

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1060
Committee Substitute Favorable 6/27/95

Short Title: City-County Taxation/Finance.

(Public)

Sponsors:

Referred to:

May 11, 1995

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

The General Assembly of North Carolina enacts:

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

"ARTICLE 1A.

"CONSOLIDATED CITY-COUNTY POWERS AND GOVERNANCE.

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

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

(1) A county under the Constitution and the general laws of the State of
North Carolina, throughout its jurisdiction; and

(2) A city under the Constitution and the general laws of the State of North
Carolina, within an urban service district.

(b) Outside the boundaries of an urban service district, the consolidated city-
county shall have and may exercise or may hereafter be authorized or required to exercise

1 the same powers, duties, functions, rights, privileges, and immunities granted to a city
2 under the Constitution and the general laws of the State of North Carolina that can be
3 exercised or may hereafter be authorized or required to exercise outside of city
4 boundaries.

5 **"§ 160B-2.2. Dissolution of consolidated city-county; establishment of study**
6 **commission; purposes and powers of study commission.**

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

10 The study commission may:

11 (1) Prepare a report of its findings and conclusions.

12 (2) Prepare drafts of any agreements or legislation necessary to effect the
13 dissolution of a consolidated city-county.

14 (3) Prepare a plan for dissolution of the consolidated city-county.

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

16 (1) Adopt rules and regulations for the conduct of its business.

17 (2) Employ personnel.

18 (3) Contract with consultants.

19 (4) Hold hearings in the furtherance of its business.

20 (5) Take any other action necessary or expedient to the furtherance of its
21 business."

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

23 **"§ 160B-4. Definition of urban service districts to replace municipalities abolished**
24 **at the time of consolidation.**

25 (a) The governing board, by resolution, may define an urban service district within
26 the boundaries of the largest municipality that existed in the county before consolidation
27 and within the boundaries of any other municipality abolished at the time of the
28 establishment of the consolidated city-county. Notwithstanding the provisions of G.S.
29 160B-7, the resolution may also define an urban service district to include areas proposed
30 for inclusion in an urban service district and identified in a plan for consolidation
31 prepared by a consolidation study commission pursuant to Article 20 of Chapter 153A of
32 the General Statutes or a plan approved by the General Assembly. Any urban service
33 district so defined shall comprise the total area of the abolished municipality as it existed
34 immediately before the effective date of consolidation. ~~The resolution shall take effect upon~~
35 its adoption. ~~As determined by the governing board, the resolution shall take effect as to~~
36 the areas included therein either upon its adoption or at the beginning of a fiscal year
37 commencing after its passage.

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

42 (c) The powers, duties, functions, rights, privileges, and immunities of an urban
43 service district shall be exercised or administered by the governing board of the

1 consolidated city-county. Any revenues, distributions or other funds due an urban service
2 district shall be paid to the governing board of the consolidated city-county."

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

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

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

11 **"ARTICLE 5.**

12 **"ASSUMPTION OF OBLIGATIONS AND DEBT SECURED**
13 **BY A PLEDGE OF FAITH AND CREDIT.**

14 **"PART 1. GENERAL PROVISIONS.**

15 **"§ 160B-16. Applicability of this Article.**

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

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

22 **"PART 2. ASSUMPTION OF OBLIGATIONS AND DEBT.**

23 **"§ 160B-17. Organizational meeting; preparation of budget.**

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

36 **"§ 160B-18. Referendum approval of certain debt assumption required for**
37 **consolidation; effective date of consolidation.**

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

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

4 (1) Sixty days following publication of notice of the enactment of the
5 consolidation by the General Assembly;

6 (2) Sixty days following publication of the statement of result of the latest
7 referendum relating to the consolidation or to the assumption of debt
8 secured by a pledge of faith and credit in connection with the
9 consolidation; or

10 (3) Any effective date of the consolidation set by the General Assembly.

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

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

18 **§ 160B-19. Referendum on consolidation and on assumption of certain debt**
19 **secured by a pledge of faith and credit; right to issue certain authorized**
20 **but unissued debt secured by a pledge of faith and credit.**

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

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

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

41 (d) If the city-county consolidation is authorized by the General Assembly without
42 a referendum or if there otherwise has not been a referendum on the question of the
43 assumption of any debt secured by a pledge of faith and credit or, if applicable, the

