Article 2.

Local Administration.

Part 1. Local Health Departments.

§ 130A-34. Provision of local public health services.

(a) A county shall provide public health services.

(b) A county shall operate a county health department, establish a consolidated human services agency pursuant to G.S. 153A-77, participate in a district health department, or contract with the State for the provision of public health services. (1901, c. 245, s. 3; Rev., s. 4444; 1911, c. 62, s. 9; C.S., s. 7604; 1931, c. 149; 1941, c. 185; 1945, c. 99; c. 1030, s. 2; 1947, c. 474, s. 3; 1951, c. 92; 1957, c. 1357, s. 1; 1963, c. 359; 1967, c. 1224, s. 1; 1969, c. 719, s. 1; 1971, c. 175, s. 1; 1973, c. 137, s. 1; c. 1151; 1975, c. 272; 1979, c. 621; 1983, c. 891, s. 2; 1995 (Reg. Sess., 1996), c. 690, s. 13.)

§ 130A-34.1. Accreditation of local health departments; board established.

(a) The Local Health Department Accreditation Board is established within the North Carolina Institute for Public Health. The Board shall be composed of 17 members appointed by the Secretary of the Department of Health and Human Services as follows:

(1) Four shall be county commissioners recommended by the North Carolina Association of County Commissioners, and four shall be members of a local board of health as recommended by the Association of North Carolina Boards of Health.

(2) Three local health directors.

(3) Three staff members from the Division of Public Health, Department of Health and Human Services.

(4) Repealed by Session Laws 2011-145, s. 13.3(zz), effective July 1, 2011.

(5) Three at large.

(b) Members shall serve four-year terms except that initial terms shall be staggered such that three members are appointed for one year, four members are appointed for two years, four members are appointed for three years, and six members are appointed for four years. An appointment to fill a vacancy on the Board created by the resignation, dismissal, ineligibility, death, or disability of any member shall be made for the balance of the unexpired term. The Secretary may remove any member for misfeasance, malfeasance, or nonfeasance. The chair shall be designated by the Secretary and shall designate the times and places at which the Board shall meet. The Board shall meet as often as necessary to carry out its duty to develop and review periodically accreditation standards, to engage in activities necessary to assign accreditation status to local health departments, and to engage in other activities necessary to implement this section.

(c) Members of the Board who are not officers or employees of the State shall receive reimbursement for travel and subsistence expenses at the rates specified in G.S. 138-5. Members of the Board who are officers or employees of the State shall receive reimbursement for travel and subsistence at the rate set out in G.S. 138-6.

(d) The Board shall assign an accreditation status to each local health department that applies for initial accreditation, reaccreditation, or relief from conditional accreditation. The Board shall assign the appropriate accreditation status, as follows:

(1) Accredited, which means that the local health department has satisfied the accreditation standards adopted by the Board and applicable rules adopted by the Commission.

(2) Conditionally accredited, which means that the local health department has failed to meet one or more accreditation standards and has therefore been granted short-term accreditation subject to conditions specified by the Board.
(3) Unaccredited, which means that the local health department has continued to fail to meet one or more accreditation standards after a period of conditional accreditation.

(e) The Commission shall, after reviewing standards developed by and consulting with the Board, adopt rules establishing accreditation standards for local health departments. The accreditation standards shall include at least all of the following:

(1) An accreditation process that consists of the following components:
a. A self-assessment conducted by the local health department seeking accreditation.
b. A site visit by a team of experts to clarify, verify, and amplify the information in the self-assessment.
c. Final action by the Board on the local health department's accreditation status.
(2) The local health department's capacity to provide the essential public health services, as follows:
a. Monitoring health status to identify community health problems.
b. Diagnosing and investigating health hazards in the community.
c. Informing, educating, and empowering people about health issues.
d. Mobilizing community partnerships to identify and solve health problems.
e. Developing policies and plans that support individual and community health efforts.
f. Enforcing laws and regulations that protect health and ensure safety.
g. Linking people to needed personal health care services and assuring the provision of health care when otherwise unavailable.
h. Assuring a competent public health workforce and personal health care workforce.
i. Evaluating effectiveness, accessibility, and quality of personal and population-based health services.
j. Conducting research.
(3) The local health department's facilities and administration.
(4) The local health department's staff competencies and training procedures or programs.
(5) The local health department's governance and fiscal management; and
(6) Informal procedures for reviewing Board decisions.

(f) All local health departments shall obtain and maintain accreditation in accordance with this section. The Board shall implement accreditation over a period of eight years, beginning January 1, 2006. The Board shall establish a schedule specifying when each local health department shall apply for initial accreditation and ensuring that all local health departments have applied for initial accreditation by December 1, 2014.

(g) The Board shall assign the following accreditation status, as applicable:

(1) "Accredited" to a local health department that satisfies the accreditation standards. The initial period of accreditation shall expire four calendar years after initial accreditation is granted.

(2) "Conditionally accredited" to a local health department that, in its initial accreditation application, fails to satisfy the accreditation standards. The period of conditional accreditation shall expire two calendar years after conditional accreditation is granted. The Board shall provide to the local health department a written statement of the conditions that must be satisfied in order for the local health department to be accredited. At any time during the two-year period, the local health department may request that its status be reviewed and changed from "conditionally accredited" to "accredited." If the Board finds that the conditions have been met, the Board shall change the local health department's status to "accredited" with the accreditation period to expire four calendar years after the conditional accreditation was initially granted. If the Board finds that the conditions have not been satisfied, the local health department shall continue under its grant of conditional accreditation. During the conditional accreditation period, the local health department may apply again for accreditation in accordance with rules adopted by the Commission.

(h) Each accredited local health department shall apply for reaccreditation in accordance with rules adopted by the Commission.

(i) When the Board assigns the status "unaccredited" to a local health department, the Board shall send written notification of that status to the local health department and to the Secretary.

(j) The Commission shall adopt rules to implement this section. (2005-369, s. 1(b); 2011-145, s. 13.3(zz).)

§ 130A-34.2. Billing of Medicaid.

(a) Local health departments, district health departments, and consolidated human services agencies shall have the following two options to bill public health program services to Medicaid:

(1) Submit claim data to HIS and manage 837/835 billing files within HIS.

(2) Submit claim data to any approved Medicaid clearinghouse and manage 837/835 billing files within that system.

(b) The Division of Public Health may require local health departments, district health departments, and consolidated human services agencies, regardless of how those entities choose to bill public health program services to Medicaid, to submit aggregate data to the Division of Public Health. These data shall be provided in a format specified by the Division of Public Health.

(c) Local health departments, district health departments, and consolidated human services agencies shall make available encounter-level data for the Division of Public Health as necessary to comply with federal grant reporting requirements. These data shall be provided in a format specified by the Division of Public Health. However, local health departments shall not be required to use Common Name Data System (CNDS) for any purpose.

(d) Local health departments, district health departments, and consolidated human services agencies that bill services through a Medicaid clearinghouse shall be entitled to the same reimbursement rates negotiated for agencies classified as public health entities and the same Medicaid cost settlement reimbursement as those agencies that bill services through HIS.

(e) The Division of Public Health shall provide aggregate data requirements for the purposes of Medicaid cost study reimbursement on behalf of the local health departments, district health departments, and consolidated human services agencies that choose to bill services through a Medicaid clearinghouse. Those local health departments, district health departments, and consolidated human services agencies shall submit to the Division of Public Health the data required for the purposes of Medicaid cost study reimbursement and shall retain responsibility to supply the Division of Health Benefits and/or Centers for Medicare and Medicaid Services (CMS) documentation to support audit processes and procedures to confirm and validate cost study reimbursement data, as defined by CMS cost find regulations.

(f) As used in this section, unless otherwise specified, the following definitions apply:

(1) "Aggregate data" means high-level reports about services provided by local health departments, district health departments, and consolidated human services agencies, such as the number of patients meeting particular criteria served by a health department or consolidated human service agency or the count of and dollars received for each particular service being performed by a health department or consolidated human service agency, by funding source program and appropriate service code and that comply with appropriate State and federal regulations.

(2) "Encounter-level data" means patient-identified data specific to each medical encounter used to bill medical services.

(3) "Health Information System" or "HIS" means the system operated by the North Carolina Division of Public Health and used by local health departments to record information about services the local health departments provide.

(4) "Public health program services" means services normally provided by a local health department under agreements with the Division of Public Health or the Division of Health Benefits. (2011-90, s. 1; 2019-81, s. 15(a).)

§ 130A-34.3. Incentive program for public health improvement.

(a) In order to promote efficiency and effectiveness of the public health delivery system, the Department shall establish a Public Health Improvement Incentive Program. The Program shall provide monetary incentives for the creation and expansion of multicounty local health departments serving a population of not less than 75,000.

(b) The Commission shall adopt rules to implement the Public Health Improvement Incentive Program. (2012-126, s. 3.)

§ 130A-34.4. Strengthening local public health infrastructure.

(a) By July 1, 2014, in order for a local health department to be eligible to receive State and federal public health funding from the Division of Public Health, the following criteria shall be met:

(1) A local health department shall obtain and maintain accreditation pursuant to G.S. 130A-34.1.

(2) Repealed by Session Laws 2015-246, s. 2.5(a), effective July 1, 2016.

(b) The criteria established in subsection (a) of this section shall be in addition to any other funding criteria established by State or federal law. (2012-126, s. 3; 2015-246, s. 2.5(a).)

§ 130A-35. County board of health; appointment; terms.

(a) A county board of health shall be the policy-making, rulemaking and adjudicatory body for a county health department.

(b) The members of a county board of health shall be appointed by the county board of commissioners. The board shall be composed of 11 members. The composition of the board shall reasonably reflect the population makeup of the county and shall include: one physician licensed to practice medicine in this State, one licensed dentist, one licensed optometrist, one licensed veterinarian, one registered nurse, one licensed pharmacist, one county commissioner, one professional engineer, and three representatives of the general public. Except as otherwise provided in this section, all members shall be residents of the county. If there is not a licensed physician, a licensed dentist, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer available for appointment, an additional representative of the general public shall be appointed. If however, one of the designated professions has only one person residing in the county, the county commissioners shall have the option of appointing that person or a member of the general public. In the event a licensed optometrist who is a resident of the county is not available for appointment, then the county commissioners shall have the option of appointing either a licensed optometrist who is a resident of another county or a member of the general public.

(c) Except as provided in this subsection, members of a county board of health shall serve three-year terms. No member may serve more than three consecutive three-year terms unless the member is the only person residing in the county who represents one of the professions designated in subsection (b) of this section. The county commissioner member shall serve only as long as the member is a county commissioner. When a representative of the general public is appointed due to the unavailability of a licensed physician, a licensed dentist, a resident licensed optometrist or a nonresident licensed optometrist as authorized by subsection (b) of this section, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer, that member shall serve only until a licensed physician, a licensed dentist, a licensed resident or nonresident optometrist, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer becomes available for appointment. In order to establish a uniform staggered term structure for the board, a member may be appointed for less than a three-year term.

(d) Vacancies shall be filled for any unexpired portion of a term.

(e) A chairperson shall be elected annually by a county board of health. The local health director shall serve as secretary to the board.

(f) A majority of the members shall constitute a quorum.

(g) A member may be removed from office by the county board of commissioners for:

(1) Commission of a felony or other crime involving moral turpitude;
(2) Violation of a State law governing conflict of interest;
(3) Violation of a written policy adopted by the county board of commissioners;
(4) Habitual failure to attend meetings;
(5) Conduct that tends to bring the office into disrepute; or
(6) Failure to maintain qualifications for appointment required under subsection (b) of this section.

A board member may be removed only after the member has been given written notice of the basis for removal and has had the opportunity to respond.

(h) A member may receive a per diem in an amount established by the county board of commissioners. Reimbursement for subsistence and travel shall be in accordance with a policy set by the county board of commissioners.

(i) The board shall meet at least quarterly. The chairperson or three of the members may call a special meeting. (1901, c. 245, s. 3; Rev., s. 4444; 1911, c. 62, s. 9; C.S., s. 7604; 1931, c. 149; 1941, c. 185; 1945, c. 99; c. 1030, s. 2; 1947, c. 474, s. 3; 1951, c. 92; 1957, c. 1357, s. 1; 1963, c. 359; 1967, c. 1224, s. 1; 1969, c. 719, s. 1; 1971, c. 175, s. 1; c. 940, s. 1; 1973, c. 137, s. 1; c. 1151; 1975, c. 272; 1979, c. 621; 1981, c. 104; 1983, c. 891, s. 2; 1985, c. 418, s. 1; 1987, c. 84, s. 1; 1989, c. 764, s. 2; 1995, c. 264, s. 1; 2009-447, s. 1; 2025-25, s. 29(6).)

§ 130A-36. Creation of district health department.

(a) A district health department including more than one county may be formed in lieu of county health departments upon agreement of the county boards of commissioners and local boards of health having jurisdiction over each of the counties involved. A county may join a district health department upon agreement of the boards of commissioners and local boards of health having jurisdiction over each of the counties involved. A district health department shall be a public authority as defined in G.S. 159-7(b)(10).

(b) Upon creation of or addition to a district health department, the existing rules of the former board or boards of health shall continue in effect until amended or repealed by the district board of health. (1957, c. 1357, s. 1; 1969, c. 719, s. 2; 1971, c. 175, s. 2; 1973, c. 143, ss. 1-4; c. 476, s. 128; 1975, c. 396, s. 1; 1981, c. 238; c. 408; 1983, c. 891, s. 2.)

§ 130A-37. District board of health.

(a) A district board of health shall be the policy-making, rulemaking and adjudicatory body for a district health department and shall be composed of 15 members; provided, a district board of health may be increased up to a maximum number of 18 members by agreement of the boards of county commissioners in all counties that comprise the district. The agreement shall be evidenced by concurrent resolutions adopted by the affected boards of county commissioners.

(b) The county board of commissioners of each county in the district shall appoint one county commissioner to the district board of health. The county commissioner members of the district board of health shall appoint the other members of the board, including at least one physician licensed to practice medicine in this State, one licensed dentist, one licensed optometrist, one licensed veterinarian, one registered nurse, one licensed pharmacist, and one professional engineer. The composition of the board shall reasonably reflect the population makeup of the entire district and provide equitable district-wide representation. All members shall be residents of the district. If there is not a licensed physician, a licensed dentist, a licensed optometrist, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer available for appointment, an additional representative of the general public shall be appointed. If however, one of the designated professions has only one person residing in the district, the county commissioner members shall have the option of appointing that person or a member of the general public.

(c) Except as provided in this subsection, members of a district board of health shall serve terms of three years. Two of the original members shall serve terms of one year and two of the original members shall serve terms of two years. No member shall serve more than three consecutive three-year terms unless the member is the only person residing in the district who represents one of the professions designated in subsection (b) of this section. County commissioner members shall serve only as long as the member is a county commissioner. When a representative of the general public is appointed due to the unavailability of a licensed physician, a licensed dentist, a licensed optometrist, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer that member shall serve only until a licensed physician, a licensed dentist, a

licensed optometrist, a licensed veterinarian, a registered nurse, a licensed pharmacist, or a professional engineer becomes available for appointment. The county commissioner members may appoint a member for less than a three-year term to achieve a staggered term structure.

(d) Whenever a county shall join or withdraw from an existing district health department, the district board of health shall be dissolved and a new board shall be appointed as provided in subsection (c).

(e) Vacancies shall be filled for any unexpired portion of a term.

