution shall be fixed as of June 30 following the adoption of the resolution or the second
44 June 30 following adoption of the resolution.

45 **"§ 162A-875. Effect of merger or dissolution.**

46 (a) Upon adoption of the resolution of merger or dissolution by the Environmental
47 Management Commission, all of the following shall apply on the effective date set forth in the
48 resolution:

49 (1) All property, real, personal, and mixed, including accounts receivable,
50 belonging to the dissolving unit shall be transferred, disposed of, or otherwise
51 accounted for as provided in the resolution of merger or dissolution.

- 1 (2) All judgments, liens, rights of liens, and causes of action of any nature in favor
2 of the dissolving unit shall vest in and remain and inure to the benefit of the
3 merged district.
- 4 (3) All taxes, assessments, sewer charges, and any other debts, charges, or fees
5 owing to the dissolving unit shall be owed to and collected as provided in the
6 resolution of merger or dissolution.
- 7 (4) All actions, suits, and proceedings pending against, or having been instituted
8 by, the dissolving unit shall not be abated by merger, but all such actions,
9 suits, and proceedings shall be continued and completed in the same manner
10 as if merger had not occurred, and the merged entity shall be a party to all
11 such actions, suits, and proceedings in the place and stead of the dissolving
12 unit and shall pay or cause to be paid any judgments rendered against the
13 dissolving unit in any such actions, suits, or proceedings. No new process is
14 required to be served in any such action, suit, or proceeding.
- 15 (5) All obligations of the dissolving unit, including outstanding indebtedness,
16 shall be assumed as provided in the resolution of merger or dissolution, and
17 all such obligations and outstanding indebtedness shall constitute obligations
18 and indebtedness as provided in the resolution of merger or dissolution.
- 19 (6) All ordinances, rules, regulations, and policies of the dissolving unit shall
20 continue in full force and effect until repealed or amended by the governing
21 body of the merged entity.
- 22 (7) The dissolving unit shall be abolished, and shall no longer be constituted a
23 public body or a body politic and corporate, except for purposes of carrying
24 into effect the provisions and intent of this section.
- 25 (8) Governance of the district shall be as specified in the resolution of merger or
26 dissolution, which may be amended by the Environmental Management
27 Commission as needed.

28 (b) All governing boards and district boards are authorized to take the actions and execute
29 the documents necessary to effectuate the provisions and intent of this section."

30 **SECTION 3.(b)** This section becomes effective October 1, 2019.

31 **SECTION 4.** Article 20 of Chapter 160A of the General Statutes is amended by
32 adding a new Part to read:

33 "Part 5. Water and Wastewater Systems.

34 **"§ 160A-481.1. Definitions.**

35 The words defined in this section shall have the meanings indicated when used in this Part:

36 (1) Local government unit. – Defined in G.S. 159G-20.

37 (2) Undertaking. – Defined in G.S. 160A-460.

38 (3) Unit of local government. – Defined in G.S. 160A-460.

39 **"§ 160A-481.2. Interlocal cooperation authorized.**

40 Interlocal cooperation, as provided in Part 1 of this Article, is authorized between any local
41 government unit and any other unit of local government in this State for any purpose. When two
42 or more local government units agree to contract for one or more undertakings under this Part,
43 the provisions of Part 1 of this Article apply."

44 **SECTION 5.(a)** The Department of Environmental Quality shall study the statutes
45 and rules governing subbasin transfers and make recommendations as to whether the statutes and
46 rules should be amended. The study shall specifically examine whether transfers of water
47 between subbasins within the same major river basin should continue to be required to comply
48 with all of the same requirements under G.S. 143-215.22L as transfers of water between major
49 river basins. In conducting this study, the Department shall consider whether the costs of
50 complying with specific requirements, including financial costs and time, are justified by the

1 benefits of the requirements, including the production of useful information and public notice
2 and involvement.

3 **SECTION 5.(b)** No later than October 1, 2019, the Department of Environmental
4 Quality shall report its findings and recommendations to the Environmental Review
5 Commission.

6 **SECTION 6.(a)** The Treasurer and Secretary of State shall study and make
7 recommendations as to the feasibility of authorizing historical charters for units of local
8 government that have become, or are on the brink of becoming, defunct. The study shall
9 specifically examine whether such historical charters are needed, the impact of such charters on
10 the bond rating of the State and its political subdivisions, and the consequences of such historical
11 charters.

12 **SECTION 6.(b)** No later than March 1, 2020, the Treasurer and Secretary of State
13 shall report their findings and recommendations to the General Assembly.

14 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
15 law.