

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 537
HOUSE BILL 332

AN ACT TO DEFINE A CONSOLIDATED CITY-COUNTY; TO AUTHORIZE THE GOVERNING BOARD OF A CONSOLIDATED CITY-COUNTY TO DEFINE, EXTEND, CONSOLIDATE AND ABOLISH URBAN SERVICE DISTRICTS; TO AUTHORIZE THE GOVERNING BOARD OF A CONSOLIDATED CITY-COUNTY TO LEVY TAXES WITHIN URBAN SERVICE DISTRICTS; AND TO SET FORTH THE DEBT LIMITS AND PROCEDURES FOR A CONSOLIDATED CITY-COUNTY.

The General Assembly of North Carolina enacts:

Section 1. The General Statutes of North Carolina are amended by adding thereto a new Chapter to read as follows:

"Chapter 155.
Consolidated City-County Act
"Article 1

"Title and Definition

"§ 155-1. **Title.** — This Act shall be cited as the 'Consolidated City-County Act of 1973' and is enacted pursuant to Article V, Section 2(4) of the North Carolina Constitution, effective July 1, 1973.

"§ 155-2. **Definitions.** — In this Chapter:

- (1) 'Consolidated city-county' means any county where the largest municipality in the county has been abolished and its powers, duties, rights, privileges and immunities consolidated with those of the county. Other municipalities in the county, if any, may or may not have been abolished and their powers, duties, rights, privileges and immunities consolidated with those of the county.
- (2) 'Governing board' means the governing board of a consolidated city-county.

"Article 2

"Defining Urban Service Districts

"§ 155-3. **Authority; purpose of districts.** — The governing board may define any number of urban service districts in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire consolidated city-county.

"§ 155-4. **Definition of urban service districts to replace municipalities abolished at the time of consolidation.** — The governing board, by resolution, may define an urban service district within the boundaries of the largest municipality that existed in the county before consolidation and within the boundaries of any other municipality abolished at the time of the establishment of the consolidated city-county. Any urban service district so defined shall comprise the total area of the abolished municipality as it existed immediately before the effective date of consolidation. The resolution shall take effect upon its adoption.

"§ 155-5. **Definition of urban service districts to replace municipalities abolished subsequent to consolidation.** — The governing board, by resolution, may define an urban service district within the boundaries of any municipality within the consolidated city-county the citizens of which, subsequent to the establishment of the consolidated city-county, have

voted in a referendum to abolish their municipality and consolidate its powers, duties, rights, privileges and immunities with those of the consolidated city-county. An urban service district so defined shall comprise the total area of the municipality as it existed immediately before the effective date of its abolition. The resolution shall take effect at the beginning of the fiscal year next occurring after its adoption.

"§ 155-6. Definition of urban service districts where no municipality existed. — (a) Standards. The governing board, by resolution, may define an urban service district upon finding that a proposed district:

- (1) has a resident population of at least 1,000;
- (2) has a resident population density of at least one person per acre;
- (3) has an assessed valuation of at least two and one-half million dollars;
- (4) requires one or more of the services, facilities and functions that are provided or maintained only or to a greater extent for an urban service district; and
- (5) does not include any territory within an active incorporated municipality.

(b) Report. Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

- (1) a map of the proposed district, showing its proposed boundaries;
- (2) a statement showing that the proposed district meets the standards of subsection (a); and
- (3) a plan for providing urban services, facilities and functions for the district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) Hearing and Notice. The governing board shall hold a public hearing prior to adoption of any resolution defining a new urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. The notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition it shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the proposed district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed and his certificate shall be conclusive in the absence of fraud. The hearing may be held within the proposed district.

(d) Effective Date. The resolution defining an urban service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board.

"§ 155.7. Extension of urban service districts. — (a) Standards. The governing board, by resolution, may extend by annexation the boundaries of any urban service district upon finding that:

- (1) the area to be annexed is contiguous to the district, with at least one-eighth of the area's aggregate external boundary coincident with the existing boundary of the district;
- (2) the area to be annexed has a resident population density of at least one person per acre and an assessed valuation of at least one thousand dollars (\$1,000) per resident person; or the area to be annexed is so developed that at least sixty per cent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes and at least sixty per cent (60%) of the total acreage of the area at the time of annexation is devoted to these uses; and

(3) the area to be annexed requires the services, facilities or functions that are provided for the contiguous urban service district.

(b) Annexation by Petition. The governing board also, by resolution, may extend by annexation the boundaries of any urban service district when one hundred per cent (100%) of the real property owners of the area to be annexed have petitioned the governing board for annexation to the service district.

