

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION

CHAPTER 461
HOUSE BILL 1060

AN ACT AMENDING THE GENERAL STATUTES RELATING TO THE
CONSOLIDATION OF CITIES AND COUNTIES AND CONSOLIDATED CITY-
COUNTY TAXATION AND FINANCE.

The General Assembly of North Carolina enacts:

Section 1. Chapter 160B of the General Statutes is amended by adding a new Article to read:

“ARTICLE 1A.

"Consolidated City-County Powers and Governance.

"§ 160B-2.1. Powers of consolidated city-county.

(a) A consolidated city-county shall have and may exercise or may hereafter be authorized or required to exercise the powers, duties, functions, rights, privileges, and immunities granted to:

- (1) A county under the Constitution and the general laws of the State of North Carolina, throughout its jurisdiction; and
- (2) A city under the Constitution and the general laws of the State of North Carolina, within an urban service district.

(b) Outside the boundaries of an urban service district, the consolidated city-county shall have and may exercise or may hereafter be authorized or required to exercise the same powers, duties, functions, rights, privileges, and immunities granted to a city under the Constitution and the general laws of the State of North Carolina that can be exercised or may hereafter be authorized or required to exercise outside of city boundaries.

"§ 160B-2.2. Dissolution of consolidated city-county; establishment of study commission; purposes and powers of study commission.

(a) The governing board of a consolidated city-county may by resolution establish a governmental study commission to study all matters pertaining to the dissolution of the consolidated city-county and reestablishment of separate city and county government. The study commission may:

- (1) Prepare a report of its findings and conclusions.
- (2) Prepare drafts of any agreements or legislation necessary to effect the dissolution of a consolidated city-county.
- (3) Prepare a plan for dissolution of the consolidated city-county.

(b) A study commission established pursuant to this section may:

- (1) Adopt rules and regulations for the conduct of its business.
- (2) Employ personnel.

- (3) Contract with consultants.
- (4) Hold hearings in the furtherance of its business.
- (5) Take any other action necessary or expedient to the furtherance of its business."

Sec. 2. G.S. 160B-4 reads as rewritten:

"§ 160B-4. Definition of urban service districts to replace municipalities abolished at the time of consolidation.

(a) 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. Notwithstanding the provisions of G.S. 160B-7, the resolution may also define an urban service district to include areas proposed for inclusion in an urban service district and identified in a plan for consolidation prepared by a consolidation study commission pursuant to Article 20 of Chapter 153A of the General Statutes or a plan approved by the General Assembly. 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. As determined by the governing board, the resolution shall take effect as to the areas included therein either upon its adoption or at the beginning of a fiscal year commencing after its passage.

(b) Prior to the effective date of consolidation, an interim governing board of a consolidated city-county by resolution may define an urban service district. The resolution defining the urban service district shall take effect upon the effective date of the consolidation.

(c) The powers, duties, functions, rights, privileges, and immunities of an urban service district shall be exercised or administered by the governing board of the consolidated city-county. Any revenues, distributions or other funds due an urban service district shall be paid to the governing board of the consolidated city-county."

Sec. 3. G.S. 160B-7 is amended by adding a new subsection to read:

"(d1) Alternative Notice. – Notwithstanding the provisions of subsection (d) of this section, first-class mail notice shall not be required where a plan for consolidation prepared by a consolidation study committee pursuant to Article 20 of Chapter 153A of the General Statutes or a plan approved by the General Assembly proposed to include the area under consideration for annexation within an urban service district."

Sec. 4. Chapter 160B of the General Statutes is amended further by adding a new Article to read:

"ARTICLE 5.

"Assumption of Obligations and Debt Secured

By a Pledge of Faith and Credit.

"Part 1. General Provisions.

"§ 160B-16. Applicability of this Article.

(a) This Article applies to any county that has (i) a population over 120,000 according to the most recent federal decennial census and (ii) an area of less than 200 square miles.

(b) If this section is declared unconstitutional or invalid by the courts, it does not affect the validity of the Article as a whole or any part other than the part so declared to be unconstitutional or invalid.

"Part 2. Assumption of Obligations and Debt.

"§ 160B-17. Organizational meeting; preparation of budget.

