

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 466
SENATE BILL 577

AN ACT TO PERMIT THE CREATION OF COUNTY WATER AND SEWER DISTRICTS,
THE ISSUANCE OF THE BONDS AND NOTES OF SUCH DISTRICTS, AND THE
LEVY OF TAXES WITHIN SUCH DISTRICTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. Chapter 162A is amended by adding thereto a new Article, to read as follows:

"ARTICLE 6.

"County Water and Sewer Districts.

"§ 162A-81. Petition for formation of district; hearing. — (a) Upon receipt of a petition signed by at least fifty-one percent (51%) of the qualified voters of a proposed county water and sewer district, the board of commissioners of any county may create such a district. The petition shall set forth:

- (1) a description of the territory to be embraced within the proposed district;
- (2) the name of each city or town located in whole or in part within the proposed district;
- (3) the purpose or purposes sought to be accomplished by the creation of the district; and
- (4) the name of the proposed district.

(b) Before creating such a district, the board of commissioners shall hold a public hearing. Notice of the hearing shall state the date, hour, and place of the hearing and its subject. The notice shall be published once a week for three weeks in a newspaper that circulates in the proposed district and in addition shall be posted in at least three public places in the district. The notice shall be posted and published the first time not less than 20 days before the hearing.

(c) At the public hearing, the commissioners shall hear all interested persons and may adjourn the hearing from time to time.

"§ 162A-82. Creation of district; standards; limitation of actions. — (a) Following the public hearing, the board of commissioners may, by resolution, create a county water and sewer district if the board finds that:

- (1) there is a demonstrable need for providing in the district water services, or sewer services, or both;
- (2) the residents of all the territory to be included in the district will benefit from the district's creation; and
- (3) it is economically feasible to provide the proposed service or services in the district without unreasonable or burdensome annual tax levies.

Territory lying within the corporate limits of a city or town may not be included in the district unless the governing body of the city or town agrees by resolution to such inclusion. Otherwise, the board of commissioners may define as the district all or any portion of the territory described in the petition presented to it.

(b) Upon adoption of a resolution creating a county water and sewer district, the board of commissioners shall cause the resolution to be published once in each of two successive weeks in the newspaper in which the notices of the hearing were published. In addition, the

commissioners shall cause to be published with the resolution a notice in substantially the following form:

"The foregoing resolution was adopted by the _____ County Board of Commissioners on _____ and was first published on _____.

Any action or proceeding questioning the validity of this resolution or the creation of the _____ Water and Sewer District of _____ County or the inclusion in the district of any of the territory described in the resolution must be commenced within 30 days after the first publication of the resolution.

Clerk, _____ County Board of
Commissioners'

Any action or proceeding in any court to set aside a resolution creating a county water and sewer district, or questioning the validity of such a resolution, the creation of such a district, or the inclusion in such a district of any of the territory described in the resolution creating the district must be commenced within 30 days after the first publication of the resolution and notice. After the expiration of this period of limitation, no right of action or defense founded upon the invalidity of the resolution, the creation of the district, or the inclusion of any territory in the district may be asserted, nor may the validity of the resolution, the creation of the district, or the inclusion of the territory be open to question in any court upon any ground whatever, except in an action or proceeding commenced within that period.

"§ 162A-83. District is a municipal corporation. — The inhabitants of a county water and sewer district created pursuant to this Article are a body corporate and politic by the name specified by the board of commissioners. Under that name they are vested with all the property and rights of property belonging to the corporation; have perpetual succession; may sue and be sued; may contract and be contracted with; may acquire and hold any property, real and personal, devised, bequeathed, sold, or in any manner conveyed, dedicated to, or otherwise acquired by them, and from time to time may hold, invest, sell, or dispose of the same; may have a common seal and alter and renew it at will; and may exercise those powers conferred on them by this Article.

"§ 162A-84. Governing body of district; powers. — The board of commissioners of the county in which a county water and sewer district is created is the governing body of the district.

"§ 162A-84.1. Eminent domain power authorized. — A county water and sewer district shall have the power of eminent domain, to be exercised in accordance with Article 9 of G.S. Chapter 136, over the acquisition of any improved or unimproved lands or rights in land.

"§ 162A-85. Bonds and notes authorized. — A county water and sewer district may from time to time issue general obligation and revenue bonds and bond anticipation notes pursuant to the Local Government Finance Act, for the purposes of providing sanitary sewer systems or water systems or both.

A county water and sewer district may from time to time issue tax and revenue anticipation notes pursuant to G.S. Chapter 159, Article 9, Part 2.

"§ 162A-86. Taxes authorized. — The governing body of a county water and sewer district may levy property taxes within the district in order to finance the operation and maintenance of the district's water system or sewer system or both and in order to finance debt service on any general obligation bonds or notes issued by the district. No voter approval is necessary in order for such taxes to be levied.

"§ 162A-87. Special assessments authorized. — A county water and sewer district may make special assessments against benefited property within the district for all or part of the costs of:

- (1) constructing, reconstructing, extending, or otherwise building or improving water systems;

- (2) constructing, reconstructing, extending, or otherwise building or improving sewage disposal systems.

A district shall exercise the authority granted by this section according to the provisions of G.S. Chapter 153A, Article 9. For the purposes of this section references in that Article to the 'county' and the 'board of commissioners' are deemed to refer, respectively, to the district and the governing body of the district."

Sec. 2. G.S. 159-44(4) is amended by striking the word "and" before "metropolitan water districts," by changing the period at the end of the paragraph to a semicolon, and by adding after the new semicolon the following: "and county water and sewer districts."

Sec. 3. G.S. 159-81(1) is amended by inserting between "metropolitan water district," and "water and sewer authority," the following: "county water and sewer district,".

Sec. 4. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 2nd day of June, 1977.