

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 194
SENATE BILL 443

AN ACT TO PROVIDE A PROCEDURE FOR MERGER OF A CITY AND A SANITARY DISTRICT WHOSE BOUNDARIES ARE COTERMINOUS, A PROCEDURE FOR MERGER OF A CITY AND A SANITARY DISTRICT WHICH IS CONTAINED WHOLLY WITHIN ITS BORDERS BUT WHICH IS NOT COTERMINOUS, AND A PROCEDURE FOR MERGER OF A SANITARY DISTRICT AND A CONTIGUOUS METROPOLITAN WATER DISTRICT.

The General Assembly of North Carolina enacts:

Section 1. Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-80.1. Merger of district with coterminous city or town; election.

A sanitary district may merge with a coterminous city or town in the following manner:

- (1) The sanitary district board and the governing board of the city or town may resolve that it is advisable to call an election within the area of the sanitary district and the city or town to determine if the sanitary district and the city or town should merge;
- (2) If the sanitary district board and the governing board of the city or town resolve that it is advisable to call for an election, both boards shall adopt a resolution requesting the board of commissioners in the county or counties in which the district and the town or city or any portion is located to hold an election on a date named by the sanitary district board and the governing board of the city or town after consultation with the appropriate board or boards of elections. The election shall be held within the sanitary district and the city or town on the question of merger;
- (3) The county board or boards of commissioners shall request the appropriate board or boards of elections to hold and conduct the election. All voters of the city or town and the sanitary district shall be eligible to vote;
- (4) Notice of the election shall be given as required in G.S. 163-33(8);
- (5) The board or boards of elections shall provide ballots for the election in substantially the following form:
'[] FOR merger of the Town of and the Sanitary District, if a majority of the registered voters vote in favor of merger, the area to be known as the Town of and to assume all of the

obligations of the Sanitary District and to receive from the Sanitary District all the property rights of the District.
[] AGAINST merger.'

- (6) A majority of all the votes cast is necessary for the merger of a sanitary district with the city or town. The merger shall be effective on July 1 following the election. If a majority of the votes cast is not in favor of the merger, an election on merger may not occur until one year from the date of the last election.
- (7) Upon the merger of a sanitary district and a city or town pursuant to this section, the city or town shall assume all obligations of the sanitary district and the sanitary district shall convey all property rights to the city or town. The vote for merger shall include a vote for the city or town to assume the obligations of the district. The sanitary district shall cease to exist as a political subdivision from and after the effective date of the merger; and
- (8) If merger is approved, the governing board of the city or town shall determine the proportion of the district's indebtedness, if any, which was incurred for the construction of water systems and the proportion which was incurred for construction of sewage disposal systems. The governing board shall send a certified copy of the determination to the Local Government Commission in order that the Commission and the governing body of the merged municipality can determine the net debt of the merged municipality as required by G.S. 159-55."

Sec. 2. Part 2 of Article 2 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-80.2. Merger of district with noncoterminous city or town it is contained wholly within; election.

A sanitary district may merge with a city or town which it is contained wholly within, but where the sanitary district and the city or town do not have coterminous boundaries, in the following manner:

- (1) The sanitary district board and the governing board of the city or town may resolve that it is advisable to call an election within both the sanitary district and the city or town to determine if the sanitary district and the city or town should merge;
- (2) If the sanitary district board and the governing board of the city or town resolve that it is advisable to call for an election, both boards shall adopt a resolution requesting the board of commissioners in the county or counties in which the district and the town or city or any portion is located to hold an election on a date named by the sanitary district board and the governing board of the city or town after consultation with the appropriate board or boards of elections. The election shall be held within the sanitary district and the city or town on the question of merger;

