

Article 15.

Public Enterprises.

Part 1. General Provisions.

§ 153A-274. Public enterprise defined.

As used in this Article, "public enterprise" includes:

- (1) Water supply and distribution systems.
- (2) Wastewater collection, treatment, and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
- (3) Solid waste collection and disposal systems and facilities.
- (4) Airports.
- (5) Off-street parking facilities.
- (6) Public transportation systems.
- (7) Stormwater management programs designed to protect water quality by controlling the level of pollutants in, and the quantity and flow of, stormwater and structural and natural stormwater and drainage systems of all types. (1965, c. 370; 1957, c. 266, s. 3; 1961, c. 514, s. 1; c. 1001, s. 1; 1971, c. 568; 1973, c. 822, s. 1; c. 1214; 1977, c. 514, s. 1; 1979, c. 619, s. 1; 1989, c. 643, s. 2; 1991 (Reg. Sess., 1992), c. 944, s. 13; 2000-70, s. 1.)

§ 153A-274.1. Flood control activities under stormwater management programs.

(a) Findings. – The General Assembly finds that it is in the best interest of the residents of North Carolina to promote and fund the implementation of stormwater management programs to control and manage water quantity and flow in order to reduce the chances of loss of life and damage to property due to flooding. The General Assembly also finds that a county has an integral role in furthering this public purpose by promoting and funding implementation of stormwater management programs within the county's territorial jurisdiction to reduce reliance on emergency response services, to reduce negative financial impacts on the community and the public from flooding, including the cost of public infrastructure repairs, to decrease the number of flood-prone homes and businesses, to increase infiltration of stormwater into the ground, and to reduce pollutants from entering the streams.

(b) Scope. – For purposes of operating a public enterprise under this Article, a county is authorized to do any of the following activities within its stormwater management program:

- (1) Purchase property for the purpose of demolishing flood-prone buildings.
- (2) Implement flood damage reduction techniques that result in improvements to private property in accordance with subsection (c) of this section, to include:
 - a. Elevating structures or their associated components.
 - b. Demolishing flood-prone structures.
 - c. Retrofitting flood-prone structures.

(c) Policy Document. – The county may engage in the activities listed in subdivision (2) of subsection (b) of this section only under the circumstances contained in a policy

document approved by the board of county commissioners. The policy document shall, at a minimum, establish, and may elaborate on, the following:

- (1) Private property owner's written consent must be obtained prior to implementation of flood reduction improvements on the owner's property.
- (2) The county has determined that improving the stormwater system is not practically feasible or cost-effective, and the activities in subdivision (2) of subsection (b) provide savings to the stormwater fund.
- (3) The improvements to private property are the minimum necessary to accomplish the stormwater benefit.
- (4) Funding provided by the county, above a certain amount, to the property owner or expended upon improvements to the property shall be reimbursed to the county if the property is sold within five years of the completion of the flood reduction improvement project. The amount of reimbursement due to the county may be calculated as the difference between the established premitigation fair market value and the sale price of the property, not to exceed the total funding provided by the county.
- (5) The minimum financial contribution the private property owner must make to the project.

(d) Advisory Committee. – An existing stormwater advisory committee established by the board of commissioners and having specific charges, duties, and representation as set forth by the board of county commissioners must review and approve projects that implement flood damage reduction techniques under subdivision (2) of subsection (b) of this section. The committee shall submit an annual report to the board of county commissioners for its review.

(e) Application. – This section applies only to counties with a population of 910,000 or greater according to the most recent annual population estimates certified by the State Budget Officer. (2014-14, s. 1.)

§ 153A-275. Authority to operate public enterprises.

(a) A county may acquire, lease as lessor or lessee, construct, establish, enlarge, improve, extend, maintain, own, operate, and contract for the operation of public enterprises in order to furnish services to the county and its citizens. A county may acquire, construct, establish, enlarge, improve, maintain, own, and operate outside its borders any public enterprise.