The governing board of a consolidated city-county shall have its first organizational meeting as provided in the charter or applicable local acts of the General Assembly, but not later than the first business day following the effective date of the consolidation. Unless otherwise provided in the charter or applicable local acts, the organizational meeting shall be held at 12:00 noon at the regular meeting place of the previous board of county commissioners. Prior to the effective date of consolidation, any interim governing board designated or appointed in the charter or applicable local acts may meet to discuss business and take action as appropriate, including preparation of a proposed budget for the next ensuing fiscal year. In addition, any such interim governing board may take any action which is specifically authorized by this Chapter to be taken by an interim governing board. Meetings of any interim governing board during this period are subject to all applicable notice and meeting procedures required by general law.

"§ 160B-18. Referendum approval of certain debt assumption required for consolidation; effective date of consolidation.

(a) Referendum Approval of Certain Debt Assumption Required for Consolidation. – For the consolidation of a city with a county to be effective in accordance with the provisions hereof, the assumption by the consolidated city-county of all debt secured by a pledge of faith and credit of said city outstanding at the effective date of consolidation must have been approved by referendum (which referendum approval may occur at different times for different portions of said debt).

(b) Effective Date of Consolidation. – Subject to the requirement of referendum approval of certain debt assumption for consolidation as provided by subsection (a) of this section, the consolidation of a city with a county shall be effective upon the later of:

- (1) Sixty days following publication of notice of the enactment of the consolidation by the General Assembly;
- (2) Sixty days following publication of the statement of result of the latest referendum relating to the consolidation or to the assumption of debt secured by a pledge of faith and credit in connection with the consolidation; or
- (3) Any effective date of the consolidation set by the General Assembly.

In addition, upon adoption of concurrent resolutions by the governing board of each unit to be consolidated, or by the interim governing board of the consolidated city-county, the effective date may be delayed further, but no later than July 1 of the next calendar year.

(c) Limitation of Local Acts. – No special, private, or local act, including any enactment of a consolidation of a city with a county, enacted after July 1, 1995, may be construed to modify, amend, or repeal any portion of this section unless it expressly so provides by specific reference to this section.

"§ 160B-19. Referendum on consolidation and on assumption of certain debt secured by a pledge of faith and credit; right to issue certain authorized but unissued debt secured by a pledge of faith and credit.

(a) In connection with a city-county consolidation, if there exists at the effective date of the consolidation (i) any outstanding debt secured by a pledge of faith and credit of a consolidating city or (ii) the right to issue any authorized but unissued debt of said city that is to be secured by a pledge of faith and credit and is proposed to be assumed by the consolidated city-county, then there shall have been held a favorable referendum on the question of the assumption of that debt secured by a pledge of faith and credit and, if applicable, there shall have been held a referendum on the assumption of the right to issue that authorized but unissued debt secured by a pledge of faith and credit.

(b) The referendum on the question of the assumption of debt secured by a pledge of faith and credit or, if applicable, the assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit may be included in the proposition submitted to the voters in a referendum called by a consolidation study commission under G.S. 153A-405.

(c) If the General Assembly provided for a referendum on the question of consolidation instead of a referendum called by a consolidation study commission under G.S. 153A-405, the governing bodies of the units proposed to be consolidated, by resolution, may add to the ballot proposition the assumption of debt secured by a pledge of faith and credit question and, if applicable, the assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit question. In either event, the proposition shall be substantially as provided in G.S. 153A-405.

(d) If the city-county consolidation is authorized by the General Assembly without a referendum or if there otherwise has not been a referendum on the question of the assumption of any debt secured by a pledge of faith and credit or, if applicable, the question of the assumption of the right to issue any authorized but unissued faith and credit debt, then the governing bodies of the units proposed to be consolidated, by resolution, may provide for a referendum on said questions. In addition, any interim governing board for the consolidated city-county, by resolution, also may provide for such a referendum. The proposition submitted to the voters shall be substantially in the following form (and may include part or all of the bracketed language as appropriate and any other modifications as may be needed to reflect the issued debt secured by a pledge of faith and credit of any of the consolidating units or the portion of the authorized but unissued debt secured by a pledge of faith and credit of any of the consolidating units, the right to issue which is proposed to be assumed by the consolidated city-county):

'Shall, in connection with the consolidation of the City of _____ with the County of _____, the consolidated unit assume the debt of each secured by a pledge of faith and credit, [the right to issue authorized but unissued debt to be secured by a pledge of faith and credit [(including any such debt as may be authorized for said city or county on the date of this referendum)] and any of said authorized but unissued debt as may be hereafter issued,] and be authorized to

levy taxes in an amount sufficient to pay the principal of and the interest on said debt secured by a pledge of faith and credit?