1 question of the assumption of the right to issue any authorized but unissued faith and
2 credit debt, then the governing bodies of the units proposed to be consolidated, by
3 resolution, may provide for a referendum on said questions. In addition, any interim
4 governing board for the consolidated city-county, by resolution, also may provide for
5 such a referendum. The proposition submitted to the voters shall be substantially in the
6 following form (and may include part or all of the bracketed language as appropriate and
7 any other modifications as may be needed to reflect the issued debt secured by a pledge
8 of faith and credit of any of the consolidating units or the portion of the authorized but
9 unissued debt secured by a pledge of faith and credit of any of the consolidating units, the
10 right to issue which is proposed to be assumed by the consolidated city-county):

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

19 [] YES [] NO'

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

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

36 (g) A notice of a referendum on consolidation or on the assumption of debt
37 secured by a pledge of faith and credit or, if applicable, the right to issue authorized but
38 unissued debt secured by a pledge of faith and credit shall be published at least twice in a
39 newspaper of general circulation in the county. The first publication shall be not less
40 than 14 days and the second publication not less than seven days before the last day on
41 which voters may register for the referendum. The notice shall state the date of the
42 referendum, a statement as to the last date for registration for the referendum under the
43 election laws then in effect, and substantially the text of the proposition to be voted upon.

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

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

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

16 (i) Any action or proceeding in any court to set aside a referendum on
17 consolidation or a referendum on assumption of debt secured by a pledge of faith and
18 credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge
19 of faith and credit in connection with consolidation, or to obtain any other relief, upon the
20 grounds that the referendum is invalid or was irregularly conducted, must be begun
21 within 30 days after the publication of the statement of the result of the referendum.
22 After the expiration of this period of limitation, no right of action or defense based upon
23 the invalidity of or any irregularity in the referendum shall be asserted, nor shall the
24 validity of the referendum be open to question in any court upon any ground whatever,
25 except in an action or proceeding begun within the period of limitation prescribed in this
26 section.

27 **§ 160B-20. Local Government Commission review of assumption of debt secured**
28 **by a pledge of faith and credit; assumption of debt secured by a pledge of**
29 **faith and credit and right to issue authorized but unissued debt secured by**
30 **a pledge of faith and credit upon consolidation.**

31 (a) Review by Local Government Commission. – At the date specified in the
32 following sentence if any consolidating city or county has outstanding any debt secured
33 by a pledge of faith and credit or, if applicable, any authorized but unissued debt secured
34 by a pledge of faith and credit which is proposed to be assumed by the consolidated city-
35 county or has outstanding or pending approval any debt secured by a pledge of faith and
36 credit the issuance of which was or is subject to approval by the Local Government
37 Commission, then the assumption of any such debt and, if applicable, the assumption of
38 the right to issue such authorized but unissued debt, if any, shall be subject to review by
39 the Local Government Commission. The finance officers of the units proposed to be
40 consolidated shall use their best efforts to notify the secretary of the Local Government
41 Commission of the proposed consolidation and assumption of debt secured by a pledge of
42 faith and credit or, if applicable, the right to issue authorized but unissued debt secured
43 by a pledge of faith and credit at least two months before the introduction in the General

1 Assembly of legislation proposing to enact the consolidation into law, provided that time
2 allows. The Local Government Commission, to such extent it deems appropriate, may
3 conduct a review of the proposed consolidation and assumption of debt secured by a
4 pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt
5 secured by a pledge of faith and credit and may report the results of its review to the
6 presiding officer of each house of the General Assembly to be provided to the respective
7 committees to which the legislation to enact the consolidation shall be referred.

8 (b) Assumption of Debt Secured by a Pledge of Faith and Credit by Consolidated
9 City-County. – Subject to the requirement of referendum approval of certain debt
10 assumption for consolidation by the General Assembly and effective upon the effective
11 date of the consolidation provided in G.S. 160B-18(a), upon enactment of the
12 consolidation by the General Assembly and effective upon the effective date of the
13 consolidation provided in G.S. 160B-18(b), the debt secured by a pledge of faith and
14 credit of the consolidating city at the effective date of the consolidation (including
15 formerly authorized but unissued debt secured by a pledge of faith and credit as may have
16 been issued at the time) is assumed by, and becomes a binding obligation of the
17 consolidated city-county, and the faith and credit of the consolidated city-county is
18 pledged to secure any such assumed debt secured by a pledge of faith and credit. In
19 addition, any debt secured by a pledge of faith and credit of the county at the effective
20 date of the consolidation shall become a binding obligation of the consolidated city-
21 county and the faith and credit of the consolidated city-county is pledged to secure any
22 such debt.

