

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 831

Short Title: Cities/Prohibited Service Agreements. (Public)

Sponsors: Representative Iler.

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

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

May 5, 2021

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 160A-58.24 reads as rewritten:

**"§ 160A-58.24. Contents of agreements; procedure.**

...

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

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

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

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

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

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

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

...

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

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