(f) A chairperson shall be elected annually by a district board of health. The local health director shall serve as secretary to the board.

(g) A majority of the members shall constitute a quorum.

(h) A member may be removed from office by the district board of health for:

(1) Commission of a felony or other crime involving moral turpitude;
(2) Violation of a State law governing conflict of interest;
(3) Violation of a written policy adopted by the county board of commissioners of each county in the district;
(4) Habitual failure to attend meetings;
(5) Conduct that tends to bring the office into disrepute; or
(6) Failure to maintain qualifications for appointment required under subsection (b) of this section.

A board member may be removed only after the member has been given written notice of the basis for removal and has had the opportunity to respond.

(i) A member may receive a per diem in an amount established by the county commissioner members of the district board of health. Reimbursement for subsistence and travel shall be in accordance with a policy set by the county commissioner members of the district board of health.

(j) The board shall meet at least quarterly. The chairperson or three of the members may call a special meeting.

(k) A district board of health is authorized to provide liability insurance for the members of the board and the employees of the district health department. A district board of health is also authorized to contract for the services of an attorney to represent the board, the district health department and its employees, as appropriate. The purchase of liability insurance pursuant to this subsection waives both the district board of health's and the district health department's governmental immunity, to the extent of insurance coverage, for any act or omission occurring in the exercise of a governmental function. By entering into a liability insurance contract with the district board of health, an insurer waives any defense based upon the governmental immunity of the district board of health or the district health department. (1957, c. 1357, s. 1; 1969, c. 719, s. 2; 1971, c. 175, s. 2; c. 940, s. 1; 1973, c. 143, ss. 1-4; c. 476, s. 128; 1975, c. 396, s. 1; 1981, cc. 104, 238, 408; 1983, c. 891, s. 2; 1983 (Reg. Sess., 1984), c. 1077; 1985, c. 418, s. 2; 1987, c. 84, s. 2; 1989, c. 764, s. 3; 1995, c. 264, s. 2; 2025-25, s. 29(6).)

§ 130A-38. Dissolution of a district health department.

(a) Whenever the board of commissioners of each county constituting a district health department determines that the district health department is not operating in the best health interests of the respective counties, they may direct that the district health department be dissolved. In addition, whenever a board of commissioners of a county which is a member of a district health department determines that the district health department is not operating in the best health

interests of that county, it may withdraw from the district health department. Dissolution of a district health department or withdrawal from the district health department by a county shall be effective only at the end of the fiscal year in which the action of dissolution or withdrawal transpired.

(b) Notwithstanding the provisions of subsection (a), no district health department shall be dissolved without prior written notification to the Department.

(c) Any budgetary surplus available to a district health department at the time of its dissolution shall be distributed to those counties comprising the district on the same pro rata basis that the counties appropriated and contributed funds to the district health department budget during the current fiscal year. Distribution to the counties shall be determined on the basis of an audit of the financial record of the district health department. The district board of health shall select a certified public accountant or an accountant who is subsequently certified by the Local Government Commission to conduct the audit. The audit shall be performed in accordance with G.S. 159-34. The same method of distribution of funds described above shall apply when one or more counties of a district health department withdraw from a district.

(d) Upon dissolution or withdrawal, all rules adopted by a district board of health shall continue in effect until amended or repealed by the new board or boards of health. (1971, c. 858; 1975, c. 396, s. 2; c. 403; 1983, c. 891, s. 2.)

§ 130A-39. Powers and duties of a local board of health.

(a) A local board of health shall have the responsibility to protect and promote the public health. The board shall have the authority to adopt rules necessary for that purpose.

(b) A local board of health may adopt a more stringent rule in an area regulated by the Commission for Public Health or the Environmental Management Commission where, in the opinion of the local board of health, a more stringent rule is required to protect the public health; otherwise, the rules of the Commission for Public Health or the rules of the Environmental Management Commission shall prevail over local board of health rules. However, a local board of health may not adopt a rule concerning the grading, operating, and permitting of food and lodging facilities as listed in Part 6 of Article 8 of this Chapter and as defined in G.S. 130A-247(1), or a rule concerning the permitting of private drinking water wells, as defined in G.S. 87-85, except for testing standards as set out in G.S. 87-96, and a local board of health may adopt rules concerning wastewater collection, treatment and disposal systems which are not designed to discharge effluent to the land surface or surface waters only in accordance with G.S. 130A-335(c).

(c) The rules of a local board of health shall apply to all municipalities within the local board's jurisdiction.

(d) Not less than 10 days before the adoption, amendment or repeal of any local board of health rule, the proposed rule shall be made available at the office of each county clerk within the board's jurisdiction, and a notice shall be published in a newspaper having general circulation within the area of the board's jurisdiction. The notice shall contain a statement of the substance of the proposed rule or a description of the subjects and issues involved, the proposed effective date of the rule and a statement that copies of the proposed rule are available at the local health department. A local board of health rule shall become effective upon adoption unless a later effective date is specified in the rule.

(e) Copies of all rules shall be filed with the secretary of the local board of health.

(f) A local board of health may, in its rules, adopt by reference any code, standard, rule or regulation which has been adopted by any agency of this State, another state, any agency of the

United States or by a generally recognized association. Copies of any material adopted by reference shall be filed with the rules.

(g) A local board of health may impose a fee for services to be rendered by a local health department, except where the imposition of a fee is prohibited by statute or where an employee of the local health department is performing the services as an agent of the State. Notwithstanding any other provisions of law, a local board of health may impose cost-related fees for services performed pursuant to Article 11 of this Chapter, "Wastewater Systems," for services performed pursuant to Part 10, Article 8 of this Chapter, "Public Swimming Pools", for services performed pursuant to Part 11, Article 8 of this Chapter, "Tattooing", and for services performed pursuant to G.S. 87-97. Fees shall be based upon a plan recommended by the local health director and approved by the local board of health and the appropriate county board or boards of commissioners. The fees collected under the authority of this subsection are to be deposited to the account of the local health department so that they may be expended for public health purposes in accordance with the provisions of the Local Government Budget and Fiscal Control Act. (1901, c. 245, s. 3; Rev., s. 4444; 1911, c. 62, s. 9; C.S., s. 7065; 1957, c. 1357, s. 1; 1959, c. 1024, s. 1; 1963, c. 1087; 1973, c. 476, s. 128; c. 508; 1977, c. 857, s. 2; 1981, c. 130, s. 2; c. 281; c. 949, s. 4; 1983, c. 891, s. 2; 1985, c. 175, s. 1; 1989, c. 577, s. 2; 1991 (Reg. Sess., 1992), c. 944, s. 10; 1993 (Reg. Sess., 1994), c. 670, s. 2; 1995, c. 507, s. 26.8(c); 2006-202, s. 6; 2007-182, s. 2; 2025-94, s. 16; 2026-32, s. 8(c).)

§ 130A-40. Appointment of local health director.

(a) A local board of health, after consulting with the appropriate county board or boards of commissioners, shall appoint a local health director. All persons who are appointed to the position of local health director on or after January 1, 1992, must possess minimum education and experience requirements for that position, as follows:

(1) A medical doctorate; or

(2) A masters degree in Public Health Administration, and at least one year of employment experience in health programs or health services; or

(3) A masters degree in a public health discipline other than public health administration, and at least three years of employment experience in health programs or health services; or

(4) A masters degree in public administration, and at least two years of experience in health programs or health services; or

(5) A masters degree in a field related to public health, and at least three years of experience in health programs or health services; or

(6) A bachelors degree in a field related to public health and at least seven years of experience in health programs or health services, which must include at least three years of supervisory experience.

(b) Before appointing a person to the position of local health director under subsection (a)(5) or (a)(6) of this section, the local board of health shall forward the application and other pertinent materials of such candidate to the State Health Director. If the State Health Director determines that the candidate's degree is in a field not related to public health, the State Health Director shall so notify the local board of health in writing within 15 days of the State Health Director's receipt of the application and materials, and such candidate shall be deemed not to meet the education requirements of subsection (a)(5) or (a)(6) of this section. If the State Health Director fails to act upon the application within 15 days of receipt of the application and materials from the local board of health, the application shall be deemed approved with respect to the education

requirements of subsection (a)(5) or (a)(6) of this section, and the local board of health may proceed with appointment process.

(c) The State Health Director shall review requests of educational institutions to determine whether a particular degree offered by the requesting institution is related to public health for the purposes of subsection (a)(5) or (a)(6) of this section. The State Health Director shall act upon such requests within 90 days of receipt of the request and pertinent materials from the institution, and shall notify the institution of its determination in writing within the 90-day review period. If the State Health Director determines that an institution's particular degree is not related to public health, the State Health Director shall include the reasons therefor in his or her written determination to the institution.

(d) When a local board of health fails to appoint a local health director within 60 days of the creation of a vacancy, the State Health Director may appoint a local health director to serve until the local board of health appoints a local health director in accordance with this section. (1957, c. 1357, s. 1; 1973, c. 152; c. 476, s. 128; 1983, c. 891, s. 2; 1983 (Reg. Sess., 1984), c. 1034, s. 75; 1991, c. 612, s. 1; 2024-34, s. 3(a).)

§ 130A-40.1. Pilot program for nurse as health director.

(a) Notwithstanding G.S. 130A-40, a local board of health, after consulting with the appropriate county board of commissioners, and with the approval of the Secretary of Health and Human Services, may appoint a local health director who meets the following education and experience requirements for that position:

(1) Graduation from a four-year college or university with a Bachelor of Science in Nursing degree that includes a public health nursing rotation; or

(2) A candidate with an RN but not a bachelors degree if the candidate has at least 10 years' experience, at least seven years of which must be in an administrative or supervisory role, and of this seven years, at least five years must be at the agency at which the candidate is an applicant for employment as local health director.

(b) The Secretary of Health and Human Services may approve only one request under subsection (a) of this section, this section being designed as a pilot program concerning alternative qualifications for a local health director. The Secretary of Health and Human Services shall report any approval under this section to the Joint Legislative Oversight Committee on Health and Human Services.

(c) All bachelors level candidates appointed under this section shall have a total of 10 years' public health experience, at least five years of which must be in a supervisory capacity at the agency at which the candidate is an applicant for employment as a local health director. Bachelor of Science in Nursing candidates with a public health rotation may use this BSN degree as credit for one year's public health experience.

(d) In addition to possessing the qualifications required in this section, all Bachelor of Science, Bachelor of Arts, or Registered Nurse candidates must complete at least six contact hours of continuing education annually on the subject of local and State government finance, organization, or budgeting. The training must be in a formal setting offered through the State or local government or through an accredited educational institution. This training is in addition to any other required training for local health director or other continuing education required to maintain other professional credentials. If during the course of employment as local health director the employee meets the requirements of this subsection, the additional training requirements of this

section are waived. (2003-284, s. 10.33C; 2011-266, s. 1.16(b); 2011-291, s. 2.46; 2012-194, s. 27.)

§ 130A-41. Powers and duties of local health director.

(a) A local health director shall be the administrative head of the local health department, shall perform public health duties prescribed by and under the supervision of the local board of health and the Department and shall be employed full time in the field of public health.

(b) A local health director shall have the following powers and duties:

(1) To administer programs as directed by the local board of health;
(2) To enforce the rules of the local board of health;
(3) To investigate the causes of infectious, communicable and other diseases;
(4) To exercise quarantine authority and isolation authority pursuant to G.S. 130A-145;
(5) To disseminate public health information and to promote the benefits of good health;
(6) To advise local officials concerning public health matters;
(7) To enforce the immunization requirements of Part 2 of Article 6 of this Chapter;
(8) To examine and investigate cases of venereal disease pursuant to Parts 3 and 4 of Article 6 of this Chapter;
(9) To examine and investigate cases of tuberculosis pursuant to Part 5 of Article 6 of this Chapter;
(10) To examine, investigate and control rabies pursuant to Part 6 of Article 6 of this Chapter;
(11) To abate public health nuisances and imminent hazards pursuant to G.S. 130A-19 and G.S. 130A-20;
(12) To employ and dismiss employees of the local health department in accordance with Chapter 126A of the General Statutes; and
(13) To enter contracts, in accordance with The Local Government Finance Act, G.S. Chapter 159, on behalf of the local health department. Nothing in this paragraph shall be construed to abrogate the authority of the board of county commissioners.

(c) Authority conferred upon a local health director may be exercised only within the county or counties comprising the local health department. (1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2; 1985, c. 175, s. 2; 1999-110, s. 1; 2026-40, s. 4.51.)

§ 130A-42. Personnel records of district health departments.

Employee personnel records of a district health department shall have the same protections from disclosure as county employee personnel records under G.S. 153A-98. For the purposes of this section, the local health director shall perform the duties assigned to the county manager pursuant to G.S. 153A-98 and the district board of health shall perform the duties assigned to the county board of commissioners pursuant to G.S. 153A-98. (1983, c. 891, s. 2.)

Part 1A. Consolidated Human Services Agency.

§ 130A-43. Consolidated human services agency; board; director.

(a) Except as otherwise provided by this section and subject to any limitations that may be imposed by the board of county commissioners under G.S. 153A-77, a consolidated human

services agency created pursuant to G.S. 153A-77 shall have the responsibility to carry out the duties of a local health department and the authority to administer the local public health programs established in this Chapter in the same manner as a local health department.

(b) In addition to the powers conferred by G.S. 153A-77(d), a consolidated human services board shall have all the powers and duties of a local board of health as provided by G.S. 130A-39, except that the consolidated human services board may not:

(1) Appoint the human services director.

(2) Transmit or present the budget for local health programs.

(c) In addition to the powers conferred by G.S. 153A-77(e), a human services director shall have all the powers and duties of a local health director provided by G.S. 130A-41, except that the human services director may:

(1) Serve as the executive officer of the consolidated human services agency only to the extent and in the manner authorized by the county manager.

(2) Appoint staff of the consolidated human services agency only upon the approval of the county manager. (1995 (Reg. Sess., 1996), c. 690, s. 14.)

§ 130A-44. Reserved for future codification purposes.

Part 1B. Public Health Authorities Authorized.

§ 130A-45. Title and purpose.

(a) This Part shall be known and may be cited as the "Public Health Authorities Act".

(b) The purpose of this Part is to provide an alternative method for counties to provide public health services. This Part shall not be regarded as repealing any powers now existing under any other law, either general, special, or local.

(c) It is the policy of the General Assembly that Public Health Authorities should have adequate authority to exercise the powers, rights, duties, functions, privileges, and immunities conferred upon them by law. (1997-502, s. 1.)

§ 130A-45.01. Definitions.

As used in this Part, unless otherwise specified:

(1) "Authority service area" means the area within the boundaries of the authority as provided for in G.S. 130A-45.4.

(2) "Board" means a public health authority board created under this Part.

(3) "County" means the county which is, or is about to be, included in the territorial boundaries of a public health authority when created hereunder.

(4) "County board of commissioners" means the legislative body charged with governing the county.

(5) "Department" means the Department of Health and Human Services.

(6) "Federal government" means the United States of America, or any agency, instrumentality, corporate or otherwise, of the United States of America.

(7) "Government" means the State and federal governments and any subdivision, agency, or instrumentality, corporate or otherwise, of either of them.

(8) "Public health authority" means a public body and a body corporate and politic organized under the provisions of this Part.