(c) Report. Prior to the public hearing required by subsection (d), the consolidated city-county shall prepare a report containing:

- (1) a map of the urban service district and the adjacent territory, showing the present and proposed boundaries of the district;
- (2) a statement showing that the area to be annexed meets the standards of subsection (a) or comes before the governing board by petition as provided by subsection (b); and
- (3) a plan for extending urban services, facilities and functions to the area to be annexed.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date for the public hearing.

(d) Hearing and Notice. The governing board shall hold a public hearing prior to adoption of any resolution extending the boundaries of an urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county on all property located within the area to be annexed. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(e) Effective Date. The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board.

(f) A consolidated city-county may not utilize the procedures of this section to annex to an urban service district territory within the boundaries of an active incorporated municipality.

"§ 155.8. Consolidation of urban service districts. — (a) Standards. The governing board, by resolution, may consolidate two or more urban service districts upon finding that:

- (1) the districts are contiguous or are in a continuous boundary; and
- (2) the provision or maintenance of urban services, facilities and functions for each of the districts is substantially the same; or
- (3) if the provision or maintenance of urban services, facilities and functions is lower for one of the districts, there is a need to increase those services, facilities and functions for that district. However, no urban service district providing electric or telephone services may be consolidated with any other urban service district unless the voters of the district providing these utility services approve the consolidation in a referendum held for that purpose. Any consolidated city-county may hold these referendums.

(b) Report. Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

- (1) a map of the districts to be consolidated;
- (2) a statement showing the proposed consolidation meets the standards of subsection (a); and

- (3) if necessary, a plan for increasing the urban services, facilities and functions for one of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) **Hearing and Notice.** The governing board shall hold a public hearing prior to adoption of any resolution consolidating urban service districts. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than two weeks prior to the date of the hearing. In addition, if the services, facilities and functions for one of the districts will be substantially increased as a result of the consolidation, notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed and his certificate shall be conclusive in the absence of fraud.

(d) **Effective Date.** The consolidation of urban service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the governing board.

"§ 155.9. Required provision or maintenance of services, facilities and functions. — (a) **New district.** When a consolidated city-county defines a new urban service district, it shall provide or maintain the services, facilities and functions for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) **Extended District.** When a consolidated city-county annexes territory to an urban service district, it shall provide or maintain the services, facilities and functions provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time not to exceed one year, after the effective date of the annexation.

(c) **Consolidated District.** When a consolidated city-county consolidates two or more urban service districts, one of which has provided or maintained a lower level of urban services, it shall increase the services, facilities and functions within that district to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation.

"§ 155-10. Abolition of urban service districts. — Upon finding that there is no longer a need for a particular urban service district, the governing board, by resolution, may abolish that district. The governing board shall hold a public hearing prior to adoption of a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published in a newspaper of general circulation in the county at least once a week for two successive weeks prior to the date of the hearing. The abolition of any urban service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the governing board.

"Article 3

"Levy of Taxes In Urban Service Districts

"§ 155-11. Taxes authorized; limits. — A consolidated city-county may levy the following taxes within defined urban service districts in addition to those levied throughout the county, in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county.

- (1) **Property Taxes.** A consolidated city-county may levy within any urban service district a tax on property at a rate not to exceed one dollar and fifty

cents on the one hundred dollars of appraised valuation. This rate limitation does not apply to property taxes levied (1) for debt service on general obligation bonds of the consolidated city-county, (2) for the support of the public schools or (3) for any purpose approved by a special vote of the people.

- (2) Motor vehicle and taxicab license taxes. A consolidated city-county may levy within any urban service district the motor vehicle and taxicab license taxes authorized in G.S. 20-97.
- (3) Privilege License Taxes. A consolidated city-county may levy within any urban service district privilege license taxes as authorized for cities and towns under the general law of the state.

"Article 4

Allocation of Other Revenues

"§ 155-12. Other allocation authorized. — A consolidated city-county may allocate to any urban service district it creates any other revenues of the consolidated government whose use is not otherwise restricted by law.

"§ 155-13. Authority to borrow money and issue bonds. — A consolidated city-county may borrow money and issue its bonds under G.S. Chapter 159, Subchapter IV, and for those purposes shall be considered a unit of local government under Article 4 thereof and a municipality under Article 5 thereof. A consolidated city-county may borrow money and issue its bonds for any purpose for which either a city or a county may do so.

"§ 155-14. Procedure for issuing general obligation and revenue bonds. — In issuing its general obligation and revenue bonds, a consolidated city-county, except as expressly modified by this part, is subject to the provisions of Chapter 159 of the General Statutes of North Carolina.