[] YES [] NO'

(e) To be approved the proposition must receive the votes of a majority of those voting in the referendum. In connection with the proposed consolidation of one or more cities with a county, if the assumption by the consolidated city-county of outstanding debt secured by a pledge of faith and credit of the consolidating city and, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit of the consolidating city was approved by the votes of a majority of those voting in the referendum, the vote on that referendum shall constitute the approval by a majority of the qualified voters who vote thereon as required by Article V, Section 4(2) of the Constitution of North Carolina.

(f) Any such referendum on the question of consolidation or the assumption of debt secured by a pledge of faith and credit or the right to issue authorized but unissued debt secured by a pledge of faith and credit may be held on the same day as any other referendum or election in the county involved, but may not otherwise be held during the period beginning 30 days before and ending 30 days after the day of any other referendum or election to be conducted by the board of elections conducting the referendum and already validly called or scheduled by law.

(g) A notice of a referendum on consolidation or on the assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit shall be published at least twice in a newspaper of general circulation in the county. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, a statement as to the last date for registration for the referendum under the election laws then in effect, and substantially the text of the proposition to be voted upon. The notice shall be published by the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county by their respective clerks or by such other person as shall be designated by each applicable governing body or board.

(h) The board of elections shall canvass any referendum on consolidation and any referendum on the assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit and shall certify the results to the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county which shall then certify and declare the result of the referendum and shall publish a statement of the result once in a newspaper of general circulation in the county, with the following statement appended:

'Any action or proceeding challenging the regularity or validity of this referendum must be begun within 30 days after the date of publication of this statement of result.'

(i) Any action or proceeding in any court to set aside a referendum on consolidation or a referendum on assumption of debt secured by a pledge of faith and

credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit in connection with consolidation, or to obtain any other relief, upon the grounds that the referendum is invalid or was irregularly conducted, must be begun within 30 days after the publication of the statement of the result of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed in this section.

"§ 160B-20. Local Government Commission review of assumption of debt secured by a pledge of faith and credit; assumption of debt secured by a pledge of faith and credit and right to issue authorized but unissued debt secured by a pledge of faith and credit upon consolidation.

(a) Review by Local Government Commission. – At the date specified in the following sentence if any consolidating city or county has outstanding any debt secured by a pledge of faith and credit or, if applicable, any authorized but unissued debt secured by a pledge of faith and credit which is proposed to be assumed by the consolidated city-county or has outstanding or pending approval any debt secured by a pledge of faith and credit the issuance of which was or is subject to approval by the Local Government Commission, then the assumption of any such debt and, if applicable, the assumption of the right to issue such authorized but unissued debt, if any, shall be subject to review by the Local Government Commission. The finance officers of the units proposed to be consolidated shall use their best efforts to notify the secretary of the Local Government Commission of the proposed consolidation and assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit at least two months before the introduction in the General Assembly of legislation proposing to enact the consolidation into law, provided that time allows. The Local Government Commission, to such extent it deems appropriate, may conduct a review of the proposed consolidation and assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit and may report the results of its review to the presiding officer of each house of the General Assembly to be provided to the respective committees to which the legislation to enact the consolidation shall be referred.

(b) Assumption of Debt Secured by a Pledge of Faith and Credit by Consolidated City-County. – Subject to the requirement of referendum approval of certain debt assumption for consolidation by the General Assembly and effective upon the effective date of the consolidation provided in G.S. 160B-18(a), upon enactment of the consolidation by the General Assembly and effective upon the effective date of the consolidation provided in G.S. 160B-18(b), the debt secured by a pledge of faith and credit of the consolidating city at the effective date of the consolidation (including formerly authorized but unissued debt secured by a pledge of faith and credit as may have been issued at the time) is assumed by, and becomes a binding obligation of the consolidated city-county, and the faith and credit of the consolidated city-county is

pledged to secure any such assumed debt secured by a pledge of faith and credit. In addition, any debt secured by a pledge of faith and credit of the county at the effective date of the consolidation shall become a binding obligation of the consolidated city-county and the faith and credit of the consolidated city-county is pledged to secure any such debt.