(9) "Public health facility" means any one or more buildings, structures, additions, extensions, improvements, or other facilities, whether or not located on the

same site or sites, machinery, equipment, furnishings or other real or personal property suitable for providing public health services; and includes, without limitation, local public health departments or centers; public health clinics and outpatient facilities; nursing homes, including skilled nursing facilities and intermediate care facilities, adult care homes for the aged and disabled; public health laboratories; administration buildings, central service and other administrative facilities; communication, computer and other electronic facilities; pharmaceutical facilities; storage space; vehicular parking lots and other such public health facilities, customarily under the jurisdiction of or provided by public health departments, or any combination of the foregoing, with all necessary, convenient or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping, and physical amenities.

(10) "Real property" means lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

(11) "State" means the State of North Carolina. (1997-502, s. 1.)

§ 130A-45.02. Creation of a public health authority.

(a) A public health authority may be created upon joint resolution of the county board of commissioners and the local board of health that it is in the interest of the public health and welfare to create a public health authority to provide public health services as required under G.S. 130A-34.

(b) A public health authority including more than one county may be formed upon joint resolution of the county boards of commissioners and local boards of health having jurisdiction over each of the counties involved.

(c) After the adoption of a resolution creating a public health authority, a public health authority board shall be appointed in accordance with G.S. 130A-45.1.

(d) A county may join a public health authority upon joint resolution of the boards of commissioners and local boards of health having jurisdiction over each of the counties involved.

(e) A public health authority board shall govern the public health authority. All powers, duties, functions, rights, privileges, or immunities conferred on the public health authority may be exercised by the authority board.

(f) The public health authority board shall absorb the functions, assets, and liabilities of the county or district boards of health, and that board is dissolved.

(g) For the purpose of Chapter 159 of the General Statutes, a public health authority is a public authority as defined in G.S. 159-7(b)(10).

(h) Before adopting a resolution creating a public health authority, the county board of commissioners shall hold a public hearing with notice published at least 10 days before the hearing.

(i) For the purposes of Article 9 of Chapter 131E of the General Statutes, a public health authority is a person as defined in G.S. 131E-176(19). (1997-502, s. 1; 2001-92, s. 3.)

§ 130A-45.1. Membership of the public health authority board.

(a) A public health authority board shall be the policy-making, rulemaking, and adjudicatory body for a public health authority and shall be composed of no fewer than seven

members and no more than nine members; except that in an authority comprising two or more counties, the board shall be composed of no more than 11 members. Boards which intend to pursue federally qualified health center (or look-alike) status may have no fewer than nine and no more than 25 members.

(b) In a single county authority, the county board of commissioners shall appoint the members of the board; in an authority comprising two or more counties, the chair of the county board of commissioners of each county in the authority shall appoint one county commissioner, or the commissioner's express designee, to the authority board and these members shall jointly appoint the other members of the board.

(c) The members of the board shall include:

(1) At least one physician licensed under Chapter 90 of the General Statutes to practice medicine in this State, and at least one dentist licensed under Article 2 of Chapter 90 of the General Statutes to practice dentistry in this State;

(2) At least one county commissioner or the commissioner's express designee from each county in the authority;

(3) At least two licensed or registered professionals from any of the following professions: optometry, veterinary science, nursing, pharmacy, engineering, or accounting;

(4) At least one member from the administrative staff of a hospital serving the authority service area; and

(5) At least one member from the general public.

(d) Except as provided in this subsection, members of the board shall serve terms of three years. In order to establish a uniform staggered term structure for the Board, a member may be appointed for less than a three-year term.

(e) Any member who is a county commissioner serves on the board in an ex officio capacity.

(f) Whenever a county shall join or withdraw from an existing public health authority, the board shall be dissolved and a new board shall be appointed as provided in subsection (b) of this section.

(g) Vacancies shall be filled within 120 days for any unexpired portion of a term.

(h) A chair shall be elected annually by a board. The authority director shall serve as secretary to the board.

(i) A majority of the members shall constitute a quorum.

(j) A member may be removed from office by the board for any of the following:

(1) Commission of a felony or other crime involving moral turpitude.

(2) Violation of a State law governing conflict of interest.

(3) Violation of a written policy adopted by the county board of commissioners of each county in the authority.

(4) Habitual failure to attend meetings.

(5) Conduct that tends to bring the office into disrepute.

(6) Failure to maintain qualifications for appointment required under subsection (c) of this section.

A board member may be removed only after the member has been given written notice of the basis for removal and has had the opportunity to respond.

(k) Board members may receive per diem in an amount established by the county commissioner members of the Public Health Authority Board. Reimbursement for subsistence and

travel shall be in accordance with a policy set by the county commissioner members of the Public Health Authority Board.

(*l*) The board shall meet at least quarterly. The chair or three of the members may call a special meeting. (1997-502, s. 1; 2005-459, s. 2; 2007-229, s. 1; 2025-25, s. 29(6).)

§ 130A-45.2. Dissolution of a public health authority.

(a) Whenever the board of commissioners of each county constituting a public health authority determines that the authority is not operating in the best health interests of the authority service area, they may direct that the authority be dissolved. In addition, whenever a board of commissioners of a county which is a member of an authority determines that the authority is not operating in the best health interests of that county, it may withdraw from the authority. Dissolution of an authority or withdrawal from the authority by a county shall be effective only at the end of the fiscal year in which the action of dissolution or withdrawal transpired.

(b) Notwithstanding the provisions of subsection (a) of this section, no public health authority shall be dissolved without prior written notification to the Department.

(c) Any budgetary surplus available to a public health authority at the time of its dissolution shall be distributed to those counties comprising the authority on the same pro rata basis that the counties appropriated and contributed funds to the authority's budget during the current fiscal year. Distribution to the counties shall be determined on the basis of an audit of the financial record of the authority. The public health authority board shall select a certified public accountant or an accountant who is subsequently certified by the Local Government Commission to conduct the audit. The audit shall be performed in accordance with G.S. 159-34. The same method of distribution of funds described above shall apply when one or more counties of an authority withdraw from the authority.

(d) Upon dissolution or withdrawal, all rules adopted by the board continue in effect until amended or repealed by the new authority board or boards of health. (1997-502, s. 1.)

§ 130A-45.3. Powers and duties of authority board.

(a) A public health authority shall have all the powers necessary or convenient to carry out the purposes of this Part, including the following powers to:

(1) Protect and promote the public health. The board shall have the authority to adopt rules necessary for that purpose.

(2) Construct, equip, operate, and maintain public health facilities.

(3) Use property owned or controlled by the authority.

(4) Acquire real or personal property, including existing public health facilities, by purchase, grant, gift, devise, lease or, with the permission of the county commissioners, condemnation.

(5) Establish a fee schedule for services received from public health facilities and make services available regardless of ability to pay.

(6) Appoint a public health authority director to serve at the pleasure of the authority board.

(7) Establish a salary plan which shall set the salaries for employees of the area authority.

(8) To adopt and enforce a professional reimbursement policy which may include the following provisions: (i) require that fees for the provision of services received directly under the supervision of the public health authority shall be

paid to the authority, (ii) prohibit employees of the public health authority from providing services on a private basis which require the use of the resources and facilities of the public health authority, and (iii) provide that employees may not accept dual compensation and dual employment unless they have the written permission of the public health authority director.

(9) Delegate to its agents or employees any powers or duties as it may deem appropriate.

(10) Employ its own counsel and legal staff.

(11) Adopt, amend, and repeal bylaws for the conduct of its business.

(12) Enter into contracts for necessary supplies, equipment, or services for the operation of its business.

(13) Act as an agent for the federal, State, or local government in connection with the acquisition, construction, operation, or management of a public health facility, or any part thereof.

(14) Insure the property or the operations of the authority against risks as the authority may deem advisable.

(15) Sue and be sued.

(16) Accept donations or money, personal property, or real estate for the benefit of the authority and to take title to the same from any person, firm, corporation, or society.

(17) Appoint advisory boards, committees, and councils composed of qualified and interested residents of the authority service area to study, interpret, and advise the public health authority board.

(18) To purchase or finance real or personal property in the manner provided for cities and counties under G.S. 160A-20.

(b) A public health authority shall have the power to establish and operate health care networks and may contract with or enter into any arrangement with other public health authorities or local health departments of this or other states, federal, or other public agencies, or with any person, private organization, or nonprofit corporation or association for the provision of public health services, including managed health care activities; provided, however, that for the purposes of this subsection only, a public health authority shall be permitted to and shall comply with the requirements of Article 67 of Chapter 58 of the General Statutes to the extent that such requirements apply to the activities undertaken by the public health authority pursuant to this subsection. The public health authority may pay for or contribute its share of the cost of any such contract or arrangement from revenues available for these purposes, including revenues arising from the provision of public health services.

(c) A public health authority may lease any public health facility, or part, to a nonprofit association on terms and conditions consistent with the purposes of this Part. The authority will determine the length of the lease. No lease executed under this subsection shall be deemed to convey a freehold interest.

(d) A public health authority shall neither sell nor convey any rights of ownership the county has in any public health facility, including the buildings, land, and equipment associated with the facility, to any corporation or other business entity operated for profit, except that nothing herein shall prohibit the sale of surplus buildings, surplus land, or surplus equipment by an authority to any corporation or other business entity operated for profit. For purposes of this subsection, "surplus" means any building, land, or equipment which is not required for use in the

delivery of public health care services by a public health facility at the time of the sale or conveyance of ownership rights.

(e) A public health authority may lease any public health facility, or part, to any corporation, foreign or domestic, authorized to do business in North Carolina on terms and conditions consistent with the purposes of this Part and with G.S. 160A-272.

(f) A public health authority may exercise any or all of the powers conferred upon it by this Part, either generally or with respect to any specific public health facility or facilities, through or by designated agents, including any corporation or corporations which are or shall be formed under the laws of this State.

(g) An authority may contract to insure itself and any of its board members, agents, or employees against liability for wrongful death or negligent or intentional damage to person or property or against absolute liability for damage to person or property caused by an act or omission of the authority or of any of its board members, agents, or employees when acting within the scope of their authority and the course of their employment. The board shall determine what liabilities and what members, agents, and employees shall be covered by any insurance purchased pursuant to this subsection.

Purchase of insurance pursuant to this subsection waives the authority's governmental immunity, to the extent of insurance coverage, for any act or omission occurring in the exercise of a governmental function. Participation in a local government risk pool pursuant to Article 23 of Chapter 58 of the General Statutes shall be deemed to be the purchase of insurance for the purposes of this section. By entering into an insurance contract with the authority, an insurer waives any defense based upon the governmental immunity of the authority.

(h) If an authority has waived its governmental immunity pursuant to subsection (g) of this section, any person, or in the event of death, their personal representative, sustaining damages as a result of an act or omission of the authority or any of its board members, agents, or employees, occurring in the exercise of a governmental function, may sue the authority for recovery of damages. To the extent of the coverage of insurance purchased pursuant to subsection (g) of this section, governmental immunity may not be a defense to the action. Otherwise, however, the authority has all defenses available to private litigants in any action brought pursuant to this section without restriction, limitation, or other effect, whether the defense arises from common law or by virtue of a statute.

Despite the purchase of insurance as authorized by subsection (g) of this section, the liability of an authority for acts or omissions occurring in the exercise of governmental functions does not attach unless the plaintiff waives the right to have all issues of law or fact relating to insurance in the action determined by a jury. The judge shall hear and determine these issues without resort to a jury, and the jury shall be absent during any motion, argument, testimony, or announcement of findings of fact or conclusions of law relating to these issues unless the defendant requests a jury trial on them. (1997-502, s. 1; 2007-229, s. 2.)

§ 130A-45.4. Appointment of a public health authority director.

(a) A public health authority board, after consulting with the appropriate county board or boards of commissioners, shall appoint a public health authority director.

(b) All persons who are appointed to the position of public health authority director must possess minimum education and experience requirements for that position, as follows:

(1) A medical doctorate; or

(2) A masters degree in Public Health Administration, and at least one year of employment experience in health programs or health services; or
(3) A masters degree in a public health discipline other than public health administration, and at least three years of employment experience in health programs or health services; or
(4) A masters degree in public administration, and at least two years of experience in health programs or health services; or
(5) A masters degree in a field related to public health, and at least three years of experience in health programs or health services; or
(6) A bachelors degree in public health administration or public administration and at least three years of experience in health programs or health services.

(c) Before appointing a person to the position of public health authority director under subdivision (a)(5) of this section, the authority board shall forward the application and other pertinent materials of such candidate to the State Health Director. If the State Health Director determines that the candidate's masters degree is in a field not related to public health, the State Health Director shall so notify the authority board in writing within 15 days of the State Health Director's receipt of the application and materials, and such candidate shall be deemed not to meet the education requirements of subdivision (a)(5) of this section. If the State Health Director fails to act upon the application within 15 days of receipt of the application and materials from the authority board, the application shall be deemed approved with respect to the education requirements of subdivision (a)(5) of this section, and the authority board may proceed with the appointment process.

(d) The State Health Director shall review requests of educational institutions to determine whether a particular masters degree offered by the requesting institution is related to public health for the purposes of subdivision (a)(5) of this section. The State Health Director shall act upon such requests within 90 days of receipt of the request and pertinent materials from the institution, and shall notify the institution of its determination in writing within the 90-day review period. If the State Health Director determines that an institution's particular masters degree is not related to public health, the State Health Director shall include the reasons therefor in his written determination to the institution.

(e) When an authority board fails to appoint a public health authority director within 60 days of the creation of a vacancy, the State Health Director may appoint an authority director to serve until the authority board appoints an authority director in accordance with this section. (1997-502, s. 1.)

§ 130A-45.5. Powers and duties of a public health authority director.

(a) The public health authority director is an employee of the authority board and shall serve at the pleasure of the authority board.

(b) An authority health director shall perform public health duties prescribed by and under the supervision of the public health authority board and the Department and shall be employed full time in the field of public health.

(c) An authority health director shall have the following powers and duties:
(1) To administer programs as directed by the public health authority board;
(2) To enforce the rules of the public health authority board;
(3) To investigate the causes of infectious, communicable, and other diseases;

(4) To exercise quarantine authority and isolation authority pursuant to G.S. 130A-145;
(5) To disseminate public health information and to promote the benefits of good health;
(6) To advise local officials concerning public health matters;
(7) To enforce the immunization requirements of Part 2 of Article 7 of this Chapter;
(8) To examine and investigate cases of venereal disease pursuant to Parts 3 and 4 of Article 6 of this Chapter;
(9) To examine and investigate cases of tuberculosis pursuant to Part 5 of Article 6 of this Chapter;
(10) To examine, investigate, and control rabies pursuant to Part 6 of Article 6 of this Chapter;
(11) To abate public health nuisances and imminent hazards pursuant to G.S. 130A-19 and G.S. 130A-20; and
(12) To employ, discipline, and dismiss employees of the public health authority.

(d) Authority conferred upon a public health authority director may be exercised only within the county or counties comprising the public health authority. (1997-502, s. 1.)

§ 130A-45.6. Boundaries of the authority.

A public health authority may provide or contract to provide public health services and to acquire, construct, establish, enlarge, improve, maintain, own, or operate, and contract for the operation of any public health facilities outside the territorial limits, within reasonable limitation, of the county or counties creating the authority, but in no case shall a public health authority be held liable for damages to those outside the territorial limits of the county or counties creating the authority for failure to provide any public health service. (1997-502, s. 1.)

§ 130A-45.7. Medical review committee.

