

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 516

Short Title: Counties Dissolve Certain Sanitary Districts. (Public)

Sponsors: Representatives Hamilton and Iler (Primary Sponsors).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Local Government, if favorable, Finance.

April 2, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT AUTHORIZING COUNTIES TO DISSOLVE CERTAIN SANITARY DISTRICTS,  
3 SUBJECT TO A REFERENDUM.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Part 2 of Article 2 of Chapter 130A of the General Statutes is  
6 amended by adding a new section to read as follows:

7 "**§ 130A-86. Dissolution of certain sanitary districts subject to referendum.**

8 A county board of commissioners in counties having a population in excess of 100,000 may  
9 dissolve a Sanitary District (hereinafter "District") upon the following conditions:

- 10 (1) Both the county and at least one city within the county currently provides  
11 water and sewer services to its residents.
- 12 (2) The board of commissioners adopts a resolution finding that the interest of  
13 the citizens of the District and the county will be best served if the operation  
14 and services provided by the District were provided for by either the board  
15 of commissioners or the governing body of a city within the county, or both  
16 pursuant to a binding agreement.
- 17 (3) Prior to the dissolution, the board of commissioners adopts a plan providing  
18 for continued operation and provision of all services previously being  
19 performed or rendered to the District. The plan may provide that some or all  
20 of the continued services be provided by the county or the city or both, and  
21 the county and city may enter into a binding agreement that details the  
22 manner in which each shall provide the services and the manner in which the  
23 liabilities and assets of the District are to be shared. No plan shall be adopted  
24 unless at the time of its adoption any water and sewer or sanitary system  
25 being operated by the District is in compliance with all local, State, and  
26 federal rules and regulations.
- 27 (4) The dissolution of the District is approved by the voters of the county in a  
28 referendum. The referendum shall be conducted by the county board of  
29 elections, and the question on the ballot shall be for or against the dissolution  
30 of the District, the assumption of outstanding indebtedness by the county or  
31 city, and the transfer of District assets to the county or city. If the county and  
32 city have entered into a binding agreement under subdivision (3) of this  
33 section, the ballot question shall show to what degree each shall assume  
34 indebtedness and take possession of assets.



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- 1           (5)   If a majority of all votes cast in the referendum are in favor of dissolution,  
2           the dissolution shall become effective at 12 noon on the following July 1. At  
3           that time, (i) all property, real, personal, and mixed, belonging to the District  
4           vests in and becomes the property of the county or city, or vest as provided  
5           in the binding agreement between the county and city; (ii) all judgments,  
6           liens, rights of liens, and causes of action in favor of the District vests in the  
7           county or city, or are in favor as provided in the binding agreement; and (iii)  
8           all rentals, taxes, and assessments and other funds, charges, or fees owed to  
9           the District may be collected by the county or city, or shall be collected as  
10          provided in the binding agreement; (iv) any action, suit, or proceeding  
11          pending against, or having been instituted by, the District shall not be abated  
12          by its dissolution, but shall be continued and completed in the same manner  
13          as if dissolution had not occurred. If a majority of all votes cast in the  
14          referendum are against the dissolution, the District shall not be dissolved.  
15          (6)   When all actions relating to dissolution of the District have been completed,  
16          the chairperson of the county board of commissioners shall notify the  
17          Department."  
18          **SECTION 2.** This act is effective when it becomes law.