

§ 160A-841. Local Government Commission control.

(a) If the Commission determines a city should be subject to this Part but the Commission has not exercised its authority under G.S. 159-181(c) after completion of the financial assessment and receipt or completion of the report required by G.S. 160A-833, the Commission may impound the books and records of the city and assume full control of all its financial affairs. If the Commission exercises its authority under this section, the Commission is vested with all of the powers of the council as to the levy of taxes, expenditure of money, adoption of budgets, and all other financial powers conferred upon the council by law.

(b) When the Commission exercises its authority under G.S. 159-181(c) or subsection (a) of this section with respect to a city subject to this Part, the council shall continue to be vested with all other powers of the city, such as land use regulation, not assumed by the Commission. The council shall have no authority to implement any new service or other amenity unless specifically approved by the Commission.

(c) Regardless of whether the Commission exercises its authority under G.S. 159-181(c) or subsection (a) of this section, a city subject to this Part shall cooperate with the Commission to identify options to address deficiencies in the city's financial affairs, to identify potential partners to assist the city in the continuation of the provision of services to its citizens, and to educate the council and the citizens on merger with other local government partners. A city that fails to cooperate under this section is subject to those enforcement actions under Article 11 of Chapter 159 of the General Statutes.

(d) Subsection (a) of this section shall not apply to contractual obligations undertaken by the city in a debt instrument issued pursuant to Chapter 159G of the General Statutes unless such debt instrument is secured by a pledge of the faith and credit of the city. (2021-124, s. 6.)