(b) A county may adopt adequate and reasonable rules to protect and regulate a public enterprise belonging to or operated by it. The rules shall be adopted by ordinance, shall apply to the public enterprise system both within and outside the county, and may be enforced with the remedies available under any provision of law. (1955, c. 370; 1957, c. 266, s. 3; 1961, c. 514, s. 1; c. 1001, s. 1; 1967, c. 462; 1971, c. 568; 1973, c. 822, s. 1; 1991 (Reg. Sess., 1992), c. 836, s. 2.)

§ 153A-276. Financing public enterprises.

Subject to the restrictions, limitations, procedures, and regulations otherwise provided by law, a county may finance the cost of a public enterprise by levying taxes, borrowing money, and

appropriating any other revenues, and by accepting and administering gifts and grants from any source. (1973, c. 822, s. 1.)

§ 153A-277. Authority to fix and enforce rates.

(a) A county may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by a public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary for the same class of service in different areas of the county and may vary according to classes of service, and different schedules may be adopted for services provided outside of the county. A county may include a fee relating to subsurface discharge wastewater management systems and services on the property tax bill for the real property where the system for which the fee is imposed is located.

- (a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties for stormwater management programs and structural and natural stormwater and drainage systems under this section, the board of commissioners shall hold a public hearing on the matter. A notice of the hearing shall be given at least once in a newspaper having general circulation in the area, not less than seven days before the public hearing. The hearing may be held concurrently with the public hearing on the proposed budget ordinance.
- (2) The fees established under this subsection must be made applicable throughout the area of the county outside municipalities. Schedules of rates, fees, charges, and penalties for providing stormwater management programs and structural and natural stormwater and drainage system service may vary according to whether the property served is residential, commercial, or industrial property, the property's use, the size of the property, the area of impervious surfaces on the property, the quantity and quality of the runoff from the property, the characteristics of the watershed into which stormwater from the property drains, and other factors that affect the stormwater drainage system. Rates, fees, and charges imposed under this subsection may not exceed the county's cost of providing a stormwater management program and a structural and natural stormwater and drainage system. The county's cost of providing a stormwater management program and a structural and natural stormwater and drainage system includes any costs necessary to assure that all aspects of stormwater quality and quantity are managed in accordance with federal and State laws, regulations, and rules.
- (3) No stormwater utility fee may be levied under this subsection whenever two or more units of local government operate separate stormwater management programs or separate structural and natural stormwater and drainage system services in the same area within a county. However, two or more units of local government may allocate among themselves the

functions, duties, powers, and responsibilities for jointly operating a stormwater management program and structural and natural stormwater and drainage system service in the same area within a county, provided that only one unit may levy a fee for the service within the joint service area. For purposes of this subsection, a unit of local government shall include a regional authority providing stormwater management programs and structural and natural stormwater and drainage system services.

- (4) A county shall not impose a stormwater utility fee on a runway or taxiway located on military property.
- (5) For all airports other than those covered by the exemption in subdivision (4) of this subsection, a county shall list separately the amount of a stormwater utility fee levied on airport runways and taxiways from the amount levied on the remainder of the airport property. An airport shall be exempt from paying a stormwater utility fee levied on its runways and taxiways. To qualify for an exemption under this subdivision, an airport shall use the amount of savings realized from this exemption for attracting business to the airport and shall provide certification to the county that the savings realized shall be used for this purpose. Except as otherwise prohibited under federal law, and upon request, an airport shall provide the levying county with evidence that the full amount of savings realized from the exemption authorized under this subdivision has been used or encumbered for the purpose set forth in this subdivision. Any amount of savings realized from the exemption authorized under this subdivision that is not used or encumbered for the purpose set forth in this subdivision shall be remitted to the county to be used in accordance with applicable law governing the use of stormwater utility fee proceeds. Savings realized from the exemption authorized under this subdivision shall be in addition to, and not in lieu of, any local funding provided by the county to the airport.

(a2) A county may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes.

