

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 831
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10373-LM-122

Short Title: Cities/Prohibited Service Agreements.

(Public)

Sponsors: Representative Iler.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT CITIES SHALL NOT ENTER INTO AGREEMENTS WITH
3 PUBLIC WATER OR SEWER SYSTEMS THAT CONDITION THE PROVISION OR
4 EXTENSION OF WATER OR SEWER SERVICES UPON THE ANNEXATION OF THE
5 AREA TO BE SERVED BY THE CITY OR WATER AND SEWER SERVICE DISTRICT.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 160A-58.24 reads as rewritten:
8 **"§ 160A-58.24. Contents of agreements; procedure.**

9 ...
10 (g) No agreement entered into under this Part by a city and a "public water or sewer
11 system," as that term is defined in G.S. 160A-58.56(a), shall condition the provision or extension
12 of water or sewer services, or both, upon the annexation of the area to be served by the city or by
13 the public water or sewer service district."

14 **SECTION 2.** Part 1 of Article 16 of Chapter 160A of the General Statutes is amended
15 by adding a new section to read as follows:

16 **"§ 160A-330. Annexation a prohibited condition of service.**

17 A city shall not enter into any agreement that conditions or otherwise restricts the provision
18 or extension of a public enterprise service, as defined in G.S. 160A-311, upon the annexation of
19 the area to be served by the city."

20 **SECTION 3.** G.S. 160A-464 reads as rewritten:

21 **"§ 160A-464. Provisions of the agreement.**

22 (a) Any contract or agreement establishing an undertaking shall specify:

23 ...
24 (b) No contract or agreement establishing an undertaking under this Part by a city and a
25 "public water or sewer system," as that term is defined in G.S. 160A-58.56(a), shall condition
26 the provision or extension of water or sewer services, or both, upon the annexation of the area to
27 be served by the city or the public water or sewer service district."

28 **SECTION 4.** This act is effective when it becomes law and applies to agreements or
29 contracts entered into on or after that date.