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

40 **"§ 160B-21. Notice of enactment of consolidation; limitation of actions.**

41 (a) Publication of Notice of Enactment. – Following ratification of an act of the
42 General Assembly authorizing consolidation, there shall be published once in a
43 newspaper of general circulation in the county a notice of said enactment and, if

1 applicable, the fact that in connection with said enactment there is an assumption by the
2 consolidated city-county of the debt secured by a pledge of faith and credit of the
3 consolidating city and, if applicable, assumption of the right to issue authorized but
4 unissued debt secured by a pledge of faith and credit of the consolidating city and that
5 there is also binding on the consolidated city-county the debt secured by a pledge of faith
6 and credit of the county and, if applicable, there is vested in the consolidated city-county
7 the right to issue authorized but unissued debt secured by a pledge of faith and credit of
8 the county with the following statement appended:

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

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

16 (b) Limitation on Action Contesting Validity of Enactment of Consolidation. –
17 Any action or proceeding in any court to set aside enactment of a city-county
18 consolidation by the General Assembly, or to obtain any other relief, upon the grounds
19 that the enactment is invalid or was irregularly enacted, must be begun within 30 days
20 after the publication of the notice of the enactment. After the expiration of this period of
21 limitation, no right of action or defense based upon the invalidity of the enactment or any
22 irregularity in the enactment shall be asserted, nor shall the validity of the enactment be
23 open to question in any court upon any grounds whatever, except in an action or
24 proceeding begun within the period of limitation prescribed in this section."

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

26 **"§ 153A-405. Referendum; General Assembly action.**

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

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

39 (1) ~~Shall the County ofand the County ofbe~~
40 ~~consolidated?~~

41 (2) Shall the City ofand the City ofbe consolidated?

42 (3) ~~Shall the City ofbe consolidated with the County of~~
43 ~~.....?~~

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

7 (1) 'Shall the County of _____ and the County of
8 _____ be consolidated [and the consolidated unit assume
9 the debt of each secured by a pledge of faith and credit, [the right to
10 issue authorized but unissued debt to be secured by a pledge of faith and
11 credit [(including any such debt as may be authorized for said counties
12 on the date of this referendum)] and any of said authorized but unissued
13 debt as may be hereafter issued,] and be authorized to levy taxes in an
14 amount sufficient to pay the principal of and the interest on said debt
15 secured by a pledge of faith and credit?

16 YES NO'

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

26 YES NO'

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

36 YES NO'

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

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

41 YES NO'

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

1 YES NO'

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

4 YES NO'

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

11 (e) Subsection (b) of this section applies to any county that has (i) a population over
12 120,000 according to the most recent federal decennial census and (ii) an area of less than
13 200 square miles. Subsection (c) of this section applies to all other counties. If any
14 subsection or provision of this section is declared unconstitutional or invalid by the
15 courts, it does not affect the validity of the section as a whole or any part other than the
16 part so declared to be unconstitutional or invalid, provided that if the classifications in
17 subsections (b) and (c) of this section are held unconstitutional or invalid then subsection
18 (c) of this section is repealed and subsection (b) of this section shall be applicable
19 uniformly to all counties."

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

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

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

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

41 "(a1) The governing board of a consolidated city-county, as defined by G.S. 160B-
42 2(1), may create a water and sewer district pursuant to this Article. For the purposes of
43 this Article, the term 'board of county commissioners' shall also mean the governing

1 board of a consolidated city-county and the term 'county water and sewer district' also
2 means a water and sewer district created by the governing board of a consolidated city-
3 county."

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

5 **"§ 162A-89. Governing body of district; powers.**

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

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

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

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

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

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

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

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

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

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

- 37 a. A unit of local government as defined in G.S. 159-44(4);
38 b. Any combination of units, as defined in G.S. 160A-460(2),
39 entering into a contract or agreement with each other under G.S.
40 160A-461;
41 c. Any joint agency established under G.S. 160A-462; as any such
42 section may be amended from time to time; ø

- 1 d. Any regional solid waste management authority created pursuant
2 to ~~G.S. 153A-421~~. G.S. 153A-421; or
3 e. A consolidated city-county as defined by G.S. 160B-2(1),
4 including such a consolidated city-county acting with respect to
5 an urban service district defined by a consolidated city-county."