- (3) The county board or boards of commissioners shall request the appropriate board or boards of elections to hold and conduct the election. All voters of the city or town and the sanitary district shall be eligible to vote if the election is called in both areas as authorized in subdivision (1);
- (4) Notice of the election shall be given as required in G.S. 163-33(8). The board or boards of elections may use either method of registration set out in G.S. 163-288.2;
- (5) If an election is called as provided in subsection (2), the board or boards of elections shall provide ballots for the election in substantially the following form:
'[] FOR merger of the Town of and the Sanitary District, if a majority of the registered voters of both the Sanitary District and the Town vote in favor of merger, the combined territories to be known as the Town of and to assume all of the obligations of the Sanitary District and to receive from the Sanitary District all the property rights of the District; from and after merger residents of the District would enjoy all of the benefits of the municipality and would assume their proportionate share of the obligations of the Town as merged.
[] AGAINST merger.'
- (6) A majority of all the votes cast by voters of the sanitary district and a majority of all the votes cast by voters of the city or town is necessary for the merger of a sanitary district with the city or town. The merger shall be effective on July 1 following the election. If a majority of the votes cast in either the sanitary district or the city or town vote against the merger, any election on similar propositions of merger may not occur until one year from the date of the last election.
- (7) Upon the merger of a sanitary district and a city or town pursuant to this section, the city or town shall assume all obligations of the sanitary district and the sanitary district shall convey all property rights to the city or town. The vote for merger shall include a vote for the city or town to assume the obligations of the district. The sanitary district shall cease to exist as a political subdivision from and after the effective date of the merger. After the merger, the residents of the sanitary district enjoy all of the benefits of the municipality and shall assume their share of the obligations of the city or town. All taxes levied and collected by the city or town from and after the effective date of the merger shall be levied and collected uniformly in all the territory included in the enlarged municipality; and
- (8) If merger is approved, the governing board of the city or town shall determine the proportion of the district's indebtedness, if any, which was incurred for the construction of water systems and the proportion which was incurred for construction of sewage disposal systems. The

governing board shall send a certified copy of the determination to the Local Government Commission in order that the Commission and the governing body of the merged municipality can determine the net debt of the merged municipality as required by G.S. 159-55."

Sec. 3. Part 2 of Article 2 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-80.3. Merger of district with contiguous metropolitan water district.

(a) A sanitary district may merge with a contiguous, but not coterminous, metropolitan water district organized under Article 4 of Chapter 162A of the General Statutes in the following manner, but only if the metropolitan water district has no outstanding indebtedness:

- (1) The sanitary district board and the district board of the metropolitan water district shall resolve that it is advisable for the sanitary district and the metropolitan water district should merge;
- (2) If the sanitary district board and the district board of the metropolitan water district resolve that it is advisable to merge, they shall call a public hearing on the merger. Each of such boards shall hold a public hearing on the question of merger, and advertisement of the public hearing shall be published at least 10 days before the public hearing;
- (3) After the public hearing, if the sanitary district board and the district board of the metropolitan water district by resolution approve the merger, the merger shall be effective on July 1 following the adoption of the resolution;
- (4) Upon the merger of a sanitary district and a metropolitan water district pursuant to this section, the sanitary district shall assume all obligations of the metropolitan water district, and the metropolitan water district shall convey all property rights to the sanitary district. The metropolitan water district shall cease to exist as a political subdivision from and after the effective date of the merger. After the merger, the residents of the metropolitan water district enjoy all of the benefits of the sanitary district and shall assume their share of the obligations of the sanitary district. All taxes levied and collected by the sanitary district from and after the effective date of the merger shall be levied and collected uniformly in all the territory included in the enlarged sanitary district; and
- (5) Certified copies of the merger resolutions shall be filed with the Commission for Health Services.

(b) At the same time as approving the resolution of merger, the district board of the metropolitan water district shall designate by resolution two of its members to serve on an expanded sanitary district board from and after the date of the merger.

(c) If the sanitary district board serves staggered four-year terms, the resolution shall designate one of those two persons to serve until the organizational meeting after the next election of a sanitary district board, and the other to serve until the organizational meeting after the second succeeding election of a sanitary district board.

Successors shall be elected by the qualified voters of the sanitary district for four-year terms.

(d) If the sanitary district board serves nonstaggered four-year terms, or serves two-year terms, the two persons shall serve until the organizational meeting after the next election of a sanitary district board. Successors shall be elected by the qualified voters of the sanitary district for terms of the same length as other sanitary district board members.

(e) When a sanitary district and metropolitan water district are merged under this section, the sanitary district board may change the name of the sanitary district. Notice of such name change shall be filed with the Commission for Health Services."

Sec. 4. If a sanitary district and a city or town were merged in any election conducted prior to January 1, 1989, under G.S. 130A-80, and the merger did not qualify under that section, but would have been permissible under G.S. 130A-80.2 as enacted by Section 2 of this act, that merger is in all respects validated and confirmed.

Sec. 5. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 1st day of June, 1989.