(c) Right to Issue Authorized but Unissued Debt Secured by a Pledge of Faith and Credit. – Subject to the passage of a referendum relating to the assumption by the consolidated city-county of the right to issue any authorized but unissued debt of the consolidating city to be secured by a pledge of faith and credit that is proposed to be assumed by the consolidated city-county, upon enactment of the consolidation by the General Assembly and effective upon the effective date of the consolidation as provided in G.S. 160B-18(b), the right to issue the authorized but unissued debt secured by a pledge of faith and credit of the consolidating city at the effective date of the consolidation is assumed by, and upon issuance such obligations become binding obligations of, the consolidated city-county, and, upon issuance, the faith and credit of the consolidated city-county is pledged to secure any such debt secured by a pledge of faith and credit. In addition, the right to issue the authorized but unissued debt secured by a pledge of faith and credit of the county at the effective date of the consolidation shall be vested in the consolidated city-county and, upon issuance, such debt secured by a pledge of faith and credit becomes a binding obligation of the consolidated city-county and, upon issuance, the faith and credit of the consolidated city-county is pledged to secure any such debt.

"§ 160B-21. Notice of enactment of consolidation; limitation of actions.

(a) Publication of Notice of Enactment. – Following ratification of an act of the General Assembly authorizing consolidation, there shall be published once in a newspaper of general circulation in the county a notice of said enactment and, if applicable, the fact that in connection with said enactment there is an assumption by the consolidated city-county of the debt secured by a pledge of faith and credit of the consolidating city and, if applicable, assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit of the consolidating city and that there is also binding on the consolidated city-county the debt secured by a pledge of faith and credit of the county and, if applicable, there is vested in the consolidated city-county the right to issue authorized but unissued debt secured by a pledge of faith and credit of the county with the following statement appended:

'Any action or proceeding challenging the regularity or validity of this referendum must be begun within 30 days after the date of publication of this statement of result.'

The notice shall be published by the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county by their respective clerks or by such other persons as shall be designated by each applicable governing body or board.

(b) Limitation on Action Contesting Validity of Enactment of Consolidation. – Any action or proceeding in any court to set aside enactment of a city-county consolidation by the General Assembly, or to obtain any other relief, upon the grounds

that the enactment is invalid or was irregularly enacted, must be begun within 30 days after the publication of the notice of the enactment. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of the enactment or any irregularity in the enactment shall be asserted, nor shall the validity of the enactment be open to question in any court upon any grounds whatever, except in an action or proceeding begun within the period of limitation prescribed in this section."

Sec. 5. G.S. 153A-405 reads as rewritten:

"§ 153A-405. Referendum; General Assembly action.

(a) If authorized to do so by the concurrent resolutions that established it, a commission may call a referendum on its proposed plan of governmental consolidation. If authorized or directed in the concurrent resolutions, the ballot question may include the assumption of debt secured by a pledge of faith and credit language and may also include the assumption of the right to issue authorized but unissued faith and credit debt language as provided in subsection (b) of this section. The referendum may be held on the same day as any other referendum or election in the county or counties involved, but may not otherwise be held during the period beginning 30 days before and ending 30 days after the day of any other referendum or election to be conducted by the board or boards of elections conducting the referendum and already validly called or scheduled by law.

(b) The proposition submitted to the voters shall be substantially in one ~~of the following forms:~~

- (1) ~~Shall the County ofand the County ofbe consolidated?~~
- (2) ~~Shall the City ofand the City ofbe consolidated?~~
- (3) ~~Shall the City ofbe consolidated with the County of?~~

or more of the following forms and may include part or all of the bracketed language as appropriate and other such modifications as may be needed to reflect the issued debt secured by a pledge of faith and credit of any of the consolidating units or the portion of the authorized but unissued debt secured by a pledge of faith and credit of any of the consolidating units the right to issue which is proposed to be assumed by the consolidated city-county:

- (1) 'Shall the County of _____ and the County of _____ be consolidated [and the consolidated unit assume the debt of each secured by a pledge of faith and credit, [the right to issue authorized but unissued debt to be secured by a pledge of faith and credit [(including any such debt as may be authorized for said counties on the date of this referendum)] and any of said authorized but unissued debt as may be hereafter issued,] and be authorized to levy taxes in an amount sufficient to pay the principal of and the interest on said debt secured by a pledge of faith and credit?
[☐] YES [☐] NO'