(b) A county may collect delinquent accounts by any remedy provided by law for collecting and enforcing private debts, and may specify by ordinance the order in which partial payments are to be applied among the various enterprise services covered by a bill for the services. A county may also discontinue service to a customer whose account remains delinquent for more than 10 days. If a delinquent customer is not the owner of the premises to which the services are delivered, the payment of the delinquent account may not be required before providing services at the request of a new and different tenant or occupant of the premises. If water or sewer services are discontinued for delinquency, it is unlawful for a person other than a duly authorized agent or employee of the county to reconnect the premises to the water or sewer system.

(b1) A county shall not do any of the following in its debt collection practices:

- (1) Suspend or disconnect service to a customer because of a past-due and unpaid balance for service incurred by another person who resides with the customer after service has been provided to the customer's household, unless one or more of the following apply:
 - a. The customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the customer's current household when the service was established, and the person had an unpaid balance for service at that time.
 - c. The person is or becomes responsible for the bill for the service to the customer.
- (2) Require that in order to continue service, a customer must agree to be liable for the delinquent account of any other person who will reside in the customer's household after the customer receives the service, unless one or more of the following apply:
 - a. The customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the customer's current household when the service was established, and the person had an unpaid balance for service at that time.

(b2) Notwithstanding the provisions of subsection (b1) of this section, if a customer misrepresents his or her identity in a written or verbal agreement for service or receives service using another person's identity, the county shall have the power to collect a delinquent account using any remedy provided by subsection (b) of this section from that customer.

(c) Rents, rates, fees, charges, and penalties for enterprisory services are in no case a lien upon the property or premises served and, except as provided in subsection (d) of this section, are legal obligations of the person contracting for them, provided that no contract shall be necessary in the case of structural and natural stormwater and drainage systems.

(d) Rents, rates, fees, charges, and penalties for enterprisory services are legal obligations of the owner of the property or premises served when:

- (1) The property or premises is leased or rented to more than one tenant and services rendered to more than one tenant are measured by the same meter; or
- (2) Charges made for use of a sewerage system are billed separately from charges made for the use of a water distribution system. (1961, c. 1001, s. 1; 1973, c. 822, s. 1; 1991, c. 591, s. 2; 1991 (Reg. Sess., 1992), c. 932, s. 3; c. 1007, s. 45; 2000-70, s. 2; 2009-302, s. 2; 2017-132, s. 1; 2017-138, s. 3.)

§ 153A-278. Joint provision of enterprisory services.

Two or more counties, cities, or other units of local government may cooperate in the exercise of any power granted by this Article according to the procedures and provisions of Chapter 160A, Article 20, Part 1. (1961, c. 1001, s. 1; 1973, c. 822, s. 1.)

§ 153A-279. Limitations on rail transportation liability.

(a) As used in this section:

- (1) "Claim" means a claim, action, suit, or request for damages, whether compensatory, punitive, or otherwise, made by any person or entity against:
 - a. The County, a railroad, or an operating rights railroad; or
 - b. An officer, director, trustee, employee, parent, subsidiary, or affiliated corporation as defined in G.S. 105-130.2, or agent of: the County, a railroad, or an operating rights railroad.
- (2) "Operating rights railroad" means a railroad corporation or railroad company that, prior to January 1, 2001, was granted operating rights by a State-Owned Railroad Company or operated over the property of a State-owned railroad company under a claim of right over or adjacent to facilities used by or on behalf of the County.
- (3) "Passenger rail services" means the transportation of rail passengers by or on behalf of the County and all services performed by a railroad pursuant to a contract with the County in connection with the transportation of rail passengers, including, but not limited to, the operation of trains; the use of right-of-way, trackage, public or private roadway and rail crossings, equipment, or station areas or appurtenant facilities; the design, construction, reconstruction, operation, or maintenance of rail-related equipment, tracks, and any appurtenant facilities; or the provision of access rights over or adjacent to lines owned by the County or a railroad, or otherwise occupied by the County or a railroad, pursuant to charter grant, fee-simple deed, lease, easement, license, trackage rights, or other form of ownership or authorized use.
- (4) "Railroad" means a railroad corporation or railroad company, including a State-Owned Railroad Company as defined in G.S. 124-11, that has entered into any contracts or operating agreements of any kind with the County concerning passenger rail services.

