

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 432*
Finance Committee Substitute Adopted 4/2/01
Third Edition Engrossed 4/3/01
House Committee Substitute Favorable 5/30/01

Short Title: Water and Sewer Authorities.

(Public)

Sponsors:

Referred to:

March 13, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW NONPROFIT WATER CORPORATIONS AND THE STATE
OF NORTH CAROLINA TO JOIN CERTAIN WATER AND SEWER
AUTHORITIES AND CONCERNING THE RIGHT OF SUBSEQUENTLY
JOINING MUNICIPALITIES TO HAVE VOTING MEMBERSHIP.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 162A-3 is amended by adding two new subsections to
read:

"(a1) If an authority is organized by three or more political subdivisions, it may include in its organization up to two nonprofit water corporations. The board of directors of a nonprofit water corporation must signify the corporation's determination to participate in the organization of the authority by adopting a resolution that meets the requirements of subsection (b) of this section. The nonprofit water corporation is not subject to the notice and public hearing requirements of subsection (a) of this section. For all other purposes of this Article, the nonprofit water corporation shall be considered to be a political subdivision.

(a2) If an authority is organized by three or more political subdivisions, it may include in its organization the State of North Carolina. The State of North Carolina is not subject to the notice and public hearing requirements of subsection (a) of this section. For purposes of this Article, the State of North Carolina shall be a political subdivision and its governing body shall be the Council of State."

SECTION 2. G.S. 162A-3.1 is amended by adding two new subsections to
read:

"(a1) If an authority is organized by three or more political subdivisions, it may include in its organization up to two nonprofit water corporations. The board of directors of a nonprofit water corporation must signify the corporation's determination to participate in the organization of the authority by adopting a resolution that meets the

1 requirements of subsection (b) of this section. The nonprofit water corporation is not
2 subject to the notice and public hearing requirements of subsection (a) of this section.
3 For all other purposes of this Article, the nonprofit water corporation shall be
4 considered to be a political subdivision.

5 (a2) If an authority is organized by three or more political subdivisions, it may
6 include in its organization the State of North Carolina. The State of North Carolina is
7 not subject to the notice and public hearing requirements of subsection (a) of this
8 section. For purposes of this Article, the State of North Carolina shall be a political
9 subdivision and its governing body shall be the Council of State."

10 **SECTION 2.1.** G.S. 162A-5(a) reads as rewritten:

11 "(a) Each authority organized under this Article shall consist of the number of
12 members as may be agreed upon by the participating political subdivisions, such
13 members to be selected by the respective political subdivision. A proportionate number
14 (as nearly as can be) of members of the authority first appointed shall have terms
15 expiring one year, two years and three years respectively from the date on which the
16 creation of the authority becomes effective. Successor members and members appointed
17 by a political subdivision subsequently joining the authority shall each be appointed for
18 a term of three years, but any person appointed to fill the vacancy shall be appointed to
19 serve only for the unexpired term and any member may be reappointed; provided,
20 however, that a political subdivision subsequently joining an authority created under
21 ~~G.S. 162A-3.1~~ G.S. 162A-3.1, or under the provisions of G.S. 162A-3 other than
22 subsection (a1), shall not have the right to appoint any members to such authority.
23 Appointments of successor members shall, in each instance, be made by the governing
24 body of the political subdivision appointing the member whose successor is to be
25 appointed. Any member of the authority may be removed, with or without cause, by the
26 governing body appointing said member. This subsection does not apply in the case of
27 an authority that a city joins under G.S. 162A-5.1."

28 **SECTION 3.** The creation of any Water and Sewer Authority under Article
29 1 of Chapter 162A of the General Statutes on or after July 1, 2000, but before this act
30 became law, that would have been permitted under that Article, as amended by Sections
31 1 and 2 of this act, is validated and confirmed as to the membership of nonprofit water
32 corporations.

33 **SECTION 4.** This act is effective when it becomes law.