(a) A member of a duly appointed medical review committee who acts without malice or fraud shall not be subject to liability for damages in any civil action on account of any act, statement, or proceeding undertaken, made, or performed within the scope of the functions of the committee.

(b) The proceedings of a medical review committee, the records and materials it produces and the materials it considers shall be confidential and not considered public records within the meaning of G.S. 132-1, "Public records" defined, and shall not be subject to discovery or introduction into evidence in any civil action against a public health authority or a provider of professional health services which results from matters which are the subject of evaluation and review by the committee. No person who was in attendance at a meeting of the committee shall be required to testify in any civil action as to any evidence or other matters produced or presented during the proceedings of the committee or as to any findings, recommendations, evaluations, opinions, or other actions of the committee or its members. However, information, documents, or records otherwise available are not immune from discovery or use in a civil action merely because they were presented during proceedings of the committee. A member of the committee or a person who testifies before the committee may testify in a civil action but cannot be asked about his testimony before the committee or any opinions formed as a result of the committee hearings. (1997-502, s. 1.)

§ 130A-45.8. Confidentiality of patient information.

(a) Medical records compiled and maintained by public health authorities in connection with the admission, treatment, and discharge of individual patients are not public records as defined by Chapter 132 of the General Statutes.

(b) Charges, accounts, credit histories, and other personal financial records compiled and maintained by public health authorities in connection with the admission, treatment, and discharge of individual patients are not public records as defined by Chapter 132 of the General Statutes. (1997-502, s. 1.)

§ 130A-45.9. Confidentiality of personnel information.

(a) Except as provided in subsection (b) of this section, the personnel files of employees or former employees and the files of applicants for employment maintained by a public health authority are not public records as defined by Chapter 132 of the General Statutes.

(b) The following information with respect to each employee of a public health authority is a matter of public record: name; age; date of original employment or appointment; beginning and ending dates, position title, position descriptions, and total compensation of current and former positions; the terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the authority has the written contract or a record of the oral contract in its possession, and date of the most recent promotion, demotion, transfer, suspension, separation, or other change in position classification. In addition, the following information with respect to each licensed medical provider employed by or having privileges to practice in a public health facility shall be a matter of public record: educational history and qualifications, date and jurisdiction or original and current licensure; and information relating to medical board certifications or other qualifications of medical specialists. For the purposes of this subsection, the term "total compensation" includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation paid by the employing entity.

(c) Information regarding the qualifications, competence, performance, character, fitness, or conditions of appointment of an independent contractor who provides health care services under a contract with a public health authority is not a public record as defined by Chapter 132 of the General Statutes. Information regarding a hearing or investigation of a complaint, charge, or grievance by or against an independent contractor who provides health care services under a contract with a public health authority is not a public record as defined by Chapter 132 of the General Statutes. Final action making an appointment or discharge or removal by a public health authority having final authority for the appointment or discharge or removal shall be taken in an open meeting, unless otherwise exempted by law. The following information with respect to each independent contractor of health care services of a public health authority is a matter of public record: name; age; date of original contract; beginning and ending dates; position title; position descriptions; and total compensation of current and former positions; and the date of the most recent promotion, demotion, transfer, suspension, separation, or other change in position classification. (1997-502, s. 1; 2007-508, s. 5.)

§ 130A-45.10. Confidentiality of credentialing information.

Information acquired by a public health authority or by persons acting for or on behalf of a public health authority in connection with the credentialing and peer review of persons having or applying for privileges to practice in a public health facility is confidential and is not a public record under Chapter 132 of the General Statutes; provided that information otherwise available to

the public shall not become confidential merely because it was acquired by the authority or by persons acting for or on behalf of the authority. (1997-502, s. 1.)

§ 130A-45.11. Confidentiality of competitive health care information.

Information relating to competitive health care activities by or on behalf of public health authorities shall be confidential and not a public record under Chapter 132 of the General Statutes; provided that any contract entered into by or on behalf of a public health authority shall be a public record unless otherwise exempted by law. (1997-502, s. 1.)

§ 130A-45.12. Personnel.

Employees under the supervision of the public health authority director are employees of the public health authority and shall be exempt from Chapter 126A of the General Statutes, unless otherwise provided in this Part. (2001-92, s. 1; 2026-40, s. 4.52.)

§ 130A-45.13. Authority to contract directly with private providers to operate billing system for county Medicaid claims.

A public health authority board may contract directly with private vendors to operate the authority's Medicaid billing system as an alternative to the State-operated health services information system. The contract may provide for the private vendor to bill directly the State Medicaid billing system (MMIS), thereby bypassing the State health services information system (HSIS). The public health authority shall issue a "request for proposal" to solicit private vendor bids for contracts authorized under this section. Information systems authorized under this section shall be consistent with and interface with relevant statewide public health data systems to address State cost containment and service reporting needs. (2005-459, s. 1.)

§ 130A-46. Reserved for future codification purposes.

Part 2. Sanitary Districts.

§ 130A-47. Creation by Commission.

(a) For the purpose of preserving and promoting the public health and welfare, the Commission may create sanitary districts without regard for county, township or municipal lines. However, no municipal corporation or any part of the territory in a municipal corporation shall be included in a sanitary district except at the request of the governing board of the municipal corporation. If the municipal corporation has not levied any tax nor performed any official act nor held any elections within a period of four years preceding the date of the petition for the sanitary district, a request of the governing board shall not be required.

(b) For the purposes of this Part, the term "Department" means the Department of Environmental Quality, and the term "Secretary" means the Secretary of Environmental Quality. (1927, c. 100, s. 1; 1955, c. 1307; 1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2; 2007-187, s. 1; 2015-241, ss. 14.30(u), (v).)

§ 130A-48. Procedure for incorporating district.

A sanitary district shall be incorporated as follows. Either fifty-one percent (51%) or more of the resident freeholders within a proposed sanitary district or fifty-one percent (51%) or more of the freeholders within a proposed sanitary district, whether or not the freeholders are residents of the proposed sanitary district, may petition the county board of commissioners of the county in

which all or the largest portion of the land of the proposed district is located. This petition shall set forth the boundaries of the proposed sanitary district and the objectives of the proposed district. For the purposes of this Part, the term "freeholder" shall mean a person holding a deed to a tract of land within the district or proposed district, and also shall mean a person who has entered into a contract to purchase a tract of land within the district or proposed district, is making payments pursuant to a contract and will receive a deed upon completion of the contractual payments. The contracting purchaser, rather than the contracting seller, shall be deemed to be the freeholder. The county tax office shall be responsible for checking the freeholder status of those persons signing the petition. That office shall also be responsible for confirming the location of the property owned by those persons. Upon receipt of the petition, the county board of commissioners, through its chairperson, shall notify the Department and the chairperson of the county board of commissioners of any other county or counties in which any portion of the proposed district lies of the receipt of the petition. The chairperson shall request that the Department hold a joint public hearing with the county commissioners of all the counties in which a portion of the district lies concerning the creation of the proposed sanitary district. The Secretary and the chairperson of the county board of commissioners shall name a time and place within the proposed district to hold the public hearing. The chairperson of the county board of commissioners shall give prior notice of the hearing by posting a notice at the courthouse door of the county and also by publication at least once a week for four successive weeks in a newspaper published in the county. In the event the hearing is to be before a joint meeting of the county boards of commissioners of more than one county, or in the event the land to be affected lies in more than one county, publication and notice shall be made in each of the affected counties. In the event that all matters pertaining to the creation of this sanitary district cannot be concluded at the hearing, the hearing may be continued at a time and place within the proposed district named by the Department. (1927, c. 100, ss. 2-4; 1951, c. 178, s. 1; 1957, c. 1357, s. 1; 1959, c. 1189, s. 1; 1965, c. 135; 1967, c. 24, s. 21; 1973, c. 476, s. 128; 1975, c. 536; 1983, c. 891, s. 2; 2002-159, s. 55(f).)

§ 130A-49. Declaration that district exists; status of industrial villages within boundaries of district.

(a) If, after the required public hearing, the Commission and the county commissioners determine that a district shall be created for the purposes stated in the petition, the Commission shall adopt a resolution defining the boundaries of the district and declaring the territory within the boundaries to be a sanitary district. The Commission may make minor deviation in defining the boundaries from those prescribed in the petition when it determines the change to be in the interest of the public health.

(b) The owner or controller of an industrial plant may make application requesting that the plant or the plant and its contiguous village be included within or excluded from the sanitary district. The application shall be filed with the Commission on or before the date of the public hearing. If an application is properly filed, the Commission shall include or exclude the industrial plant and contiguous village in accordance with the application.

(c) Each district when created shall be identified by a name or number assigned by the Commission. (1927, c. 100, s. 5; 1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-49.5. Ethics.

(a) The governing board shall adopt a resolution or policy containing a code of ethics, as required by G.S. 160A-86.

(b) All members of the governing board, whether elected or appointed, shall receive the ethics education required by G.S. 160A-87. (2009-403, s. 6.)

§ 130A-50. Election and terms of office of sanitary district boards.

(a) The Department shall send a copy of the resolution creating the sanitary district to the board or boards of county commissioners of the county or counties in which all or part of the district is located. The Department shall file or cause to be filed with the county board or boards of elections in the same county or counties a map of the district. With the map it shall include supporting documents. That map and documents shall be filed within 10 business days after the creation of the district and amended within 10 days after any change to the boundaries of the district. The board or boards of commissioners shall hold a meeting or joint meeting for the purpose of electing the members of the sanitary district board.

(b) The sanitary district board shall be composed of either three or five members as the county commissioners in their discretion shall determine. The members first appointed shall serve as the governing body of the sanitary district until the next regular election for municipal and special district officers as provided in G.S. 163-279, which occurs more than 90 days after their appointment. At that election, their successors shall be elected. The terms of the members shall be for two years or four years and may be staggered as determined by the county board of commissioners so that some members are elected at each biennial election. The members of the sanitary district board shall be residents of the district. The county board of commissioners shall notify the county board of elections of any decision made under this subsection.

If the sanitary district board consists of three members, the county commissioners may at any time increase the sanitary district board to five members. The increase shall become effective with respect to any election where the filing period for candidacy opens at least 30 days after approval of the expansion to five members. The effective date of the expansion is the organizational meeting of the sanitary district board after the election.

The county commissioners may provide for staggering terms of an existing sanitary district board whose members serve two-year terms by providing for some of the members to be elected at the next election to be for four-year terms. The change shall become effective with respect to any election where the filing period for candidacy opens at least 30 days after approval of the staggering of terms.

The sanitary district board may provide for staggering its terms if its members serve unstaggered four-year terms by providing for some of the members to be elected at the next election for two-year terms. The change shall become effective with respect to any election where the filing period for candidacy opens at least 30 days after approval of the staggering of terms.

The county commissioners may provide for changing a sanitary district board from two-year terms to unstaggered four-year terms. This may be done either by providing that at the next election, all members shall be elected for four-year terms, or by extending the terms of existing members from two years to four years. The change shall become effective with respect to any election where the filing period for candidacy opens at least 30 days after approval of the change of length of terms.

(b1) If a sanitary district:

1. Does not share territory with any city as defined by G.S. 160A-1(2), and
2. The sanitary district is in more than one county,

the boards of county commissioners in all counties with territory in the sanitary district may set the sanitary district elections to be held on the same date as general elections in even-numbered years

under G.S. 163-1 and may extend the terms of any sanitary district board members who are in office at the ratification of this act until the next even-year general election can been [be] held and successors qualified.

(b2) If a sanitary district:

(1) Is located entirely within a county which has no incorporated city as defined by G.S. 160A-1(2) located within that county; and

(2) Has a sanitary district board whose members serve four-year terms which are not staggered and which next expire in 1991,

the board of commissioners of that county may, by resolution adopted prior to December 31, 1989, set the sanitary district election to be held on the same date as general elections in even-numbered years under G.S. 163-1. Such resolution shall extend the terms of office of the then serving members of the sanitary district board by one year, so that they will expire on the first Monday in December following the 1992 general election. Other than as provided by this subsection, sanitary district elections shall continue to be conducted in accordance with this Article and Chapter 163 of the General Statutes.

(c) The election shall be nonpartisan and decided by simple plurality as provided in G.S. 163-292 and shall be held and conducted by the county board of elections in accordance with the applicable provisions of Articles 23 and 24 of Chapter 163 of the General Statutes. If the district is in more than one county, then the county board of elections of the county including the largest part of the district shall conduct the election for the entire district with the assistance and full cooperation of the boards of elections in the other counties.

(d) The board of elections shall certify the results of the election to the clerk of superior court. The clerk of superior court shall take and file the oaths of office of the board members elected.

(e) The elected members of the board shall take the oath of office on the first Monday in December following their election and shall serve for the term elected and until their successors are elected and qualified.

(f) A sanitary district board may adopt a resolution to require the election of the sanitary district board to be at the time of the election for county officers. The resolution shall be delivered to the county board of elections prior to July 1 of the odd-numbered year. If the resolution is received by the county board of elections prior to July 1 of the odd-numbered year, the current terms of office of members of that sanitary district board shall be extended by one year and the next election conducted in the following even-numbered year.

(g) If a sanitary district board lies wholly within a county and no resident voter of the district filed a notice of candidacy in the previous election for the sanitary district board, the board of county commissioners may adopt a resolution to require the election of the sanitary district board to be at the time of the election for county officers. The resolution shall be delivered to the county board of elections prior to July 1 of the odd-numbered year. If the resolution is received by the county board of elections prior to July 1 of the odd-numbered year, the current terms of office of members of that sanitary district board shall be extended by one year and the next election conducted in the following even-numbered year.

(h) For purposes of the election of the members of the sanitary district board, a sanitary district board shall adopt single-member residency districts in which only a person residing in a single-member residency district shall be eligible as a candidate in the election for the seat apportioned to that single-member residency district, but candidates shall be elected at large by the qualified voters of the entire sanitary district. The district boundaries shall be established by

resolution adopted by the sanitary district board following a public hearing on the matter. The resolution, and a copy of a map depicting the single-member residency districts as adopted, shall be filed with the county board of elections. The most recent federal decennial census data shall be used as the sole basis of population for the establishment of the single-member residency districts. The single-member residency districts shall be revised after the return of each federal decennial census as necessary. Notwithstanding subsection (b) of this section, members of a sanitary district board under this subsection shall serve staggered four-year terms and the staggering shall be taken into consideration when adopting or revising the single-member residency districts. Any vacancy in a sanitary district board shall be filled by the remaining sanitary district board members until the next election for sanitary district board members. A vacancy must be filled by a resident from the same residency district as the residency district of the vacating commissioner. This subsection shall apply only to a sanitary district that provides water and sewer service lying wholly within a county with more than 17 municipalities lying wholly within that county. (1927, c. 100, s. 6; 1943, c. 602; 1953, c. 798; 1955, c. 1073; 1957, c. 1357, s. 1; 1963, c. 644; 1973, c. 476, s. 128; 1981, c. 186, s. 1; 1983, c. 891, s. 2; 1987, c. 22, s. 1; 1989, c. 310; 1993 (Reg. Sess., 1994), c. 736, s. 1.1; 1997-117, s. 1; 2007-391, s. 15; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1; 2023-97, s. 5(a); 2024-38, s. 2(a); 2025-50, s. 2.)

§ 130A-51. City governing body acting as sanitary district board.