(b) **Contracts Allocating Financial Responsibility Authorized.** – The County may contract with any railroad to allocate financial responsibility for passenger rail services claims, including, but not limited to, the execution of indemnity agreements, notwithstanding any other statutory, common law, public policy, or other prohibition against same, and regardless of the nature of the claim or the conduct giving rise to such claim.

(c) **Insurance Required.** –

- (1) If the County enters into any contract authorized by subsection (b) of this section, the contract shall require the County to secure and maintain, upon

and after the commencement of the operation of trains by or on behalf of the county, a liability insurance policy covering the liability of the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services. The policy shall name the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad as named insureds and shall have policy limits of not less than two hundred million dollars (\$200,000,000) per single accident or incident, and may include a self-insured retention in an amount of not more than five million dollars (\$5,000,000).

- (2) If the County does not enter into any contract authorized by subsection (b) of this section, upon and after the commencement of the operation of trains by or on behalf of the County, the County shall secure and maintain a liability insurance policy, with policy limits and a self-insured retention consistent with subdivision (1) of this subsection, for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services.

(d) **Liability Limit.** – The aggregate liability of the County, the parties to the contract or contracts authorized by subsection (b) of this section, a State-Owned Railroad Company as defined in G.S. 124-11, and any operating rights railroad for all claims arising from a single accident or incident related to passenger rail services for property damage, personal injury, bodily injury, and death is limited to two hundred million dollars (\$200,000,000) per single accident or incident or to any proceeds available under any insurance policy secured pursuant to subsection (c) of this section, whichever is greater.

(e) **Effect on Other Laws.** – This section shall not affect the damages that may be recovered under the Federal Employers' Liability Act, 45 U.S.C. § 51, et seq., (1908); or under Article 1 of Chapter 97 of the General Statutes.

(f) **Applicability.** – This section shall apply only to counties that have entered into a transit governance interlocal agreement with, among other local governments, a city with a population of more than 500,000 persons. (2002-78, s. 2; 2012-79, s. 1.14(e).)

§ 153A-280. Public enterprise improvements.

(a) **Authorization.** – A county may contract with a developer or property owner, or with a private party who is under contract with the developer or property owner, for public enterprise improvements that are adjacent or ancillary to a private land development project. Such a contract shall allow the county to reimburse the private party for costs associated with the design and construction of improvements that are in addition to those required by the county's land development regulations. Such a contract is not subject to Article 8 of Chapter 143 of the General Statutes if the public cost will not exceed two hundred fifty thousand dollars (\$250,000) and the county determines that: (i) the public cost will not exceed the estimated cost of providing for those

improvements through either eligible force account qualified labor or through a public contract let pursuant to Article 8 of Chapter 143 of the General Statutes; or (ii) the coordination of separately constructed improvements would be impracticable. A county may enact ordinances and policies setting forth the procedures, requirements, and terms for agreements authorized by this section.

(b) Property Acquisition. – The improvements may be constructed on property owned or acquired by the private party or on property owned or acquired by the county. The private party may assist the county in obtaining easements in favor of the county from private property owners on those properties that will be involved in or affected by the project. The contract between the county and the private party may be entered into before the acquisition of any real property necessary to the project. (2005-426, s. 8(e).)

§ 153A-281. Reserved for future codification purposes.

§ 153A-282. Reserved for future codification purposes.

Part 2. Special Provisions for Water and Sewer Services.

§ 153A-283. Nonliability for failure to furnish water or sewer services.

In no case may a county be held liable for damages for failure to furnish water or sewer services. (1961, c. 1001, s. 1; 1973, c. 822, s. 1.)

