

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**SESSION LAW 2001-224  
SENATE BILL 432**

AN ACT TO ALLOW NONPROFIT WATER CORPORATIONS AND THE STATE OF NORTH CAROLINA TO JOIN CERTAIN WATER AND SEWER AUTHORITIES AND CONCERNING THE RIGHT OF SUBSEQUENTLY JOINING MUNICIPALITIES TO HAVE VOTING MEMBERSHIP.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 162A-3 is amended by adding two new subsections to read:

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

(a2) If an authority is organized by three or more political subdivisions, it may include in its organization the State of North Carolina. The State of North Carolina is not subject to the notice and public hearing requirements of subsection (a) of this section. For purposes of this Article, the State of North Carolina shall be a political subdivision and its governing body shall be the Council of State."

**SECTION 2.** G.S. 162A-3.1 is amended by adding two new subsections to read:

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

(a2) If an authority is organized by three or more political subdivisions, it may include in its organization the State of North Carolina. The State of North Carolina is not subject to the notice and public hearing requirements of subsection (a) of this section. For purposes of this Article, the State of North Carolina shall be a political subdivision and its governing body shall be the Council of State."

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

"(a) Each authority organized under this Article shall consist of the number of members as may be agreed upon by the participating political subdivisions, such members to be selected by the respective political subdivision. A proportionate number (as nearly as can be) of members of the authority first appointed shall have terms expiring one year, two years and three years respectively from the date on which the creation of the authority becomes effective. Successor members and members appointed by a political subdivision subsequently joining the authority shall each be appointed for a term of three years, but any person appointed to fill the vacancy shall be appointed to

serve only for the unexpired term and any member may be reappointed; provided, however, that a political subdivision subsequently joining an authority created under ~~G.S. 162A-3.1~~ G.S. 162A-3.1, or under the provisions of G.S. 162A-3 other than subsection (a1), shall not have the right to appoint any members to such authority. Appointments of successor members shall, in each instance, be made by the governing body of the political subdivision appointing the member whose successor is to be appointed. Any member of the authority may be removed, with or without cause, by the governing body appointing said member. This subsection does not apply in the case of an authority that a city joins under G.S. 162A-5.1."

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

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

In the General Assembly read three times and ratified this the 6<sup>th</sup> day of June, 2001.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 4:35 p.m. this 15<sup>th</sup> day of June, 2001