(a) When the General Assembly incorporates a city or town that includes within its territory fifty percent (50%) or more of the territory of a sanitary district, the governing body of the city or town shall become ex officio the governing board of the sanitary district if the General Assembly provides for this action in the incorporation act and if the existing sanitary district board adopts a final resolution pursuant to this section. The resolution may be adopted at any time within the period beginning on the day the incorporation act becomes law and ending 270 days after that date.

(b) To begin the process leading to the city or town board becoming ex officio the sanitary district board, the board of the sanitary district shall first adopt a preliminary resolution finding that the interests of the citizens of the sanitary district and of the city or town will be best served if both units of local government are governed by a single governing body. This resolution shall also set the time and place for a public hearing on the preliminary resolution.

(c) Upon adoption of this preliminary resolution, the chairperson of the sanitary district board shall publish a notice of the public hearing once at least 10 days before the hearing in a newspaper of general circulation within the sanitary district. This notice shall set forth the time and place of the hearing and shall briefly describe its purpose. At the hearing, the board shall hear any citizen of the sanitary district or of the city or town who wishes to speak to the subject of the preliminary resolution.

(d) Within 30 days after the day of the public hearing, the sanitary district board may adopt a final resolution finding that the interests of the citizens of the sanitary district and of the city or town will be best served if both units are governed by a single board. This resolution shall set the date on which the terms of office of the members of the sanitary district board end and that board is dissolved and service by the ex officio board begins. This date may be the effective date of the incorporation of the city or town or any date within one year after the effective date. At that time, the sanitary district board is dissolved and the mayor and members of the governing body of the city or town become ex officio the board of the sanitary district. The mayor shall act ex officio as chairperson of the sanitary district board.

(e) The chairperson of the sanitary district board that adopts a final resolution shall within 10 days after the day the resolution is adopted, send a copy of the resolution to the mayor and each member of the city or town governing board and to the Department. (1981, c. 201; 1983, c. 891, s. 2; 1995, c. 20, s. 15.)

§ 130A-52. Special election if election not held in November of 1981.

(a) If in a sanitary district, an election of board members was required to be held in November of 1981 under G.S. 130A-50 but was not held, the board of commissioners of the county or counties in which the district is located may by resolution order a special election of all the board members to be held at the same time as the General Election in November of 1982.

(b) The election shall be held under the procedures of Articles 23 and 24 of Chapter 163 of the General Statutes and in accordance with G.S. 130A-50, except that filing shall open at noon on Monday, August 9, 1982, and close at noon on Monday, August 23, 1982.

(c) In the election held under this section, all of the members of the board shall be elected. If the board of commissioners has provided for two- or four-year terms, the members elected in 1982 shall serve until the 1983 or 1985 election, respectively, and then their successors shall be elected for the two-or four-year terms provided by the county board or boards of commissioners.

(d) Any resolution adopted under subsection (a) of this section shall be filed with the Department. (1981 (Reg. Sess., 1982), c. 1271, s. 1; 1983, c. 891, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 130A-52.1. Action if 1983 election not held.

If any sanitary district held an election in 1982 under G.S. 130A-52, but failed to hold the 1983 election, then the persons elected in 1982 shall hold office until the terms that were to begin in 1983 have expired. (1983 (Reg. Sess., 1984), c. 1021, s. 1.)

§ 130A-53. Actions validated.

Any action of a sanitary district taken prior to July 1, 1984, shall not be invalidated by failure to hold an election for members of the board. (1981 (Reg. Sess., 1982), c. 1271, s. 1; 1983, c. 891, s. 2; 1983 (Reg. Sess., 1984), c. 1021, s. 2.)

§ 130A-54. Vacancy appointments to district boards.

Any vacancy in a sanitary district board shall be filled by the county commissioners until the next election for sanitary district board members. If the district is located in more than one county, the vacancy shall be filled by the county commissioners of the county from which the vacancy occurred. (1935, c. 357, s. 2; 1957, c. 1357, s. 1; 1981, c. 186, s. 2; 1983, c. 891, s. 2.)

§ 130A-55. Corporate powers.

A sanitary district board shall be a body politic and corporate and may sue and be sued in matters relating to the sanitary district. Notwithstanding any limitation in the petition under G.S. 130A-48, but subject to the provisions of G.S. 130A-55(17)e, each sanitary district may exercise all of the powers granted to sanitary districts by this Article. In addition, the sanitary district board shall have the following powers:

(1) To acquire, construct, maintain and operate sewage collection, treatment and disposal systems of all types, including septic tank systems or other on-site collection, treatment or disposal facilities or systems; water supply systems;

water purification or treatment plants and other utilities necessary for the preservation and promotion of the public health and sanitary welfare within the district. The utilities shall be constructed, operated and maintained in accordance with applicable statutes and rules.

(2) To acquire, construct, maintain and operate sewage collection, treatment and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems, water supply systems; water purification or treatment plants and other utilities, within and outside the corporate limits of the district, as may be necessary for the preservation of the public health and sanitary welfare outside the corporate limits of the district, within reasonable limitation. The utilities shall be constructed, operated and maintained in accordance with applicable statutes and rules.

a. The authority granted to a sanitary district by the provisions of this subsection is supplemental to the authority granted to a sanitary district by other provisions of law.

b. Actions taken by a sanitary district to acquire, construct, maintain and operate sewage collection, treatment and disposal systems of all types; water supply systems; water purification or treatment plants and other utilities within and outside the corporate limits to provide service outside the corporate limits are approved and validated.

c. This subsection shall apply only in counties with a population of 70,000 or greater, as determined by the most recent decennial federal census.

(3) To levy taxes on property within the district in order to carry out the powers and duties conferred and imposed on the district by law, and to pay the principal of and interest on bonds and notes of the district.

(4) To acquire either by purchase, condemnation or otherwise and hold real and personal property, easements, rights-of-way and water rights in the name of the district within or without the corporate limits of the district, necessary or convenient for the construction or maintenance of the works of the district.

(4a) To provide for the creation, maintenance, and operation of parks and recreation programs and facilities with all the powers provided to cities and counties in G.S. 160A-353. However, a sanitary district may not exercise the condemnation powers granted either in this Article or as set forth in G.S. 160A-353 to acquire real property for parks and recreation programs or facilities.

(5) To employ and compensate engineers, counsel and other persons as may be necessary to carry out projects.

(6) To negotiate and enter into agreements with the owners of existing water supplies, sewage systems or other utilities as may be necessary to carry out the intent of this Part.

(7) To adopt rules necessary for the proper functioning of the district. However, these rules shall not conflict with rules adopted by the Commission for Public Health, Environmental Management Commission, or the local board of health having jurisdiction over the area. Further, such sanitary district board rules shall be no more restrictive than or conflict with requirements or ordinances of any county having jurisdiction over the area, and, if a conflict should arise, the

requirements or ordinances of the county having jurisdiction over the area shall control.

(8)a. To contract with any person within or outside the corporate limits of the district to supply raw water without charge to the person in return for an agreement to allow the district to discharge sewage in the person's previous water supply. The district may so contract and construct at its expense all improvements necessary or convenient for the delivery of the water when, in the opinion of the sanitary district board and the Department, it will be for the best of the district.

b. To contract with any person within or outside the corporate limits of the district to supply raw or filtered water and sewer service to the person where the service is available. For service supplied outside the corporate limits of the district, the sanitary district board may fix a different rate from that charged within the corporate limits but shall not be liable for damages for failure to furnish a sufficient supply of water and adequate sewer service.

c. To contract with any person within or outside the corporate limits of the district for the treatment of the district's sewage in a sewage disposal or treatment plant owned and constructed or to be constructed by that person.

(9) After adoption of a plan as provided in G.S. 130A-60, the sanitary district board may, in its discretion, alter or modify the plan if the Department determines that the alteration or modification does not constitute a material deviation from the objective of the plan and is in the public health interest of the district. The alteration or modification must be approved by the Department. The sanitary district board may appropriate or reappropriate money of the district for carrying out the altered or modified plan.

(10) To take action, subject to the approval of the Department, for the prevention and eradication of diseases transmissible by vectors by instituting programs for the eradication of the mosquito.

(11) To collect and dispose of garbage, waste and other refuse by contract or otherwise.

(12) To establish a fire department, or to contract for firefighting apparatus and personnel for the protection of life and property within the district.

(13) To provide or contract for rescue service, ambulance service, rescue squad or other emergency medical services for use in the district. The sanitary district shall be subject to G.S. 153A-250.

(14) To have privileges and immunities granted to other governmental units in exercise of the governmental functions.

(15) To use the income of the district, and if necessary, to levy and collect taxes upon all the taxable property within the district sufficient to pay the costs of collecting and disposing of garbage, waste and other refuse, to provide fire protection and rescue services in the district, and to acquire, construct, maintain, operate, and regulate roads and streets within the district. Taxes shall be levied and collected at the same time and in the same manner as taxes for debt service as provided in G.S. 130A-62.

(16) To adopt rules for the promotion and protection of the public health and for these purposes to possess the following powers:

a. To require the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the jurisdiction of the district and within a reasonable distance of any waterline or sewer collection line owned, leased as lessee, or operated by the district to connect the property with the waterline, sewer connection line, or both and fix charges for the connections. The power granted by this subdivision may be exercised by a district only to the extent that the service, whether water, sewer, or a combination thereof, to be provided by the district is not then being provided to the improved property by any other political subdivision or by a public utility regulated by the North Carolina Utilities Commission pursuant to Chapter 62 of the General Statutes. 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 district has installed water or sewer lines or a combination thereof directly available to the property, the district may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. In accordance with G.S. 87-97.1, when developed property is located so as to be served by a sanitary district 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 sanitary district water line and the sanitary district shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well.

b. To require any person owning, occupying or controlling improved real property within the district where the water or sewage systems of the district are not immediately available or it is impractical with the systems, to install sanitary toilets, septic tanks and other health equipment or installations in accordance with applicable statutes and rules.

c. To order a person to abate a public health nuisance of the district. If the person being ordered to abate the nuisance refuses to comply with the order, the sanitary district board may institute an action in the superior court of the county where the public health nuisance exists to enforce the order.

d. To abolish or regulate and control the use and occupancy of all pigsties and other animal stockyards or pens within the district and for an additional distance of 500 feet beyond the outer boundaries of the district, unless the 500 feet is within the corporate limits of a city or town.

e. Upon the noncompliance by a person of a rule adopted by the sanitary district board, the board shall notify the person of the rule being violated

and the facts constituting the violation. The person shall have a reasonable time to comply with the rule as determined by the local health director of the person's residence. Upon failure to comply within the specified time or within a time extended by the sanitary district board, the person shall be guilty of a Class 1 misdemeanor.

f. The sanitary district board is authorized to enforce the rules adopted pursuant to this Part by criminal action or civil action, including injunctive relief.

(17) For the purpose of promoting and protecting the public health, safety and the general welfare of the State, a sanitary district board is authorized to establish as zoning units any portions of the sanitary district not under the control of the United States or this State or any agency or instrumentality of either, in accordance with the following:

a. No sanitary district board shall designate an area a zoning area until a petition signed by two-thirds of the qualified voters in the area, as shown by the registration books used in the last general election, and with a petition signed by two-thirds of the owners of real property in the area, as shown by the records in the office of the register of deeds for the county, is filed with the sanitary district board. The petition must be accompanied by a map of the proposed zoning area. The board shall hold a public hearing to obtain comment on the proposed creation of the zoning area. A notice of public hearing must be published in a newspaper of general circulation in the county at least two times, and a copy of the notice shall be posted at the county courthouse and in three other public places in the sanitary district.

b. When a zoning area is established within a sanitary district, the sanitary district board as to the zoning area shall have all rights, privileges, powers and duties granted to local governments under Article 7 of Chapter 160D of the General Statutes. However, the sanitary district board shall not be required to appoint any zoning commission or board of adjustment. If neither a zoning commission nor board of adjustment is appointed, the sanitary district board shall have all rights.

c. A sanitary district board may enter into an agreement with any city, town or sanitary district for the establishment of a joint zoning commission.

d. A sanitary district board is authorized to use the income of the district and levy and collect taxes upon the taxable property within the district necessary to carry out and enforce the rules and provisions of this subsection.

e. This subsection shall apply only to sanitary districts which adjoin and are contiguous to an incorporated city or town and are located within three miles or less of the boundaries of two other cities or towns.

(18) To negotiate for and acquire by contract any distribution system located outside the district when the water for the distribution system is furnished by the district. If the distribution system is acquired by a district, the district may continue the operation of the system even though it remains outside the district.

(19) To accept gifts of real and personal property for the purpose of operating a nonprofit cemetery; to own, operate and maintain cemeteries with the donated property; and to establish perpetual care funds for the cemeteries in the manner provided by G.S. 160A-347.

(20) To dispose of real or personal property belonging to the district according to the procedures prescribed in Article 12 of Chapter 160A of the General Statutes. For purposes of this subsection, references in Article 12 of Chapter 160A to the "city," the "council," or a specific city official refer, respectively, to the sanitary district, the sanitary district board, and the sanitary district official who most nearly performs the same duties performed by the specified city official. For purposes of this subsection, references in G.S. 160A-266(c) to "one or more city officials" are deemed to refer to one or more sanitary district officials designated by the sanitary district board.

(21) To acquire, renovate property for or construct a medical clinic to serve the district, and to maintain real and personal property for a medical clinic to serve the district.

(22) To make special assessments against benefitted property within the corporate limits of the sanitary district and within the area served or to be served by the sanitary district for the purpose of constructing, reconstructing, extending, or otherwise improving water systems or sanitary collection, treatment, and sewage disposal systems, in the same manner that a county may make special assessments under authority of Article 9 of Chapter 153A of the General Statutes, except that the language appearing in G.S. 153A-185 reading as follows: "A county may not assess property within a city pursuant to subdivision (1) or (2) of this section unless the governing board of the city has by resolution approved the project," shall not apply to assessments levied by sanitary districts. For the purposes of this paragraph, references in Article 9 of Chapter 153A of the General Statutes, to the "county," the "board of county commissioners," "the board" or a specific county official or employee are deemed to refer respectively to the sanitary district and to the official or employee of the sanitary district who performs most nearly the same duties performed by the specified county official or employee.

Assessment rolls after being confirmed shall be filed for registration in the office of the Register of Deeds of the county in which the property being assessed is located, and the term "county tax collector" wherever used in G.S. 153A-195 and G.S. 153A-196, shall mean the officer designated by the sanitary district to perform the functions described in said sections of the statute. This subdivision applies only to sanitary districts with a population of 15,000 or over.

(23) To acquire (by purchase, lease, gift, or otherwise, but not by condemnation), construct, maintain, operate, and regulate roads and streets within the sanitary district which are not State-maintained. Not all of these powers need be exercised.

(24) Expired.