§ 153A-284. Power to require connections.

(a) A county may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served by a water line or sewer collection line owned, leased as lessee, or operated by the county or on behalf of the county to connect the owner's premises with the water or sewer line and may fix charges for these connections.

(b) In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the county has installed water or sewer lines or a combination thereof directly available to the property, the county may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected.

(c) In accordance with G.S. 87-97.1, when developed property is located so as to be served by a county water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the county water line and the county shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well. (1963, c. 985, s. 1; 1965, c. 969, s. 2; 1973, c. 822, s. 1; 1979, c. 619, s. 13; 1995, c. 511, s. 3; 2015-246, s. 3.5(e).)

§ 153A-284.1. Notes or deeds of trust to reserve wastewater treatment capacity unenforceable if capacity unused.

No note or deed of trust granted to a county for the purpose of securing or reserving wastewater treatment capacity is valid or enforceable if that capacity is not utilized by the maker or grantor. (2013-386, s. 6.)

§ 153A-285: Repealed by Session Laws 1993, c. 348, s. 4.

§ 153A-286. Law with respect to riparian rights not changed.

Nothing in this Article changes or modifies existing common or statute law with respect to the relative rights of riparian owners or others concerning the use of or disposal of water in the streams of North Carolina. (1961, c. 1001, s. 1; 1973, c. 822, s. 1.)

§ 153A-287: Repealed by Session Laws 1993, c. 348, s. 5.

§ 153A-288. Venue for actions by riparian owners.

Any riparian owner alleging injury as a result of an act taken pursuant to this Article by a county or city acting jointly or by a joint agency may maintain an action for relief against the act (i) in the county where the land of the riparian owner lies, (ii) in the county taking the action, or (iii) in any county in which the city or joint agency is located or operates. (1961, c. 1001, s. 1; 1973, c. 822, s. 1.)

§ 153A-289. Reserved for future codification purposes.

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Part 3. Special Provisions for Solid Waste Collection and Disposal.

§ 153A-291. Cooperation between the Department of Transportation and any county in establishing or operating solid waste disposal facilities.

A county and the Department of Transportation may enter into an agreement under which the Department of Transportation will make available to the county the use of equipment and prison and other labor in order to establish or operate solid waste disposal facilities within the county. The county shall reimburse the Department of Transportation for the cost of providing the equipment and labor. The agreement shall specify the work to be done thereunder and shall set forth the basis for reimbursement. (1967, c. 707; 1973, c. 507, s. 5; c. 822, s. 1; 1977, c. 464, s. 34.)

§ 153A-292. County collection and disposal facilities.

(a) The board of county commissioners of any county may establish and operate solid waste collection and disposal facilities in areas outside the corporate limits of a city.

The board may by ordinance regulate the use of a disposal facility provided by the county subject to the limitations of G.S. 130A-291, the nature of the solid wastes disposed of in a facility, and the method of disposal. The board may contract with any city, individual, or privately owned corporation to collect and dispose of solid waste in the area. Counties and cities may establish and operate joint collection and disposal facilities. A joint agreement shall be in writing and executed by the governing bodies of the participating units of local government.

(b) The board of county commissioners may impose a fee for the collection of solid waste. The fee may not exceed the costs of collection.

The board of county commissioners may impose a fee for the use of a disposal facility provided by the county. Except as provided in this subsection, the fee for use may not exceed the cost of operating the facility. The fee may exceed those costs if the county enters into a contract with another local government located within the State to accept the other local government's solid waste and the county by ordinance levies a surcharge on the fee. The fee authorized by this paragraph may only be used to cover the costs of operating the facility. The surcharge authorized by this paragraph may be used for any purpose for which the county may appropriate funds. A fee under this paragraph may be imposed only on those who use the facility. The fee for use may vary based on the amount, characteristics, and form of recyclable materials present in solid waste brought to the facility for disposal. A county may not impose a fee for the use of a disposal facility on a city located in the county or a contractor or resident of the city unless the fee is based on a schedule that applies uniformly throughout the county.