(2) 'Shall the City of _____ and the City of _____
be consolidated [and the consolidated unit assume the debt of each
secured by a pledge of faith and credit, [the right to issue authorized
but unissued debt to be secured by a pledge of faith and credit
[(including any such debt as may be authorized for said cities on the
date of this referendum)] and any of said authorized but unissued debt
as may be hereafter issued,] and be authorized to levy taxes in an
amount sufficient to pay the principal of and the interest on said debt
secured by a pledge of faith and credit?

[☐] YES [☐] NO'

(3) 'Shall the City of _____ and the County of _____
be consolidated [and the consolidated unit assume
the debt of each secured by a pledge of faith and credit, [the right to
issue authorized but unissued debt to be secured by a pledge of faith
and credit [(including any such debt as may be authorized for said city
or county on the date of this referendum)] and any of said authorized
but unissued debt as may be hereafter issued,] and be authorized to
levy taxes in an amount sufficient to pay the principal of and the
interest on said debt secured by a pledge of faith and credit?

[☐] YES [☐] NO'

(c) The proposition submitted to the voters shall be substantially in one of the following forms:

(1) 'Shall the County of _____ and the County of _____
be consolidated?

[☐] YES [☐] NO'

(2) 'Shall the City of _____ and the City of _____ be
consolidated?

[☐] YES [☐] NO'

(3) 'Shall the City of _____ and the County of _____ be
consolidated?

[☐] YES [☐] NO'

(d) If the proposition is to consolidate two or more counties or to consolidate two or more cities, to be approved it must receive the votes of a majority of those voting in each of the counties or cities, as the case may be. If the proposition is to consolidate one or more cities with a county, to be approved it must receive the votes of a majority of those voting in the referendum. In addition, no governmental consolidation may become effective until enacted into law by the General Assembly.

(e) Subsection (b) of this section applies to any county that has (i) a population over 120,000 according to the most recent federal decennial census and (ii) an area of less than 200 square miles. Subsection (c) of this section applies to all other counties. If any subsection or provision of this section is declared unconstitutional or invalid by the courts, it does not affect the validity of the section as a whole or any part other than the part so declared to be unconstitutional or invalid, provided that if the classifications in subsections (b) and (c) of this section are held unconstitutional or invalid then

subsection (c) of this section is repealed and subsection (b) of this section shall be applicable uniformly to all counties."

Sec. 6. G.S. 160A-20(h) reads as rewritten:

"(h) As used in this section, the term 'unit of local government' means any of the following:

- (1) A county.
- (2) A city.
- (3) A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.
- (4) An airport authority whose situs is entirely within a county that has (i) a population of over 120,000 according to the most recent federal decennial census and (ii) an area of less than 200 square miles.
- (5) An airport authority in a county in which there are two incorporated municipalities with a population of more than 65,000 according to the most recent federal decennial census.
- (6) A local school administrative unit (i) that is located in a county that has a population of over 90,000 according to the most recent federal decennial census and (ii) whose board of education is authorized to levy a school tax.
- (7) An area mental health, developmental disabilities, and substance abuse authority, acting in accordance with G.S. 122C-147.
- (8) A consolidated city-county, as defined by G.S. 160B-2(1)."

Sec. 7. G.S. 162A-86 is amended by adding a new subsection to read:

"(a1) The governing board of a consolidated city-county, as defined by G.S. 160B-2(1), may create a water and sewer district pursuant to this Article. For the purposes of this Article, the term 'board of county commissioners' shall also mean the governing board of a consolidated city-county and the term 'county water and sewer district' also means a water and sewer district created by the governing board of a consolidated city-county."

Sec. 8. G.S. 162A-89 reads as rewritten:

"§ 162A-89. Governing body of district; powers.

(a) The board of commissioners of the county in which a county water and sewer district is created is the governing body of the district.

(b) The governing board of a consolidated city-county in which a water and sewer district is created is the governing body of the district."

Sec. 9. G.S. 159-7(b)(15) reads as rewritten:

"(15) 'Unit,' 'unit of local government,' or 'local government' is a municipal corporation that is not subject to the Executive Budget Act (Article 1 of Chapter 143 of the General Statutes) and that has the power to levy taxes, including a consolidated city-county, as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations."