(25) To negotiate and enter into agreements with other municipal corporations or sanitary districts for the purpose of developing and implementing an economic

development plan. The agreement may provide for the establishment of a special fund, in which monies not expended at the end of a fiscal year shall remain in the fund. The lead agency designated under the agreement shall be responsible for examination of the fund and compliance with sound accounting principles, including the annual independent audit under G.S. 159-34. The audit responsibilities of the other municipal corporations and sanitary districts extend only to the verification of the contribution to the fund created under the agreement. The procedural requirements of G.S. 158-7.1(c) shall apply to actions of a sanitary district under this subdivision as if it were a city. (1927, c. 100, s. 7; 1933, c. 8, ss. 1, 2; 1935, c. 287, ss. 1, 2; 1941, c. 116; 1945, c. 651, ss. 1, 2; 1947, c. 476; 1949, c. 880, s. 1; cc. 1130, 1145; 1951, c. 17, s. 1; c. 1035, s. 1; 1957, c. 1357, s. 1; 1961, cc. 669, 865, 1155; 1963, c. 1232; 1965, c. 496, s. 1; 1967, c. 632; c. 637, s. 1; c. 798, s. 2; 1969, cc. 478, 700, 944; 1971, c. 780, s. 29; 1973, c. 476, s. 128; 1979, c. 520, s. 2; c. 619, s. 7; 1981, cc. 629, 655; c. 820, ss. 1-3; c. 898, ss. 1-4; 1981 (Reg. Sess., 1982), c. 1237; 1983, c. 891, s. 2; c. 925, s. 2; 1993, c. 539, s. 948; 1994, Ex. Sess., c. 24, s. 14(c); 1995, c. 422, ss. 1-4; 2001-221, s. 1; 2006-214, s. 1; 2007-182, s. 2; 2011-256, s. 2; 2011-394, s. 22; 2015-246, s. 3.5(g); 2019-111, s. 2.5(j); 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d); 2022-74, s. 5.7; 2022-75, s. 3.)

§ 130A-55.1: Repealed by Session Laws 1997, c. 443, s. 11A.2.

§ 130A-56. Election of officers; board compensation.

(a) Upon election, a sanitary district board shall meet and elect one of its members as chairperson and another member as secretary.

(b) The board may employ a clerk or other assistants as necessary and may fix duties of and compensation for employees. A sanitary district board may remove employees and fill vacancies.

(c) The board may fix the compensation and allowances of the chairman and other members of the board by adoption of the annual budget ordinance, payable from the funds of the district, but no increase may become effective earlier than the first meeting of the board following the next election of board members after adoption of the ordinance. Until adoption of an ordinance under this subsection, each member of the board may receive compensation as provided for members of State boards under G.S. 138-5, payable from funds of the district. (1927, c. 100, s. 8; 1957, c. 1357, s. 1; 1967, c. 723; 1977, c. 183; 1983, c. 891, s. 2; 1985, c. 29, ss. 1, 2; 1995, c. 422, s. 5; 2003-185, s. 1.)

§ 130A-57. Power to condemn property.

A sanitary district board may purchase real estate, right-of-way or easement within or outside the corporate limits of the district for improvements authorized by this Part. If a purchase price cannot be agreed upon, the board may condemn the real estate, right-of-way or easement in accordance with Chapter 40A of the General Statutes. (1927, c. 100, s. 9; 1933, c. 8, s. 3; 1957, c. 1357, s. 1; 1981, c. 919, s. 13; 1983, c. 891, s. 2.)

§ 130A-58. Construction of systems by corporations or individuals.

When it is inadvisable or impractical for the sanitary district to build a water supply, sewage system or part of either to serve an area within the sanitary district, a corporation or residents within

the sanitary district may build and operate a system at its or their own expense. The system shall be constructed and operated under plans and specifications approved by the district board and by the Department. The system shall also be constructed and operated in accordance with applicable rules and statutes. (1927, c. 100, s. 10; 1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-59. Reports.

Upon the election of a sanitary district board, the board shall employ engineers licensed by this State to make a report on the problems of the sanitary district. The report shall be prepared and filed with the sanitary district board and shall include the following:

(1) Comprehensive maps showing the boundaries of the sanitary district and, in a general way, the location of the various parts of the work that is proposed to be done and information as may be useful for a thorough understanding of the proposed undertaking;
(2) A general description of existing facilities for carrying out the purposes of the district;
(3) A general description of the various plans which might be adopted for accomplishment of the purposes of the district;
(4) General plans and specifications for the work;
(5) General description of property proposed to be acquired or which may be damaged in carrying out the work;
(6) Comparative detail estimates of cost for the various construction plans; and
(7) Recommendations. (1927, c. 100, s. 11; 1957, c. 1357, s. 1; 1983, c. 891, s. 2.)

§ 130A-60. Consideration of reports and adoption of a plan.

(a) A report filed by the engineers pursuant to G.S. 130A-59 shall be given consideration by the sanitary district board and the board shall adopt a plan. Before adopting a plan the board may hold a public hearing for the purpose of considering objections to the plan. Once adopted, the sanitary district board shall submit the plan to the Department. The plan shall not become effective until it is approved by the Department.

(b) The provisions of this section and of G.S. 130A-58 shall apply when the sanitary district board determines that adoption of the plan requires the issuance of bonds. However, these provisions shall not apply to a proposed purchase of firefighting equipment and apparatus. Failure to observe or comply with these provisions shall not, however, affect the validity of the bonds of a sanitary district. (1927, c. 100, s. 12; 1949, c. 880, s. 1; 1951, c. 17, s. 1; 1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-61. Bonds and notes authorized.

A sanitary district is authorized to issue bonds and notes under the Local Government Finance Act. (1927, c. 100, s. 13; 1949, c. 880, s. 1; 1951, c. 17, s. 1; c. 846, s. 1; 1957, c. 1357, s. 1; 1963, c. 1247, s. 1; 1971, c. 780, s. 27; 1983, c. 891, s. 2.)

§ 130A-62. Annual budget; tax levy.

(a) A sanitary district shall operate under an annual balanced budget adopted in accordance with the Local Government Budget and Fiscal Control Act.

(b) A sanitary district has the option of either collecting its own taxes or having its taxes collected by the county or counties in which it is located. Unless a district takes affirmative action to collect its own taxes, taxes shall be collected by the county.

(c) For sanitary districts whose taxes are collected by the county, before May 1 of each year, the assessor of each county in which the district is located shall certify to the district board the total assessed value of property in the county subject to taxation by the district. By July 1 or upon adoption of its annual budget ordinance, the district board shall certify to the county board of commissioners the rate of ad valorem tax levied by the district on property in that county. Upon receiving the district's certification of its tax levy, the county commissioners shall compute the district tax for each taxpayer and shall separately state the district tax on the county tax receipts for the fiscal year. The county shall collect the district tax in the same manner that county taxes are collected and shall remit these collections to the district at least monthly. Partial payments shall be proportionately divided between the county and the district. The district budget ordinance may include an appropriation to the county for the cost to the county of computing, billing, and collecting the district tax. The amount of the appropriation shall be agreed upon by the county and the district, but may not exceed five percent (5%) of the district levy. Any agreement shall remain effective until modified by mutual agreement. The amount due the county for collecting the district tax may be deducted by the county from its monthly remittances to the district or may be paid to the county by the district.

(d) Sanitary districts electing to collect their own taxes shall be deemed cities for the purposes of the Machinery Act, Subchapter II of Chapter 105 of the General Statutes. (1927, c. 100, s. 17; 1935, c. 287, ss. 3, 4; 1949, c. 880, s. 1; 1951, c. 17, s. 1; 1957, c. 1357, s. 1; 1959, c. 994; 1963, c. 1226; 1965, c. 496, s. 3; 1971, c. 780, s. 29; 1983, c. 891, s. 2; 1987, c. 45, s. 1; 1991 (Reg. Sess., 1992), c. 1007, s. 38.)

§ 130A-63. Engineers to provide plans and supervise work; bids.

(a) The sanitary district board shall retain engineers licensed by this State to provide detailed plans and specifications and to supervise the work undertaken by the district. The work or any portion of the work may be done by the sanitary district board by purchasing the material and letting a contract for the work or by letting a contract for furnishing all the materials and doing the work.

(b) All contracts for work performed for construction or repair and for the purchase of materials by sanitary districts shall be in accordance with the provisions of Article 8, Chapter 143 of the General Statutes which are applicable to counties and municipal corporations.

(c) All work done shall be in accordance with the plans and specifications prepared by the engineers in conformity with the plan adopted by the sanitary district board. (1927, c. 100, s. 19; 1957, c. 1357, s. 1; 1977, c. 544, s. 1; 1983, c. 891, s. 2.)

§ 130A-64. Service charges and rates.

(a) A sanitary district board shall apply service charges and rates based upon the exact benefits derived. These service charges and rates shall be sufficient to provide funds for the maintenance, adequate depreciation and operation of the work of the district. If reasonable, the service charges and rates may include an amount sufficient to pay the principal and interest maturing on the outstanding bonds and, to the extent not otherwise provided for, bond anticipation notes of the district. Any surplus from operating revenues shall be set aside as a separate fund to be

applied to the payment of interest on or to the retirement of bonds or bond anticipation notes. The sanitary district board may modify and adjust these service charges and rates.

(b) The district board may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes. (1927, c. 100, s. 20; 1933, c. 8, s. 5; 1957, c. 1357, s. 1; 1965, c. 496, s. 4; 1983, c. 891, s. 2; 2017-138, s. 2.)

§ 130A-64.1. Notice of new or increased charges and rates; public comment period.

(a) A sanitary district shall provide notice to interested parties of the imposition of or increase in service charges or rates applicable solely to the construction of development subject to Article 8 of Chapter 160D of the General Statutes for any service provided by the sanitary district at least seven days prior to the first meeting where the imposition of or increase in the charges or rates is on the agenda for consideration. The sanitary district shall employ at least two of the following means of communication in order to provide the notice required by this section:

(1) Notice of the meeting in a prominent location on a website managed or maintained by the sanitary district.

(2) Notice of the meeting in a prominent physical location, including, but not limited to, the district's headquarters or any government building, library, or courthouse located within the sanitary district.

(3) Notice of the meeting by email to a list of interested parties that is created by the sanitary district for the purpose of notification as required by this section.

(4) Notice of the meeting by facsimile to a list of interested parties that is created by the sanitary district for the purpose of notification as required by this section.

(a1) If a sanitary district does not maintain its own website, it may employ the notice option provided by subdivision (1) of subsection (a) of this section by submitting a request to a county or counties in which the district is located to post such notice in a prominent location on a website that is maintained by the county or counties. Any sanitary district that elects to provide such notice shall make its request to the county or counties at least 15 days prior to the date of the first meeting where the imposition of or increase in the fees or charges is on the agenda for consideration.

(b) During the consideration of the imposition of or increase in service charges or rates as provided in subsection (a) of this section, the governing body of the sanitary district shall permit a period of public comment.

(c) This section shall not apply if the imposition of or increase in service charges or rates is contained in a budget filed in accordance with the requirements of G.S. 159-12. (2009-436, s. 3; 2010-180, s. 11(c); 2022-62, s. 17; 2025-25, s. 29(1), (5).)

§ 130A-65. Liens for sewer service charges in sanitary districts not operating water distribution system; collection of charges; disconnection of sewer lines.

In sanitary districts which maintain and operate a sewage system but do not maintain and operate a water distribution system, the charges made for sewer service or for use of sewer service facilities shall be a lien upon the property served. If the charges are not paid within 15 days after they become due and payable, suit may be brought in the name of the sanitary district in the county in which the property served is located, or the property, subject to the lien, may be sold by the sanitary district under the same rules, rights of redemption and savings as are prescribed by law for the sale of land for unpaid ad valorem taxes. A sanitary district is authorized to adopt rules for the use of sewage works and the collection of charges. A sanitary district is authorized in accordance with its rules to enter upon the premises of any person using the sewage works and failing to pay

the charges, and to disconnect the sewer line of that person from the district sewer line or disposal plant. A person who connects or reconnects with district sewer line or disposal plant without a permit from the sanitary district shall be guilty of a Class 1 misdemeanor. (1965, c. 920, s. 1; 1983, c. 891, s. 2; 1993, c. 539, s. 949; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 130A-66. Removal of member of board.

A petition with the signatures of twenty-five percent (25%) or more of the voters within a sanitary district which requests the removal from office of one or more members of a sanitary district board for malfeasance or nonfeasance in office may be filed with the board of commissioners of the county in which all or the greater portion of the voters of a sanitary district are located. Upon receipt of the petition, the county board of commissioners shall meet and adopt a resolution to hold an election on the question of removal. In the event that more than one member of a sanitary district board is subjected to recall in an election, the names of each member of the board subjected to recall shall appear upon separate ballots. If in a recall election, a majority of the votes within the sanitary district are cast for the removal of a member or members of the sanitary district board subject to recall, the member or members shall cease to be a member or members of the sanitary district board. A vacancy shall be immediately filled. The expenses of holding a recall election shall be paid from the funds of the sanitary district. (1927, c. 100, s. 21; 1957, c. 1357, s. 1; 1981, c. 186, s. 3; 1983, c. 891, s. 2.)

§ 130A-67. Rights-of-way granted.

A right-of-way in, along or across a county or State highway, street or property within a sanitary district is granted to a sanitary district in case the board finds it necessary or convenient for carrying out the work of the district. Any work done in, along or across a State highway shall be done in accordance with the rules of the Board of Transportation. (1927, c. 100, s. 22; 1933, c. 172, s. 17; 1957, c. 1357, s. 1; 1973, c. 507, s. 5; 1983, c. 891, s. 2.)

§ 130A-68. Returns of elections.

In all elections provided for in this Part, the board of elections shall file copies of the returns with the county boards of commissioners, sanitary district board and clerk of superior court in which the district is located. (1927, c. 100, s. 23; 1957, c. 1357, s. 1; 1981, c. 186, s. 4; 1983, c. 891, s. 2.)

§ 130A-69. Procedure for extension of district.

(a) If after a sanitary district has been created or the provisions of this Part have been made applicable to a sanitary district, a petition signed by not less than fifteen percent (15%) of the resident freeholders within any territory contiguous to and adjoining the sanitary district may be presented to the sanitary district board requesting annexation of territory described in the petition. The sanitary district board shall send a copy of the petition to the board of commissioners of the county or counties in which the district is located and to the Department. The sanitary district board shall request that the Department hold a joint public hearing with the sanitary district board on the question of annexation. The Secretary and the chairperson of the sanitary district board shall name a time and place for the public hearing. The chairperson of the sanitary district board shall publish a notice of public hearing once in a newspaper or newspapers published or circulating in the sanitary district and the territory proposed to be annexed. The notice shall be published not less than 15 days prior to the hearing. If after the hearing, the Commission approves the annexation of the territory

described in the petition, the Department shall advise the board or boards of commissioners of the approval. The board or boards of commissioners shall order and provide for the holding of a special election in accordance with G.S. 163-287 upon the question of annexation within the territory proposed to be annexed.

(b) If at or prior to the public hearing, a petition is filed with the sanitary district board signed by not less than fifteen percent (15%) of the freeholders residing in the sanitary district requesting an election be held on the annexation question, the sanitary district board shall send a copy of the petition to the board or boards of commissioners who shall order and provide for the submission of the question to the voters within the sanitary district. This election may be held on the same day as the election in the territory proposed to be annexed, and both elections and registrations may be held pursuant to a single notice. A majority of the votes cast is necessary for a territory to be annexed to a sanitary district.

(c) The election shall be held by the county board or boards of elections in accordance with G.S. 163-287 after the board or boards of commissioners orders the election. The cost of the election shall be paid by the sanitary district. Registration in the area proposed for annexation shall be under the same procedure as G.S. 163-288.2.

(d) Notice of the election shall be given as required by G.S. 163-33(8) and shall include a statement that the boundary lines of the territory to be annexed and the boundary lines of the sanitary district have been prepared by the district board and may be examined. The notice shall also state that if a majority of the those voting in the election favor annexation, then the territory annexed shall be subject to all debts of the sanitary district.