The board of county commissioners may impose a fee for the availability of a disposal facility provided by the county. A fee for availability may not exceed the cost of providing the facility and may be imposed on all improved property in the county that benefits from the availability of the facility. A county may not impose an availability fee on property whose solid waste is collected by a county, a city, or a private contractor for a fee if the fee imposed by a county, a city, or a private contractor for the collection of solid waste includes a charge for the availability and use of a disposal facility provided by the county. Property served by a private contractor who disposes of solid waste collected from the property in a disposal facility provided by a private contractor that provides the same services as those provided by the county disposal facility is not considered to benefit from a disposal facility provided by the county and is not subject to a fee imposed by the county for the availability of a disposal facility provided by the county. To the extent that the services provided by the county disposal facility differ from the services provided by the disposal facility provided by a private contractor in the same county, the county may charge an availability fee to cover the costs of the additional services provided by the county disposal facility.

In determining the costs of providing and operating a disposal facility, a county may consider solid waste management costs incidental to a county's handling and disposal of solid waste at its disposal facility, including the costs of the methods of solid waste management specified in G.S. 130A-309.04(a) of the Solid Waste Management Act of 1989. A fee for the availability or use of a disposal facility may be based on the combined costs of the different disposal facilities provided by the county.

(b1) The collection, disposal, and availability fees authorized by this section may be used to cover the cost of waste management programs in the jurisdiction, including the collection of waste and the collection of litter along public roadways.

(c) The board of county commissioners may use any suitable vacant land owned by the county for the site of a disposal facility, subject to the permit requirements of Article 9 of Chapter 130A of the General Statutes. If the county does not own suitable vacant land for a disposal facility, it may acquire suitable land by purchase or condemnation. The board may erect a gate across a highway that leads directly to a disposal facility operated by the county. The gate may be erected at or in close proximity to the boundary of the disposal facility. The county shall pay the cost of erecting and maintaining the gate.

(d), (e) Repealed by Session Laws 1991, c. 652, s. 1.

(f) This section does not prohibit a county from providing aid to low-income persons to pay all or part of the cost of solid waste management services for those persons. (1961, c. 514, s. 1; 1971, c. 568; 1973, c. 535; c. 822, s. 2; 1981, c. 919, s. 22; 1989 (Reg. Sess., 1990), c. 1009, s. 3; 1991, c. 652, s. 1; 1995 (Reg. Sess., 1996), c. 594, s. 27; 2007-550, s. 10(a); 2013-413, s. 59.4(a); 2014-115, s. 60; 2017-209, s. 17(c).)

§ 153A-293. (See editor's note) Collection of fees for solid waste disposal facilities and solid waste collection services.

A county may adopt an ordinance providing that any fee imposed under G.S. 153A-292 may be billed with property taxes, may be payable in the same manner as property taxes, and, in the case of nonpayment, may be collected in any manner by which delinquent personal or real property taxes can be collected. If an ordinance states that delinquent fees can be collected in the same manner as delinquent real property taxes, the fees are a lien on the real property described on the bill that includes the fee. (1989, c. 591; 1989 (Reg. Sess., 1990), c. 905, c. 938, c. 940, c. 974, c. 1017; 1991, c. 652, s. 2; 1991 (Reg. Sess., 1992), c. 1007, s. 26.)

§ 153A-294. Solid waste defined.

As used in this Article, "solid waste" means nonhazardous solid waste, that is, solid waste as defined in G.S. 130A-290 but not including hazardous waste. (1991 (Reg. Sess., 1992), c. 1013, s. 4.)

§§ G.S. 153A-295 through 153A-299. Reserved for future codification purposes.

Part 4. Long Term Contracts for Disposal of Solid Waste.

§§ 153A-299.1 through 153A-299.6: Repealed by Session Laws 1991 (Regular Session, 1992), c. 1013, 5.