

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**SENATE BILL 432*
Finance Committee Substitute Adopted 4/2/01
Third Edition Engrossed 4/3/01**

Short Title: Water and Sewer Authorities.

(Public)

Sponsors:

Referred to:

March 13, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO ALLOW NONPROFIT WATER CORPORATIONS TO JOIN CERTAIN
3 WATER AND SEWER AUTHORITIES AND CONCERNING THE RIGHT OF
4 SUBSEQUENTLY JOINING MUNICIPALITIES TO HAVE VOTING
5 MEMBERSHIP.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 162A-3 is amended by adding a new subsection to read:

8 "(a1) If an authority is organized by three or more political subdivisions, it may
9 include in its organization up to two nonprofit water corporations. The board of
10 directors of a nonprofit water corporation must signify the corporation's determination
11 to participate in the organization of the authority by adopting a resolution that meets the
12 requirements of subsection (b) of this section. The nonprofit water corporation is not
13 subject to the notice and public hearing requirements of subsection (a) of this section.
14 For all other purposes of this Article, the nonprofit water corporation shall be
15 considered to be a political subdivision."

16 **SECTION 2.** G.S. 162A-3.1 is amended by adding a new subsection to read:

17 "(a1) If an authority is organized by three or more political subdivisions, it may
18 include in its organization up to two nonprofit water corporations. The board of
19 directors of a nonprofit water corporation must signify the corporation's determination
20 to participate in the organization of the authority by adopting a resolution that meets the
21 requirements of subsection (b) of this section. The nonprofit water corporation is not
22 subject to the notice and public hearing requirements of subsection (a) of this section.
23 For all other purposes of this Article, the nonprofit water corporation shall be
24 considered to be a political subdivision."

25 **SECTION 2.1.** G.S. 162A-5(a) reads as rewritten:

26 "(a) Each authority organized under this Article shall consist of the number of
27 members as may be agreed upon by the participating political subdivisions, such
28 members to be selected by the respective political subdivision. A proportionate number

1 (as nearly as can be) of members of the authority first appointed shall have terms
2 expiring one year, two years and three years respectively from the date on which the
3 creation of the authority becomes effective. Successor members and members appointed
4 by a political subdivision subsequently joining the authority shall each be appointed for
5 a term of three years, but any person appointed to fill the vacancy shall be appointed to
6 serve only for the unexpired term and any member may be reappointed; provided,
7 however, that a political subdivision subsequently joining an authority created under
8 ~~G.S. 162A-3.1~~ G.S. 162A-3.1, or under the provisions of G.S. 162A-3 other than
9 subsection (a1), shall not have the right to appoint any members to such authority.
10 Appointments of successor members shall, in each instance, be made by the governing
11 body of the political subdivision appointing the member whose successor is to be
12 appointed. Any member of the authority may be removed, with or without cause, by the
13 governing body appointing said member. This subsection does not apply in the case of
14 an authority that a city joins under G.S. 162A-5.1"

15 **SECTION 3.** The creation of any Water and Sewer Authority under Article
16 1 of Chapter 162A of the General Statutes on or after July 1, 2000, but before this act
17 became law, that would have been permitted under that Article, as amended by Sections
18 1 and 2 of this act, is validated and confirmed as to the membership of nonprofit water
19 corporations.

20 **SECTION 4.** This act is effective when it becomes law.