

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

S

1

SENATE BILL 434

Short Title: Merger of Certain Sewerage Districts. (Public)

Sponsors: Senator Sanderson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 2, 2019

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING THE DISSOLUTION OF CERTAIN METROPOLITAN SEWERAGE
3 DISTRICTS AND TRANSFERRING THE DISSOLVING DISTRICTS' ASSETS AND
4 LIABILITIES TO AN ADJACENT DISTRICT IN THE SAME COUNTY.

5 The General Assembly of North Carolina enacts:

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

8 "**§ 162A-82. Mandatory merger of certain districts.**

9 (a) The Environmental Management Commission shall adopt a resolution dissolving a
10 district and transferring the assets, liabilities, and other obligations of the district to another
11 district located in the same county when the procedures set forth in subsection (b) have been
12 completed and when all of the following describe the two districts:

13 (1) The districts are located in a county with a population of less than 15,000,
14 according to the latest federal decennial census, and with nine or more
15 incorporated municipalities within its jurisdiction.

16 (2) The districts collectively provide services to no less than six of the
17 municipalities.

18 (3) The areas served by each district are contiguous.

19 (4) The district to be dissolved does not directly provide sewerage services to any
20 customers and leases its assets to the district to which its assets and liabilities
21 are proposed to be transferred.

22 (b) Before the dissolution and merger of districts as provided in subsection (a) of this
23 section, the following must occur:

24 (1) The boards of directors of each district shall adopt a resolution requesting the
25 merger.

26 (2) The chair of each board of directors shall submit the resolution to the
27 Environmental Management Commission and, at the same time, shall request
28 that a representative of the Environmental Management Commission hold a
29 public hearing in the proposed merged district to discuss the proposed merger
30 and to receive public comment. The time and place of the public hearing shall
31 be mutually agreed to by the chair of the Environmental Management
32 Commission and the chairs of the board of directors.

33 (3) Each board of directors shall (i) cause notice of the public hearing to be posted,
34 at least 30 days prior to the hearing, at the courthouse in the county within
35 which the merged district will lie and (ii) publish the notice at least once a
36 week for four successive weeks in a newspaper having general circulation in



1 the proposed merged district, the first publication to be at least 30 days prior
2 to the public hearing.

3 (c) The merger of districts under this section shall become effective on the following July
4 1 after the resolution described in subsection (a) of this section has been adopted by the
5 Environmental Management Commission.

6 (d) Upon the adoption of a resolution by the Environmental Management Commission as
7 provided in subsection (a) of this section, all of the following shall apply on the effective date set
8 forth in subsection (c) of this section:

9 (1) All property, real, personal, and mixed, including accounts receivable,
10 belonging to the dissolving district shall vest in, belong to, and be the property
11 of the merged district. All district boards are authorized to take the actions and
12 to execute the documents necessary to effectuate the provisions and intent of
13 this section.

14 (2) All judgments, liens, rights of liens, and causes of action of any nature in favor
15 of the dissolving district shall vest in and remain and inure to the benefit of
16 the merged district.

17 (3) All taxes, assessments, sewer charges, and any other debts, charges, or fees
18 owing to the dissolving district shall be owed to and collected by the merged
19 district.

20 (4) All actions, suits, and proceedings pending against, or having been instituted
21 by, the dissolving district shall not be abated by the merger, but all such
22 actions, suits, and proceedings shall be continued and completed in the same
23 manner as if merger had not occurred, and the merged district shall be a party
24 to all such actions, suits, and proceedings in the place and stead of the
25 dissolving district and shall pay or cause to be paid any judgments rendered
26 against the dissolving district in any such actions, suits, or proceedings. No
27 new process is required to be served in any such action, suit, or proceeding.

28 (5) All obligations of the dissolving district, including outstanding indebtedness,
29 shall be assumed by the merged district, and all such obligations and
30 outstanding indebtedness shall constitute obligations and indebtedness of the
31 merged district.

32 (6) All ordinances, rules, regulations, and policies of the dissolved district shall
33 continue in full force and effect until repealed or amended by the governing
34 body of the merged district.

35 (7) The dissolving district shall be abolished, and shall no longer be constituted a
36 public body or a body politic and corporate, except for purposes of carrying
37 into effect the provisions and intent of this section."

38 **SECTION 2.** This act becomes effective October 1, 2019.