6 Sec. 13. G.S. 105-164(c) reads as rewritten:

7 "(c) Certain Governmental Entities. Upon receipt of timely applications for refund,
8 the Secretary of Revenue shall make refunds annually to all governmental entities, as
9 hereinafter defined, of sales and use tax paid under this Article, except under G.S. 105-
10 164.4(4a) and G.S. 105-164.4(4c), by said governmental entities on direct purchases of
11 tangible personal property. Sales and use tax liability indirectly incurred by such
12 governmental entities on building materials, supplies, fixtures and equipment which shall
13 become a part of or annexed to any building or structure being erected, altered or repaired
14 which is owned or leased by such governmental entities shall be construed as sales or use
15 tax liability incurred on direct purchases by such governmental entities, and such entities
16 may obtain refunds of such taxes indirectly paid. The refund provisions contained in this
17 subsection shall not apply to any governmental entities not specifically named herein. In
18 order to receive the refund herein provided for, governmental entities shall file a written
19 request for said refund within six months of the close of the fiscal year of the
20 governmental entities seeking said refund, and such request for refund shall be
21 substantiated by such records, receipts and information as the Secretary may require. No
22 refunds shall be made on applications not filed within the time allowed by this section
23 and in such manner as the Secretary may otherwise require. The term 'governmental
24 entities,' for the purposes of this subsection, shall mean all counties, incorporated cities
25 and towns, consolidated city-counties created pursuant to Article 2 or Article 5 of
26 Chapter 160B of the General Statutes, water and sewer authorities created and existing
27 under the provisions of Chapter 162A of the General Statutes, lake authorities created by
28 a board of county commissioners pursuant to an act of the General Assembly, sanitary
29 districts, regional councils of governments created pursuant to G.S. 160A-470, area
30 mental health, developmental disabilities, and substance abuse authorities (other than
31 single-county area authorities) established pursuant to Article 4 of Chapter 122C of the
32 General Statutes, district health departments, regional planning and economic
33 development commissions created pursuant to G.S. 158-14, regional sports authorities
34 created pursuant to G.S. 160A-479, regional economic development commissions created
35 pursuant to G.S. 158-8, regional planning commissions created pursuant to G.S. 153A-
36 391, regional solid waste management authorities created pursuant to G.S. 153A-421,
37 public transportation authorities created pursuant to Article 25 of Chapter 160A of the
38 General Statutes, regional public transportation authorities created pursuant to Article 26
39 of Chapter 160A of the General Statutes, metropolitan sewerage districts and
40 metropolitan water districts in this State, the North Carolina Low-Level Radioactive
41 Waste Management Authority created pursuant to Chapter 104G of the General Statutes,
42 the North Carolina Hazardous Waste Management Commission created pursuant to
43 Chapter 130B of the General Statutes, a joint agency created by interlocal agreement

1 pursuant to G.S. 160A-462 to operate a public broadcasting television station, and the
2 Rockingham County Airport Authority. Notwithstanding the foregoing provisions of this
3 subsection, the constituent institutions of The University of North Carolina may obtain in
4 the manner prescribed by this subsection a refund of sales and use tax paid by them on or
5 after January 1, 1992, for tangible personal property acquired by them through the
6 expenditure of contract and grant funds."

7 Sec. 14. G.S. 105-228.90(b) is amended by adding two new subdivisions to
8 read:

9 "(1a) City. – A city as defined by G.S. 160A-1(2), provided that the term
10 also includes an urban service district defined by the governing
11 board of a consolidated city-county, as defined by G.S. 160B-2(1).

12 "(1b) County. – Any one of the counties listed in G.S. 153A-10, provided
13 that the term also includes a consolidated city-county as defined by
14 G.S. 160B-2(1)."

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

16 "(11) 'Municipal corporation' and 'municipality' mean city, town,
17 incorporated village, sanitary district, rural fire protection district,
18 rural recreation district, mosquito control district, hospital district,
19 metropolitan sewerage district, watershed improvement district, or
20 other district or unit of local government by or for which ad valorem
21 taxes are levied. The terms also include a consolidated city-county
22 as defined by G.S. 160B-2(1)."

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

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

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

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

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

37 "(b) For purposes of this section and of G.S. 136-41.2 and 136-41.3, urban service
38 districts defined by the governing board of a consolidated city-county in which street
39 services are provided by the consolidated ~~city-county~~ city-county, as defined by G.S.
40 160B-2(1), shall be considered eligible municipalities, and the allocations to be made
41 thereby shall be made to the government of the consolidated city-county."

42 Sec. 19. If a concurrent resolution is adopted pursuant to G.S. 153A-405 prior
43 to the effective date of this act, the concurrent resolution may be amended to include

1 authorization or direction that the ballot question may include the assumption of
2 obligations language and may also include the assumption of the right to issue authorized
3 but unissued faith and credit debt language as provided by G.S. 153A-405.

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

7 Sec. 21. This act becomes effective July 1, 1995.