

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 166

Short Title: Public Enterprise/Compliance Cost Allocation. (Public)

Sponsors: Senators Krawiec, Jarvis, and Lowe (Primary Sponsors).

Referred to: Rules and Operations of the Senate

February 28, 2023

A BILL TO BE ENTITLED

AN ACT TO REQUIRE A PUBLIC ENTERPRISE TO COVER A CUSTOMER'S COSTS TO COMPLY WITH RULES ADOPTED AFTER THE CUSTOMER'S CONNECTION TO THE SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 160A-312 reads as rewritten:

"§ 160A-312. Authority to operate public enterprises.

(a) A city shall have authority to acquire, construct, establish, enlarge, improve, maintain, own, operate, and contract for the operation of any or all of the public enterprises as defined in this Article to furnish services to the city and its citizens. Subject to Part 2 of this Article, a city may acquire, construct, establish, enlarge, improve, maintain, own, and operate any public enterprise outside its corporate limits, within reasonable limitations, but in no case shall a city be held liable for damages to those outside the corporate limits for failure to furnish any public enterprise service.

(b) A city shall have full authority to protect and regulate any public enterprise system belonging to or operated by it by adequate and reasonable rules. The rules shall be adopted by ordinance, shall apply to the public enterprise system both within and outside the corporate limits of the city, and may be enforced with the remedies available under any provision of law. The cost to comply with any adopted rule that applies to customers who have received previous approval to connect to the public enterprise system shall be borne by the public enterprise, except the cost to comply with a numerical pretreatment standard shall be borne by the customer.

(c) A city may operate that part of a gas system involving the purchase and/or lease of natural gas fields, natural gas reserves and natural gas supplies and the surveying, drilling or any other activities related to the exploration for natural gas, in a partnership or joint venture arrangement with natural gas utilities and private enterprise."

**SECTION 1.(b)** G.S. 153A-275 reads as rewritten:

"§ 153A-275. Authority to operate public enterprises.

(a) A county may acquire, lease as lessor or lessee, construct, establish, enlarge, improve, extend, maintain, own, operate, and contract for the operation of public enterprises in order to furnish services to the county and its citizens. A county may acquire, construct, establish, enlarge, improve, maintain, own, and operate outside its borders any public enterprise.

(b) A county may adopt adequate and reasonable rules to protect and regulate a public enterprise belonging to or operated by it. The rules shall be adopted by ordinance, shall apply to the public enterprise system both within and outside the county, and may be enforced with the remedies available under any provision of law. The cost to comply with any adopted rule that applies to customers who have received previous approval to connect to the public enterprise



1 system shall be borne by the public enterprise, except the cost to comply with a numerical  
2 pretreatment standard shall be borne by the customer."

3 **SECTION 1.(c)** Chapter 162A of the General Statutes is amended by adding a new  
4 Article to read:

5 "Article 11.

6 "Provisions of General Applicability.

7 "**§ 162A-900. Certain costs of customer compliance to be borne by authority or district.**

8 The cost to comply with any rule adopted by an authority or district established pursuant to  
9 this Chapter that applies to customers who have received previous approval to connect to the  
10 water or sewer system, as applicable, shall be borne by the authority or district adopting the rule,  
11 except the cost to comply with a numerical pretreatment standard shall be borne by the customer."

12 **SECTION 1.(d)** Article 2 of Chapter 130A of the General Statutes is amended by  
13 adding a new section to read:

14 "**§ 130A-64.2. Certain costs of customer compliance to be borne by sanitary district.**

15 The cost to comply with any rule adopted by a sanitary district established pursuant to this  
16 Article that applies to customers who have received previous approval to connect to the water or  
17 sewer system, as applicable, shall be borne by the district adopting the rule, except the cost to  
18 comply with a numerical pretreatment standard shall be borne by the customer."

19 **SECTION 2.** This act is effective when it becomes law and applies to compliance  
20 costs arising on or after that date.