(e) The ballot shall be substantially as follows:

" FOR annexation to the ____ Sanitary District
AGAINST annexation to the ____ Sanitary District."

The board or boards of elections shall certify the results of the election to the sanitary district board and the board or boards of commissioners of the county or counties in which the district is located.

(f) Notwithstanding any other provisions of this section, if a petition for extension of the boundaries of a sanitary district is signed by not less than fifty-one percent (51%) of the resident freeholders within the territory proposed to be annexed, it shall not be necessary to hold an election provided for by this section on the question of the extension of the boundaries of the sanitary district.

(g) Notwithstanding any other provisions of this section, if a petition for extension of the boundaries of a sanitary district is signed by the owners of all the real property within the territory proposed to be annexed, it shall not be necessary to hold any election or any hearings provided for by this section on the question of the extension of the boundaries of the sanitary district.

(h) No right of action or defense founded upon the invalidity of the election shall be asserted, nor shall the validity of the election be open to question in any court on any ground unless the action or proceeding is commenced within 30 days after the certification of the results by the board or boards of elections.

(i) When additional territory has been annexed to a sanitary district and the proposition of issuing bonds of the sanitary district after the annexation has been approved by the voters at an election held within one year subsequent to annexation, fifty-one percent (51%) or more of the resident freeholders within the annexed territory may petition the sanitary district board for the removal and exclusion of the territory from the sanitary district. No petition may be filed after bonds of the sanitary district have been approved in an election held at any time after annexation. If the sanitary district board approves the petition, it shall send a copy to the Department requesting

that the petition be granted and shall send additional copies to the county board or boards of commissioners. A public hearing shall be conducted under the same procedure provided for the annexation of additional territory. If the Commission deems it advisable to comply with the request of the petition, the Commission shall adopt a resolution to that effect and shall redefine the boundaries of the sanitary district. (1927, c. 100, s. 24; 1943, c. 543; 1947, c. 463, s. 1; 1951, c. 897, s. 1; 1957, c. 1357, s. 1; 1959, c. 1189, s. 2; 1961, c. 732; 1973, c. 476, s. 128; 1981, c. 186, s. 5; 1983, c. 891, s. 2; 2013-381, s. 10.20; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 130A-70. District and municipality extending boundaries and corporate limits simultaneously.

(a) When the boundaries of a sanitary district lie entirely within or are coterminous with the corporate limits of a city or town and the sanitary district provides the only public water supply and sewage disposal system for the city or town, the boundaries of the sanitary district and the corporate limits of the city or town may be extended simultaneously as provided in this section.

(b) Twenty-five percent (25%) or more of the resident freeholders within the territory proposed to be annexed to the sanitary district and to the city or town may petition the sanitary district board and the governing board of the city or town setting forth the boundaries of the area proposed to be annexed and the objects annexation is proposed to accomplish. The petition may also include any area already within the corporate limits of the city or town but not already within the boundaries of the sanitary district. Upon receipt of the petition, the sanitary district board and the governing board of the city or town shall meet jointly and shall hold a public hearing prior to approval of the petition. Notice of the hearing shall be made by posting a notice at the courthouse door of the county or counties and by publishing a notice at least once a week for four consecutive weeks in a newspaper with a circulation in the county or counties. If at or after the public hearing the sanitary district board and the governing board of the city or town, acting jointly, shall each approve the petition, the petition shall be submitted to the Commission for approval. If the Commission approves the petition, the question shall be submitted to a vote of all voters in the area or areas proposed to be annexed voting as a whole. The election shall be held on a date approved by the sanitary district board and by the governing board of the city or town.

(c) The words "For Extension" and "Against Extension" shall be printed on the ballots for the election. A majority of all the votes cast is necessary for a district and municipality to extend boundaries and corporate limits simultaneously.

(d) After declaration of the extension, the territory and its citizens and property shall be subject to all debts, ordinances and rules in force in the sanitary district and in the city or town, and shall be entitled to the same privileges and benefits as other parts of the sanitary district and the city or town. The newly annexed territory shall be subject to the sanitary district and the city or town taxes levied for the fiscal year following the date of annexation.

(e) The costs of holding and conducting the election for annexation pursuant to this section, shall be shared equally by the sanitary district and by the city or town.

(f) The sanitary district board and the governing board of the city or town acting jointly, may order the board or boards of elections of the county or counties in which the sanitary district and the city or town are located, to call, hold, conduct and certify the result of the election, according to the provisions of Chapter 163 of the General Statutes.

(g) When the boundaries of a sanitary district and the corporate limits of a city or town are extended as provided in this section, and the proposition of issuing bonds of the sanitary district as enlarged has not been approved by the voters at an election held within one year subsequent to the

extension, the annexed territory may be removed and excluded from the sanitary district in the manner provided in G.S. 130A-69. If the petition includes areas within the present corporate limits of the city or town but not within the present boundaries of the sanitary district, these areas shall not be removed or excluded from the city or town under the provisions of this section.

(h) The powers granted by this section shall be supplemental and additional to powers conferred by any other law and shall not be regarded as in derogation to any powers now existing. (1953, c. 977; 1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1981, c. 186, s. 6; 1983, c. 891, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 130A-70.1. Satellite annexation in conjunction with municipal annexation in certain sanitary districts.

(a) This section only applies to a sanitary district where one or more municipalities lie within its boundaries.

(b) Whenever a municipality which lies within a sanitary district receives a petition for annexation under Part 4 of Article 4A of Chapter 160A of the General Statutes, the municipality may petition the sanitary district for that sanitary district to also annex the same area. In such case, the sanitary district may, by resolution, annex the same area, but the annexation shall only become effective if the territory is annexed by the requesting municipality.

(c) If G.S. 160A-58.5 allows the municipality to fix and enforce schedules of rents, rates, fees, charges, and penalties in excess of those fixed and enforced within the primary corporate limits, the sanitary district may do likewise as if G.S. 160A-58.5 applied to it.

(d) If the annexed area contains utility lines constructed or operated by the county and the sanitary district is to assume control, operation, or management of those lines, the sanitary district and county may by contract agree for the sanitary district to assume the pro rata or otherwise mutually agreeable portion of indebtedness incurred by the county for such purpose, or to contractually agree with the county to reimburse the county for any debt service. (2001-301, s. 1.)

§ 130A-70.2. Extension of district boundaries to include all of a municipality.

(a) Notwithstanding G.S. 130A-69, 130A-70, and 130A-70.1, a sanitary district board may extend the boundaries of the sanitary district to include all of the contiguous corporate areas of any municipality adopting a resolution requesting inclusion into the sanitary district. The sanitary district board shall conduct a public hearing on the matter as soon as practicable upon receipt of the resolution from the municipality. The sanitary district boundaries, if expanded, shall be established by resolution by the sanitary district board after the public hearing on the matter.

(b) The effective date of the sanitary district boundary change under this section shall be determined by the sanitary district board and shall coincide with the start of a fiscal or calendar year.

(c) Upon expansion of the sanitary district boundaries in accordance with this section, the sanitary district board shall file a copy of the resolution and a map of the new sanitary district boundaries, with the county board of elections. (2024-38, s. 4(a).)

§ 130A-71. Procedure for withdrawing from district.

Fifty-one percent (51%) or more of the resident freeholders of a portion of a sanitary district which has no outstanding indebtedness, with the approval of the sanitary district board, may petition the county board of commissioners of the county in which a major portion of the petitioners reside, that the identified portion of the district be removed and excluded from the

district. If the county board of commissioners approves the petition, an election shall be held in the entire district on the question of exclusion. A majority of all the votes cast is necessary for a district to be removed and excluded from a sanitary district. The county board of commissioners shall notify the Commission who shall remove and exclude the portion of the district, and redefine the limits accordingly. (1957, c. 1357, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-72. Dissolution of certain sanitary districts.

Fifty-one percent (51%) or more of the resident freeholders of a sanitary district which has no outstanding indebtedness may petition the board of commissioners of the county in which all or the greater portion of the resident freeholders of the district are located to dissolve the district. Upon receipt of the petition, the county board of commissioners shall notify the Department and the chairperson of the county board of commissioners of any other county or counties in which any portion of the district lies, of the receipt of the petition, and shall request that the Department hold a joint public hearing with the county commissioners concerning the dissolution of the district. The Secretary and the chairperson of the county board of commissioners shall name a time and place within the district for the public hearing. The county board of commissioners shall give prior notice of the hearing by posting a notice at the courthouse door of the county or counties and by publication in a newspaper or newspapers with circulation in the county or counties at least once a week for four consecutive weeks. If all matters pertaining to the dissolution of the sanitary district cannot be concluded at the hearing, the hearing may be continued to a time and place determined by the Department. If after the hearing, the Commission and the county board or boards of commissioners deem it advisable to comply with the request of the petition, the Commission shall adopt a resolution to dissolve the sanitary district. The sanitary district board of the dissolved district is authorized to convey all assets, including cash, to any county, municipality, or other governmental unit, or to any public utility company operating or to be operated under the authority of a certificate of public convenience and necessity granted by the North Carolina Utilities Commission in return for the assumption of the obligation to provide water and sewage services to the area served by the district at the time of dissolution. (1943, c. 620; 1951, c. 178, s. 2; 1957, c. 1357, s. 1; 1967, c. 4, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-73. Dissolution of sanitary districts having no outstanding indebtedness and located wholly within or coterminous with corporate limits of city or town.

When the boundaries of a sanitary district which has no outstanding indebtedness are entirely located within or coterminous with the corporate limits of a city or town, fifty-one percent (51%) or more of the resident freeholders within the district may petition the board of commissioners within the county in which all or the greater portion of the resident freeholders of the district are located to dissolve the district. Upon receipt of the petition, the board of commissioners shall notify the Department, the chairperson of the board of commissioners of any other county or counties in which any portion of the district lies and the governing body of the city or town within which the district lies of the receipt of the petition, and shall request that the Department hold a joint public hearing with the board or boards of commissioners and the governing body of the city or town. The Secretary, the chairperson of the board of commissioners of the county in which all or the greater portion of the resident freeholders are located and the presiding officer of the governing body of the city or town shall name a time and place within the boundaries of the district and the city or town for the public hearing. The county board of commissioners shall give notice of the hearing by posting prior notice at the courthouse door of the county or counties and also by publication in a

newspaper or newspapers circulating in the district at least once a week for four consecutive weeks. If all matters pertaining to the dissolution of the sanitary district cannot be concluded at the hearing, the hearing may be continued to a time and place determined by the Department. If, after the hearing, the Commission, the county board or boards of commissioners and the governing body of the city or town shall deem it advisable to comply with the request of the petition, the Commission shall adopt a resolution dissolving the district. All taxes levied by the sanitary district which were levied prior to but which are collected after the dissolution shall vest in the city or town. All property held, owned, controlled or used by the sanitary district upon the dissolution or which may later be vested in the sanitary district, and all judgments, liens, rights and causes of actions in favor of the sanitary district shall vest in the city or town. At the dissolution, taxes owed to the sanitary district shall be collected by the city or town. (1963, c. 512, s. 1; 1973, c. 476, s. 128; 1983, c. 891, s. 2.)

§ 130A-73.1. Dissolution of sanitary districts having no outstanding indebtedness and located wholly within or coterminous with corporate limits of city or town.

(a) When the boundaries of a sanitary district that (i) is located entirely within one county, (ii) has no outstanding indebtedness, (iii) at the time of its creation was not located entirely within or coterminous with the corporate limits of a city or town, (iv) has not provided any water or sewer service for at least five years, (v) did not levy any ad valorem tax in the current year, (vi) has been for at least five years entirely located within or coterminous with the corporate limits of a city or town, and (vii) at the time of the annexation of the area of the district by that city or town, the city or town assumed all assets and liabilities of the district, the board of that district by unanimous vote may petition the board of commissioners of the county in which the district is located to dissolve the district. Upon receipt of the petition, the board of commissioners shall notify the Department and the governing body of the city or town within which the district lies of the receipt of the petition. If the Commission, the county board of commissioners, and the governing body of the city or town shall deem it advisable to comply with the request of the petition, the Commission shall adopt a resolution dissolving the district. All taxes levied by the sanitary district that were levied prior to, but that are collected after, the dissolution shall vest in the city or town. All property held, owned, controlled, or used by the sanitary district upon the dissolution or that may later be vested in the sanitary district, and all judgments, liens, rights, and causes of actions in favor of the sanitary district shall vest in the city or town. At the dissolution, taxes owed to the sanitary district shall be collected by the city or town.

(b) The procedure for the dissolution of a sanitary district set out in this section is an alternative to the procedure set out in G.S. 130A-73 and any sanitary district to which both that section and this section apply may be dissolved under either section. (1998-123, s. 1.)

§ 130A-74. Validation of creation of districts.

All actions prior to June 6, 1961, taken by the county boards of commissioners[,] by the State Board of Health, by any officer or by any other agency, board or officer of the State in the formation and creation of sanitary districts in the State, and the formation and creation, or the attempted formation and creation of any sanitary districts are in all respects validated. These sanitary districts are declared lawfully formed and created and in all respects legal and valid sanitary districts. (1953, c. 596, s. 1; 1957, c. 1357, s. 1; 1961, c. 667, s. 1; 1983, c. 891, s. 2.)

§ 130A-75. Validation of extension of boundaries of districts.

(a) All actions prior to April 1, 1957, taken by the State Board of Health, a county board of commissioners, and a sanitary district board for the purpose of extending the boundaries of a sanitary district where the territory which was annexed contained no resident freeholders, and where the owner or owners of the real property annexed requested of the sanitary district board that the territory be annexed to the sanitary district, are validated, notwithstanding any lack of power to perform these acts or proceedings, and notwithstanding any defect or irregularity in the acts or proceedings.

(b) All actions and proceedings prior to April 1, 1979, taken by the State Board of Health, the Commission, a board of county commissioners and a sanitary district board for the purpose of annexing additional territory to a sanitary district or with respect to the annexation are validated notwithstanding any lack of power to perform these acts or proceedings or any defect or irregularity in any acts or proceedings; these sanitary districts are lawfully extended to include this additional territory. (1959, c. 415, s. 2; 1975, c. 712, s. 1; 1979, 2nd Sess., c. 1079, s. 1; 1983, c. 891, s. 2.)

§ 130A-76. Validation of dissolution of districts.

All actions prior to January 1, 1981, taken by a county board of commissioners, by the State Board of Health or Commission, by an officer or by any other agency, board or officer of the State in the dissolution of a sanitary district and the dissolution or attempted dissolution of a sanitary district are validated. (1953, c. 596, s. 2; 1957, c. 1357, s. 1; 1981, c. 20, ss. 1, 2; 1983, c. 891, s. 2.)

§ 130A-77. Validation of bonds of districts.

All actions and proceedings prior to April 1, 1979, taken, and all elections held in a sanitary district or in a district purporting to be a legal sanitary district by virtue of the purported authority and acts of a county board of commissioners, State Board of Health, Commission, or any other board, officer or agency for the purpose of authorizing, selling or issuing the bonds of the sanitary district, and all bonds at any time issued by or on behalf of a sanitary district, are in all respects validated. These bonds are declared to be the legal and binding obligations of the sanitary district. (1953, c. 596, s. 3; 1957, c. 1357, s. 1; 1979, 2nd Sess., c. 1079, s. 2; 1983, c. 891, s. 2.)

§ 130A-78. Tax levy for validated bonds.