Sec. 10. G.S. 159-44(4) reads as rewritten:

- (4) 'Unit,' 'unit of local government,' or 'local government' means counties; cities, towns, and incorporated villages; consolidated city-counties, as defined by G.S. 160B-2(1); sanitary districts; mosquito control districts; hospital districts; merged school administrative units described in G.S. 115C-513; metropolitan sewerage districts; metropolitan water districts; county water and sewer districts; regional public transportation authorities; and special airport districts."

Sec. 11. G.S. 159G-3(10) reads as rewritten:

"(10) 'Local government unit' means a county, city, town, incorporated village, consolidated city-county, as defined by G.S. 160B-2(1), including such a consolidated city-county acting with respect to an urban service district defined by a consolidated city-county, sanitary district, metropolitan sewerage district, metropolitan water district, county water and sewer district, water and sewer authority or joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes."

Sec. 12. G.S. 159I-3(a)(13) reads as rewritten:

"(13) 'Unit of local government' or 'unit' means:

- a. A unit of local government as defined in G.S. 159-44(4);
- b. Any combination of units, as defined in G.S. 160A-460(2), entering into a contract or agreement with each other under G.S. 160A-461;
- c. Any joint agency established under G.S. 160A-462; as any such section may be amended from time to time; ~~or~~
- d. Any regional solid waste management authority created pursuant to ~~G.S. 153A-421~~; G.S. 153A-421; or
- e. A consolidated city-county as defined by G.S. 160B-2(1), including such a consolidated city-county acting with respect to an urban service district defined by a consolidated city-county."

Sec. 13. G.S. 105-164.14(c) is amended by adding a new subdivision to read:

"(2a) A consolidated city-county created pursuant to Article 2 or Article 5 of Chapter 160B of the General Statutes."

Sec. 14. G.S. 105-228.90(b) is amended by renumbering subdivision (1) as (1a) and by adding two new subdivisions to read:

- "(1) City. – A city as defined by G.S. 160A-1(2). The term also includes an urban service district defined by the governing board of a consolidated city-county, as defined by G.S. 160B-2(1).
- (1b) County. – Any one of the counties listed in G.S. 153A-10. The term also includes a consolidated city-county as defined by G.S. 160B-2(1)."

Sec. 15. G.S. 105-273(11) reads as rewritten:

"(11) 'Municipal corporation' and 'municipality' mean city, town, incorporated village, sanitary district, rural fire protection district, rural recreation district, mosquito control district, hospital district,

metropolitan sewerage district, watershed improvement district, or other district or unit of local government by or for which ad valorem taxes are levied. The terms also include a consolidated city-county as defined by G.S. 160B-2(1)."

Sec. 16. G.S. 105-466 is amended by adding a new subsection to read:

"(b1) If the board of commissioners of a county has imposed the local sales and use tax authorized by this Article and any or all of the taxes authorized by Articles 40 and 42 of this Chapter, with or without a special election, and the county subsequently becomes part of a consolidated city-county, the taxes shall continue in effect unless and until repealed by the governing board of the consolidated city-county."

Sec. 17. G.S. 105-473(e) reads as rewritten:

~~"(e) If the Secretary of Revenue collects and administers the tax in a taxing county, the~~ The board of county commissioners, upon adoption of said resolution, shall cause a certified copy of the resolution to be delivered immediately to the Secretary of Revenue, accompanied by a certified statement from the county board of elections, if applicable, setting forth the results of any special election approving the repeal of the tax in the county."

Sec. 18. G.S. 136-41.1(b) reads as rewritten:

"(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 city-county, as defined by G.S. 160B-2(1), shall be considered eligible municipalities, and the allocations to be made thereby shall be made to the government of the consolidated city-county."

Sec. 19. If a concurrent resolution is adopted pursuant to G.S. 153A-405 prior to the effective date of this act, the concurrent resolution may be amended to include authorization or direction that the ballot question may include the assumption of obligations language and may also include the assumption of the right to issue authorized but unissued faith and credit debt language as provided by G.S. 153A-405.

Sec. 20. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Sec. 21. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 19th day of July, 1995.

Dennis A. Wicker
President of the Senate

Harold J. Brubaker
Speaker of the House of Representatives