

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 320*
Second Edition Engrossed 5/7/19
House Committee Substitute Favorable 7/10/19

Short Title: Regional Water Systems and State Grants.

(Public)

Sponsors:

Referred to:

March 21, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO FOSTER REGIONAL COOPERATION FOR WATER AND WASTEWATER
3 INFRASTRUCTURE AMONGST SYSTEMS UTILIZING RESERVOIR WATER.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 159G-42 reads as rewritten:

6 "§ 159G-42. Disbursement of loan or grant.

7 (a) The Department must disburse the proceeds of a loan or grant to a recipient in a series
8 of payments based on the progress of the project for which the loan or grant was awarded. To
9 obtain a payment, a loan or grant recipient must submit a request for payment to the Department
10 and document the expenditures for which the payment is requested.

11 (b) Prior to any disbursement of a loan or grant to a recipient that is engaged in
12 regionalization or initiating regionalization with the loan or grant, the Department shall ensure
13 that the recipient has one of the following with respect to each local government unit that (i)
14 serves a customer base of over 5,000 and (ii) purchases treated or untreated water from the
15 recipient at the time of the disbursement of the loan or grant or is anticipated to purchase treated
16 or untreated water from the recipient within the 30 years following the disbursement of the loan
17 or grant:

18 (1) A written agreement approved by the governing board of the recipient and the
19 governing board of the local government unit stating the current rates of
20 purchase and any anticipated increases over the term of the agreement.

21 (2) A resolution approved by the governing board of the purchasing local
22 government unit stating the local government unit waives its option to
23 establish such a written agreement.

24 (c) In developing any agreement for execution as required by subsection (b) of this
25 section, either local government unit may request to the Local Government Commission to assist
26 in resolving any disputes between the local government units prior to execution of the written
27 agreement. When a request for assistance is made, the Local Government Commission shall
28 assist and provide recommendations within 90 days of the request. If the parties fail to agree, or
29 fail to adopt the recommendations of the Local Government Commission upon disagreement
30 between the parties, the Department shall not disburse any loan or grant to either local
31 government unit until the dispute is resolved to the satisfaction of the Local Government
32 Commission.

33 (d) Subsections (b) and (c) of this section shall apply only to disbursements of a loan or
34 grant where the disbursement is for regionalization and the recipient or a beneficiary of the



1 disbursement withdraws water from a reservoir owned by the United States Army Corps of
2 Engineers lying in at least two states with a dam located outside North Carolina."
3 **SECTION 2.** This act is effective when it becomes law and applies to disbursements
4 under Chapter 159G of the General Statutes on or after that date.