Sanitary districts are authorized to make appropriations and to levy annually a tax on property having a situs in the district under the rules and according to the procedure prescribed in the Machinery Act for the purpose of paying the principal of and interest on bonds validated in G.S. 130A-77. The tax shall be sufficient for this purpose and shall be in addition to all other taxes which may be levied upon the taxable property in the sanitary district. (1945, c. 89, s. 3; 1957, c. 1357, s. 1; 1973, c. 803, s. 17; 1983, c. 891, s. 2.)

§ 130A-79. Validation of appointment or election of members of district boards.

(a) All actions and proceedings prior to June 6, 1961, taken in the appointment or election of members of a sanitary district board are validated. Members of these boards shall have all the powers and may perform all the duties required or permitted of them to be pursuant to this Part.

(b) All actions and proceedings prior to May 1, 1959, taken in the appointment or election of members of a sanitary district board and the appointment or election of members are validated. Members of these boards shall have all the powers and may perform all the duties required or

permitted of them pursuant to the provisions of this Part. (1953, c. 596, s. 4; 1957, c. 1357, s. 1; 1959, c. 415, s. 1; 1961, c. 667, s. 2; 1983, c. 891, s. 2.)

§ 130A-80. Merger of district with contiguous city or town; election.

A sanitary district may merge with a contiguous 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 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 subsection (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. (1961, c. 866; 1981, c. 186, s. 7; 1983, c. 891, s. 2; 1987, c. 314, s. 1; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 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. (1989, c. 194, s. 1; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 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. (1989, c. 194, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 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 Public Health.

(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 Public Health. (1989, c. 194, s. 3; 2007-182, s. 2.)

§ 130A-81. Incorporation of municipality and simultaneous dissolution of sanitary district, with transfer of assets and liabilities from the district to the municipality.

The General Assembly may incorporate a municipality, which includes within its boundaries or is coterminous with a sanitary district and provide for the simultaneous dissolution of the sanitary district and the transfer of the district's assets and liabilities to the municipality, in the following manner:

(1) The incorporation act shall define the boundaries of the proposed municipality; shall set the date for and provide for a referendum on the incorporation of the proposed municipality and dissolution of the sanitary district; shall provide for registration of voters in the area of the proposed municipality in accordance with G.S. 163-288.2; shall set a proposed effective date for the incorporation of the municipality and the dissolution of the sanitary district; shall establish the form of government for the proposed municipality and the composition of its governing board, and provide for transitional arrangements for the sanitary

district to the municipality; and may include any other matter appropriate to a municipal charter.

(1a) As an alternate to subdivision (1) of this section, the incorporation act shall define the boundaries of the proposed municipality; shall provide that the incorporation is not subject to referendum; shall set a proposed effective date for the incorporation of the municipality and the dissolution of the sanitary district; shall establish the form of government for the proposed municipality and the composition of its governing board, and provide for transitional arrangements for the sanitary district to the municipality, and may include any other matter appropriate to a municipal charter. If this subdivision is followed instead of subdivision (1), then the municipality shall be incorporated and the sanitary district simultaneously dissolved at 12 noon on the date set for incorporation in the incorporation act, and the provisions of paragraphs a through g of subdivision (5) of this section shall apply.

(2) The referendum shall be conducted by the board of elections of the county in which the proposed municipality is located. If the proposed municipality is located in more than one county, the board of elections of the county which has the greatest number of residents of the proposed municipality shall conduct the referendum. The board of election shall conduct the referendum in accordance with this section and the provisions of the incorporation act.

(3) The form of the ballot for a referendum under this section shall be substantially as follows:

" FOR incorporation of the Town (City) of ____ and the simultaneous dissolution of the ____ Sanitary District, with transfer of the District's assets and liabilities to the Town (City), and assumption of the District's indebtedness by the Town (City).

AGAINST incorporation of the Town (City) of ____ and the simultaneous dissolution of the ____ Sanitary District, with transfer of the District's assets and liabilities, to the Town (City), and assumption of the District's indebtedness by the Town (City)."

(4) If a majority of those voting in the referendum vote in favor of incorporating the proposed municipality and dissolving the sanitary district, the board of elections shall notify the Department and the Local Government Commission of the date on which the municipality will be incorporated and the sanitary district dissolved and shall state that all assets and liabilities of the sanitary district will be transferred to the municipality and that the municipality will assume the district's indebtedness.

(5) If a majority of those voting in the referendum vote in favor of incorporating the proposed municipality and dissolving the sanitary district, the municipality shall be incorporated and the sanitary district shall be simultaneously dissolved at 12 noon on the date set for incorporation in the incorporation act. At that time:

a. The sanitary district shall cease to exist as a body politic and corporate;

b. All property, real, personal and mixed, belonging to the sanitary district vests in and is the property of the municipality;

c. All judgments, liens, rights and courses of action in favor of the sanitary district vest in favor of the municipality;

d. All rentals, taxes, assessments and other funds, charges or fees owed to the sanitary district are owed to and may be collected by the municipality;

e. Any action, suit, or proceeding pending against, or instituted by the sanitary district shall not be abated by its dissolution, but shall be continued and completed in the same manner as if dissolution had not occurred. The municipality shall be a party to these actions, suits and proceedings in the place of the sanitary district and shall pay any judgment rendered against the sanitary district in any of these actions or proceedings. No new process need be served in any of the actions, suits or proceedings;

f. All obligations of the sanitary district, including outstanding indebtedness, are assumed by the municipality, and all the obligations and outstanding indebtedness are constituted obligations and indebtedness of the municipality. The full faith and credit of the municipality is deemed to be pledged for the payment of the principal of and interest on all general obligation bonds and bond anticipation notes of the sanitary district, and all the taxable property within the municipality shall remain subject to taxation for these payments; and

g. All rules of the sanitary district shall continue in effect until repealed or amended by the governing body of the municipality.

(6) The transition between the sanitary district and the municipality shall be provided for in the incorporation act of the municipality. (1971, c. 737, 1973, c. 476, s. 128; 1983, c. 891, s. 2; 1985, c. 375; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 130A-82. Dissolution of sanitary districts; referendum.

(a) A county board of commissioners in counties having a population in excess of 275,000 may dissolve a sanitary district by holding a referendum on the questions of dissolution and assumption by the county of any outstanding indebtedness of the district. The county board of commissioners may dissolve a sanitary district which has no outstanding indebtedness when the members of the district shall vote in favor of dissolution.

(b) Before the dissolution of any district shall be approved, a plan for continued operation and provision of all services and functions being performed or rendered by the district shall be adopted and approved by the board of county commissioners.

(c) No plan shall be adopted unless at the time of its adoption any water system or sanitary sewer system being operated by the district is in compliance with all local, State and federal rules and regulations, and if the system is to be serviced by a municipality, the municipality shall first approve the plan.

(d) When all actions relating to dissolution of the sanitary district have been completed, the chairperson of the county board of commissioners shall notify the Department. (1973, c. 476, s. 128; c. 951; 1983, c. 891, s. 2.)

§ 130A-83. Merger of two contiguous sanitary districts.

Two contiguous sanitary districts may merge in the following manner:

(1) The sanitary district board of each sanitary district must first adopt a common proposed plan of merger. The plan shall contain the name of the new or successor sanitary district, designate the members of the merging boards who shall serve as the interim sanitary district board for the new or successor district until the next election required by G.S. 130A-50(b) and 163-279, and any other matters necessary to complete the merger.

(2) The merger may become effective only if approved by the voters of the two sanitary districts. In order to call an election, both boards shall adopt a resolution calling upon the board of county commissioners in the county or counties in which the districts are located to call for an election on a date named by the sanitary district boards after consultation with the appropriate boards of election. The board or boards of commissioners shall hold an election on the proposed merger of the sanitary districts.

(3) The county board or boards of commissioners shall request the appropriate board of elections to hold and conduct the elections. All voters of the two sanitary districts shall be eligible to vote.

(4) Notice of the elections shall be given as required in G.S. 163-33(8). The board of elections may use the 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 the merger of the ____ Sanitary District and the ____ Sanitary District into a single district to be known as the ____ Sanitary District, in which all the property, assets, liabilities, obligations, and indebtedness of the two districts become the property, assets, liabilities, obligations, and indebtedness of the ____ Sanitary District.

AGAINST the merger of the ____ Sanitary District and the ____ Sanitary District into a single district to be known as the ____ Sanitary District, in which all the property, assets, liabilities, obligations, and indebtedness of the two districts become the property, assets, liabilities, obligations, and indebtedness of the ____ Sanitary District."

(6) If a majority of all the votes cast in each sanitary district vote in favor of the merger, the two sanitary districts shall be merged on July 1 following the election. Should the majority of the votes cast in either sanitary district be against the proposition, the sanitary districts shall not be merged. If a majority of the votes cast in either sanitary district are 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 two sanitary districts pursuant to this section and the creation of a new district, the merger becomes effective at 12 noon on the following July 1. At that time:

a. The two sanitary districts shall cease to exist as bodies politic and corporate, and the new sanitary district exists as a body politic and corporate.

b. All property, real, personal and mixed, belonging to the sanitary districts vests in and is the property of the new sanitary district.

c. All judgments, liens, rights of liens and causes of action in favor of either sanitary district vest in the new sanitary district.

d. All rentals, taxes, assessments and other funds, charges or fees owed to either of the sanitary districts are owed to and may be collected by the new sanitary district.

e. Any action, suit, or proceeding pending against, or having been instituted by, either of the sanitary districts shall not be abated by its dissolution, but shall be continued and completed in the same manner as if dissolution had not occurred. The new sanitary district shall be a party to all these actions, suits and proceedings in the place of the dissolved sanitary district and shall pay any judgment rendered against either of the sanitary districts in any of these actions or proceedings. No new process need be served in any of the actions, suits or proceedings.

f. All obligations of either of the sanitary districts, including any outstanding indebtedness, are assumed by the new sanitary district and all the obligations and outstanding indebtedness are constituted obligations and indebtedness of the new sanitary district. The full faith and credit of the new sanitary district is deemed to be pledged for the punctual payment of the principal of and interest on all general obligation bonds and bond anticipation notes of either of the sanitary districts, and all the taxable property within the new sanitary district shall remain subject to taxation for these payments.

g. All rules of either of the sanitary districts shall continue in effect until repealed or amended by the governing body of the new sanitary district.

(8) Upon the merger of two sanitary districts pursuant to this section when one district is to be dissolved and the other district is to be a successor covering the territory of both, the merger becomes effective at 12 noon on the following July 1. At that time:

a. One sanitary district shall cease to exist as a body politic and corporate, and the successor sanitary district continues to exist as a body politic and corporate.

b. All property, real, personal and mixed, belonging to the sanitary districts vests in, and is the property of the successor sanitary district.

c. All judgments, liens, rights of liens and causes of action in favor of either sanitary district vest in the successor sanitary district.

d. All rentals, taxes, assessments and other funds, charges or fees owed either of the sanitary districts are owed to and may be collected by the successor sanitary district.

e. Any action, suit, or proceeding pending against, or instituted by either of the sanitary districts shall not be abated by its dissolution, but shall be continued and completed in the same manner as if dissolution had not occurred. The successor sanitary district shall be a party to all these actions, suits and proceedings in the place of the dissolved sanitary district and shall pay any judgment rendered against the sanitary district in any of these actions or proceedings. No new process need be served in any of the actions, suits or proceedings.

f. All obligations of either of the sanitary districts, including any outstanding indebtedness, are assumed by the successor sanitary district and all the obligations and outstanding indebtedness are constituted obligations and indebtedness of the successor sanitary district. The full faith and credit of the successor sanitary district is deemed to be pledged for the punctual payment of the principal of and interest on all general obligation bonds and bond anticipation notes of either of the sanitary districts, and all the taxable property within the successor sanitary district shall be and remain subject to taxation for these payments.

g. All rules of either of the sanitary districts shall continue in effect until repealed or amended by the governing body of the successor sanitary district. (1981, c. 951; 1983, c. 891, s. 2; 1987, c. 314, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 130A-84. Withdrawal of water.

A sanitary district is empowered to engage in litigation or to join with other parties in litigation opposing the withdrawal of water from a river or other water supply. (1983, c. 891, s. 2.)

§ 130A-85. Further dissolution procedures.

(a) The County Board of Commissioners may dissolve a Sanitary District located entirely within one county upon the following conditions:

(1) There are 500 or less resident freeholders residing within the District;

(2) The District has no outstanding bonded indebtedness;

(3) The Board of Commissioners agrees to assume and pay any other outstanding legal indebtedness of the District;

(4) The Board of Commissioners adopts a plan providing for continued operation and provision of all services previously being performed or rendered to the District. No plan shall be adopted unless at the time of its adoption any water and sewer or sanitary system being operated by the District is in compliance with all local, State, and federal rules and regulations; and

(5) The Board of Commissioners adopts a resolution finding that the interest of the citizens of the Sanitary District and the county will be best served if the operation and the services provided by the District were provided for by the Board of Commissioners.

(a1) The County Board of Commissioners may dissolve a Sanitary District located entirely within one county and for which no District Board members have been elected within eight years preceding dissolution, upon the following conditions:

(1) The District has no outstanding legal indebtedness;

(2) The Board of Commissioners adopts a plan providing for continued operation and provision of all services, if any, previously being performed or rendered to the District. No plan shall be adopted unless at the time of its adoption any water and sewer or sanitary system being operated by the District is in compliance with all local, State, and federal rules and regulations; and

(3) The Board of Commissioners adopts a resolution finding that the interest of the citizens of the Sanitary District and the county will be best served if the

operation and the services provided by the District are provided for by the Board of Commissioners.

When all actions relating to dissolution of the sanitary district have been completed, the chairperson of the County Board of Commissioners shall notify the Department.

(b) Prior to taking action to dissolve a Sanitary District, the Board of Commissioners shall hold a public hearing concerning dissolution of the District. The County Board of Commissioners shall give notice of the hearing by publication of notice thereof in a newspaper or newspapers with general circulation in the county, once per week for three consecutive weeks. If, after the hearing, the Board of Commissioners deems it advisable to dissolve the District, they shall thereafter adopt the resolution and plan provided for herein.

During the period commencing with the first publication of notice of the public hearing as herein provided, and for a period of 60 days following the public hearing, the Board of Commissioners of the District may not enter into any contracts, incur any indebtedness or pledge, or encumber any of the District's assets except in the ordinary course of business.

(c) Upon adoption of the resolution provided for herein, all property, real, personal, and mixed, belonging to the District vests in and becomes the property of the county; all judgments, liens, rights of liens and causes of action in favor of the District vests in the county; and all rentals, taxes and assessments and other funds, charges or fees owed to the District may be collected by the county.

(d) Following dissolution of the District, the county may operate, maintain, and extend the services previously provided for by the District either:

(1) As a part of county government; or

(2) As a service district created on or after January 1, 1987, under Article 16 of Chapter 153A of the General Statutes to serve at least the area of the Sanitary District.

In lieu thereof, the services may be provided by any authority or district created after January 1, 1987, under this Article, or Articles 1, 4, 5 or 6 of Chapter 162A of the General Statutes to serve at least the area of the District. In such case, the county may convey the property, including all judgments, liens, rights of liens, causes of action, rentals, taxes and assessments mentioned in subsection (c) of this section, to that authority or District. (1987, c. 521; 1991, c. 417.)

§ 130A-86. Reserved for future codification purposes.

§ 130A-87. Reserved for future codification purposes.