

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 770

Short Title: Sewer System Municipal Modif.

(Public)

Sponsors: Senator Sands.

Referred to: Finance.

April 4, 1989

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE ACQUISITION, ENLARGEMENT, IMPROVEMENT, OPERATION AND REVENUE BOND FINANCING OF SANITARY SEWER AND WATER SYSTEMS WITHIN AND WITHOUT THE CORPORATE LIMITS OF A MUNICIPALITY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-96 reads as rewritten:

§ 159-96. Limitation on extraterritorial operation of enterprises financed by revenue bonds.

(a) Each utility or public service enterprise listed in G.S. 159-81(3), if financed wholly or partially by revenue bonds issued under this Article, shall be owned or operated by the municipality for its own use and for the use of public and private consumers residing within its corporate limits. A utility or public service enterprise financed wholly or partially by revenue bonds, when operated primarily for the municipality's own use and for users within its corporate limits, may be operated incidentally for users outside its corporate limits. Provided, however, that revenue bonds may be issued for the purpose of financing in whole or in part mass transit systems, aeronautical facilities, marine facilities and systems, facilities and equipment for the collection, treatment or disposal of solid waste, notwithstanding that such systems, facilities or equipment may be operated for users outside the corporate limits of a municipality where the municipality finds that the system, facilities or equipment so financed would benefit the municipality.

A revenue bond project financed wholly or partially by revenue bonds of the State may be located either within or without the State and, when operated primarily for the

1 State's own use and for users within the State, may be operated incidentally for users
2 outside the State.

3 (b) Notwithstanding the provisions of subsection (a) of this section and G.S.
4 160A-312, municipalities may acquire sewage collection and disposal systems and
5 water supply and distribution systems located within and without the corporate limits of
6 such municipalities and finance such acquisition with revenue bonds. Further,
7 municipalities may own, maintain and operate such acquired systems, enlarge and
8 improve such acquired systems and finance the enlargement and improvement of such
9 acquired systems with revenue bonds. This subsection applies only to acquisitions by
10 municipalities financed by revenue bonds during the calendar year ending December 31,
11 1989."

12 Sec. 2. This act is effective upon ratification.