If a proposed bond issue is required by law to be submitted to and approved by the voters of the consolidated government, and if the proceeds of the proposed bond issue are to be used in connection with a service, facility or function that is or, if the bond issue is approved, will be financed, provided or maintained only for one or more urban service districts, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire consolidated government and by a majority of the total of those voting in all the affected or to be affected urban service districts.

"§ 155-15. Debt limitations. — The net indebtedness in the form of general obligations of a consolidated city-county for school purposes may not exceed eight per cent (8%) of the appraised valuation of taxable property in the county. The net indebtedness in the form of general obligations of a consolidated city-county for all purposes other than for schools or water, sewerage, gas and electric purposes may not exceed eight per cent (8%) of the appraised valuation of taxable property in the county. No other debt limitations applying to counties and municipalities in North Carolina apply to a consolidated city-county."

Sec. 2. G.S. 105-113.86 is amended by adding at the end thereof the following new subsection (v):

"(v) For purposes of subsection (b), the term municipality includes any urban service district defined by the governing body of a consolidated city-county, and the amount due thereby shall be distributed to the government of the consolidated city-county."

Sec. 3. G.S. 105-116 is amended by adding at the end thereof the following new subsection (v):

"(h) For purposes of subsection (g) and of G.S. 105-120(d), the term municipality includes any urban service district defined by the governing board of a consolidated city-county, and the amounts due thereby shall be distributed to the government of the consolidated city-county."

Sec. 4. G.S. 105-213 is amended by renumbering the present section as subsection (a) and adding a new subsection (b) as follows:

"(b) For purposes of this section, the term municipality includes any urban service district defined by the governing board of a consolidated city-county, and the amounts due thereby shall be distributed to the government of the consolidated city-county."

Sec. 5. Chapter 130 of the General Statutes is amended by adding a new article to read as follows:

"Article 3A

"Board of Health in a Consolidated City-County

"§ 130-23.1. Board of Health established; membership. — A consolidated city-county, as defined in the Consolidated City-County Act of 1973, has a Board of Health of three or more ex officio and four public members. The ex officio members, who may designate other persons to serve for them, are the mayor and the mayor pro tempore of the consolidated city-county and the superintendents of each school system within the consolidated city-county. The four public members include a licensed physician, a pharmacist, a dentist, and a public-spirited citizen. The governing board of the consolidated city-county appoints the public members, who serve four-year staggered terms, beginning on January 1. Public members shall be qualified voters of the consolidated government and shall receive compensation and allowances, if any, as set by the governing board of the consolidated government. Vacancies in the public membership on the Board of Health shall be filled by the governing board of the consolidated city-county for the unexpired term. The governing board may remove any public member for cause.

"§ 130-23.2. Transition from county board of health. — Members of the county board of health serving at the date of the establishment of any consolidated city-county are the initial members of the consolidated city-county board of health. Public members serving at the date of the establishment of any consolidated city-county shall serve terms ending on the January 1 immediately preceding the date on which their terms would have expired except for this section.

"§ 130-23.3. Officers and procedures. — (a) Officers. At its initial meeting and in January of each subsequent year, the board of health shall elect a chairman and may elect other officers. The director of the department of public health shall serve as secretary to the board of health.

(b) Meeting procedures. A majority of the members of the board of health constitutes a quorum. The board of health may determine its own rules of procedure.

(c) Management of funds. The board of health is subject to the fiscal control and budgeting procedures of the consolidated city-county.

"§ 130-23.4. Applicable law. — Except as provided in this Article, the provisions of Article 3 of this chapter apply to the board of health of a consolidated city-county."

Sec. 6. G.S. 136-41.1 is amended by renumbering the present section as subsection (a) and adding a new subsection (b) as follows:

"(b) For purposes of this section and of G.S. 136-41.2 and 136-41.3, urban service districts defined by the governing board of a consolidated city-county in which street services are provided by the consolidated city-county shall be considered eligible municipalities, and the allocations to be made thereby shall be made to the government of the consolidated city-county."

Sec. 7. Article 3A of Chapter 136 of the General Statutes is amended by adding a new section as follows:

"§ 136-66.6. Arrangements in a consolidated city-county. — The provisions of this article applying to municipalities apply to each consolidated city-county with respect to each urban service district defined by its governing board that includes the total area of a previously existing municipality in the same manner as if the urban service district were a municipality. The provisions of this article do not apply to any consolidated city-county with respect to an urban service district defined by its governing board within previously unincorporated areas of

the county unless the governing board determines that street services are to be provided within such urban service district."

Sec. 8. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 9. This act shall become effective on July 1, 1973.

In the General Assembly read three times and ratified, this the 17th day of May, 1973.