

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1105

Short Title: County Assume Indebtedness.

(Public)

Sponsors: Representative Stewart.

Referred to: Government.

April 7, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW COUNTIES TO ASSUME THE INDEBTEDNESS OF  
3 CERTAIN SPECIAL DISTRICTS.

4 The General Assembly of North Carolina enacts:

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

7 **“ARTICLE 7.**

8 **“ASSUMPTION OF INDEBTEDNESS OF CERTAIN DISTRICTS.**

9 **“§ 162A-101. Assumption of indebtedness of certain districts.**

10 A county may assume all indebtedness of any:

- 11 (1) Water and sewer authority organized under Article 1 of this Chapter;  
12 (2) Metropolitan water district organized under Article 4 of this Chapter;  
13 (3) Metropolitan sewerage district organized under Article 5 of this  
14 Chapter; or  
15 (4) County water and sewer district organized under Article 6 of this  
16 Chapter

17 in the county lawfully incurred for paying all or any part of the cost of a water supply  
18 and distribution system, a sewerage system, or both, subject to approval thereof by a  
19 majority of the qualified voters of the county voting at an election thereon. Any such  
20 election shall be called and held in accordance with the provisions of the Local  
21 Government Finance Act, insofar as the same may be made applicable, and the returns  
22 of such election shall be canvassed and a statement of the result thereof prepared,  
23 recorded and published as provided in the Local Government Finance Act. No right of  
24 action or defense founded upon the invalidity of the election shall be asserted nor shall

1 the validity of the election be open to question in any court upon any ground whatever,  
2 except in an action or proceeding commenced within 30 days after the publication of  
3 such statement of result. In the event that any such indebtedness of a water and sewer  
4 authority, metropolitan water district, metropolitan sewerage district, or county water  
5 and sewer district is assumed by the county, there shall be annually levied and collected  
6 a tax ad valorem upon all the taxable property in the county sufficient to pay such  
7 assumed indebtedness and the interest thereon as the same become due and payable;  
8 provided, however, that such tax may be reduced by the amount of other moneys  
9 actually available for such purpose. Such tax shall be determined, levied and collected  
10 in the manner provided by law.

11 Nothing herein shall prevent any water and sewer authority, metropolitan water  
12 district, metropolitan sewerage district, or county water and sewer district from levying  
13 taxes to provide for the payment of its debt service requirements as to indebtedness  
14 incurred for paying all or any part of the cost of a water supply and distribution system  
15 or sewerage system or both if such debt service requirements shall not have been  
16 otherwise provided for."

17 Sec. 2. This act is effective upon ratification.