

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 414*

Short Title: Regional Water Systems and State Grants. (Public)

Sponsors: Representative Barnes.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government, if favorable, Rules, Calendar, and Operations of the House

March 21, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO FOSTER REGIONAL COOPERATION FOR WATER AND WASTEWATER
3 INFRASTRUCTURE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 159G-42 reads as rewritten:

6 "**§ 159G-42. Disbursement of loan or grant.**

7 (a) The Department must disburse the proceeds of a loan or grant to a recipient in a series
8 of payments based on the progress of the project for which the loan or grant was awarded. To
9 obtain a payment, a loan or grant recipient must submit a request for payment to the Department
10 and document the expenditures for which the payment is requested.

11 (b) Prior to any disbursement of a loan or grant to a recipient that is engaged in
12 regionalization or initiating regionalization with the loan or grant, the Department shall ensure
13 that the recipient has one of the following with respect to each local government unit purchasing
14 treated or untreated water from the recipient at the time of the disbursement of the loan or grant
15 or anticipated to be served within the 30 years following the disbursement of the loan or grant:

16 (1) A written agreement approved by the governing board of the recipient and the
17 governing board of the local government unit stating the current rates of
18 purchase and any anticipated increases over the term of the agreement.

19 (2) A resolution approved by the governing board of the purchasing local
20 government unit stating the local government unit waives its option to
21 establish such a written agreement.

22 (c) In developing any agreement for execution as required by subsection (b) of this
23 section, either local government unit may request to the Local Government Commission to assist
24 in resolving any disputes between the local government units prior to execution of the written
25 agreement. When a request for assistance is made, the Local Government Commission shall
26 assist and provide recommendations within 90 days of the request. If the parties fail to agree, or
27 fail to adopt the recommendations of the Local Government Commission upon disagreement
28 between the parties, the Department shall not disburse any loan or grant to either local
29 government unit until the dispute is resolved to the satisfaction of the Local Government
30 Commission."

31 **SECTION 2.** This act is effective when it becomes law and applies to disbursements
32 under Chapter 159G of the General Statutes on or after that date.

