

Chapter 160B.

Consolidated City-County Act.

Article 1.

Title and Definition.

§ 160B-1. Title; effective date.

This Chapter shall be cited as the "Consolidated City-County Act of 1973" and is enacted pursuant to Article V, Sec. 2(4) of the North Carolina Constitution, effective July 1, 1973. (1973, c. 537, s. 1.)

§ 160B-2. Definitions.

In this Chapter:

- (1) "Consolidated city-county" means any county where the largest municipality in the county has been abolished and its powers, duties, rights, privileges and immunities consolidated with those of the county. Other municipalities in the county, if any, may or may not have been abolished and their powers, duties, rights, privileges and immunities consolidated with those of the county.
- (2) "Governing board" means the governing board of a consolidated city-county. (1973, c. 537, s. 1.)

Article 1A.

Consolidated City-County Powers and Governance.

§ 160B-2.1. Powers of consolidated city-county.

(a) A consolidated city-county shall have and may exercise or may hereafter be authorized or required to exercise the powers, duties, functions, rights, privileges, and immunities granted to:

- (1) A county under the Constitution and the general laws of the State of North Carolina, throughout its jurisdiction; and
- (2) A city under the Constitution and the general laws of the State of North Carolina, within an urban service district.

(b) Outside the boundaries of an urban service district, the consolidated city-county shall have and may exercise or may hereafter be authorized or required to exercise the same powers, duties, functions, rights, privileges, and immunities granted to a city under the Constitution and the general laws of the State of North Carolina that can be exercised or may hereafter be authorized or required to exercise outside of city boundaries. (1995, c. 461, s. 1.)

§ 160B-2.2. Dissolution of consolidated city-county; establishment of study commission; purposes and powers of study commission.

(a) The governing board of a consolidated city-county may by resolution establish a governmental study commission to study all matters pertaining to the dissolution of the consolidated city-county and reestablishment of separate city and county government. The study commission may:

- (1) Prepare a report of its findings and conclusions.
- (2) Prepare drafts of any agreements or legislation necessary to effect the dissolution of a consolidated city-county.

- (3) Prepare a plan for dissolution of the consolidated city-county.
- (b) A study commission established pursuant to this section may:
 - (1) Adopt rules and regulations for the conduct of its business.
 - (2) Employ personnel.
 - (3) Contract with consultants.
 - (4) Hold hearings in the furtherance of its business.
 - (5) Take any other action necessary or expedient to the furtherance of its business.
(1995, c. 461, s. 1.)

§ 160B-2.3. Ethics.

- (a) The governing board shall adopt a resolution or policy containing a code of ethics, as required by G.S. 160A-86.
- (b) All members of the governing board, whether elected or appointed, shall receive the ethics education required by G.S. 160A-87. (2009-403, s. 5.)

§ 160B-2.4. Reserved for future codification purposes.

§ 160B-2.5. Reserved for future codification purposes.

§ 160B-2.6. Reserved for future codification purposes.

Article 2.

Defining Urban Service Districts.

§ 160B-3. Authority; purpose; administration.

- (a) The governing board may define any number of urban service districts in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided, or maintained for the entire consolidated city-county.
- (b) The powers, duties, functions, rights, privileges, and immunities of an urban service district shall be exercised or administered by the governing board of the consolidated city-county. Any revenues, distributions, or other funds due an urban service district shall be paid to the governing board of the consolidated city-county. (1973, c. 537, s. 1; 1995 (Reg. Sess., 1996), c. 646, ss. 22(a), 22(b).)

§ 160B-4. Definition of urban service districts to replace municipalities abolished at the time of consolidation.

- (a) The governing board, by resolution, may define an urban service district within the boundaries of the largest municipality that existed in the county before consolidation and within the boundaries of any other municipality abolished at the time of the establishment of the consolidated city-county. Notwithstanding the provisions of G.S. 160B-7, the resolution may also define an urban service district to include areas proposed for inclusion in an urban service district and identified in a plan for consolidation prepared by a consolidation study commission pursuant to Article 20 of Chapter 153A of the General Statutes or a plan approved by the General Assembly. Any urban service district so defined shall comprise the total area of the abolished municipality as it existed immediately before the effective date of consolidation. As determined by the governing

board, the resolution shall take effect as to the areas included therein either upon its adoption or at the beginning of a fiscal year commencing after its passage.

(b) Prior to the effective date of consolidation, an interim governing board of a consolidated city-county by resolution may define an urban service district. The resolution defining the urban service district shall take effect upon the effective date of the consolidation.

(c) Recodified as § 160B-3(b) by Session Laws 1995 (Reg. Sess., 1996), c. 646, s. 22(a). (1973, c. 537, s. 1; 1995, c. 461, s. 2; 1995 (Reg. Sess., 1996), c. 646, s. 22(a).)

§ 160B-5. Definition of urban service districts to replace municipalities abolished subsequent to consolidation.

The governing board, by resolution, may define an urban service district within the boundaries of any municipality within the consolidated city-county the citizens of which, subsequent to the establishment of the consolidated city-county, have voted in a referendum to abolish their municipality and consolidate its powers, duties, rights, privileges and immunities with those of the consolidated city-county. An urban service district so defined shall comprise the total area of the municipality as it existed immediately before the effective date of its abolition. The resolution shall take effect at the beginning of the fiscal year next occurring after its adoption. (1973, c. 537, s. 1.)

§ 160B-6. Definition of urban service districts where no municipality existed.

(a) Standards. – The governing board, by resolution, may define an urban service district upon finding that a proposed district:

- (1) Has a resident population of at least 1,000;
- (2) Has a resident population density of at least one person per acre;
- (3) Has an assessed valuation of at least two and one-half million dollars (\$2,500,000);
- (4) Requires one or more of the services, facilities and functions that are provided or maintained only or to a greater extent for an urban service district; and
- (5) Does not include any territory within an active incorporated municipality.

(b) Report. – Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards of subsection (a); and
- (3) A plan for providing urban services, facilities and functions for the district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) Hearing and Notice. – The governing board shall hold a public hearing prior to adoption of any resolution defining a new urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. The notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition it shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the proposed district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has

been completed and his certificate shall be conclusive in the absence of fraud. The hearing may be held within the proposed district.

(d) Effective Date. – The resolution defining an urban service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board. (1973, c. 537, s. 1.)

§ 160B-7. Extension of urban service districts.

(a) Standards. – The governing board, by resolution, may extend by annexation the boundaries of any urban service district upon finding that:

- (1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district;
- (2) The area to be annexed has a resident population density of at least one person per acre and an assessed valuation of at least one thousand dollars (\$1,000) per resident person; or the area to be annexed is so developed that at least sixty per cent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes and at least sixty percent (60%) of the total acreage of the area at the time of annexation is devoted to these uses; and
- (3) The area to be annexed requires the services, facilities or functions that are provided for the contiguous urban service district.

(b) Annexation by Petition. – The governing board also, by resolution, may extend by annexation the boundaries of any urban service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the governing board for annexation to the service district.

(c) Report. – Prior to the public hearing required by subsection (d), the consolidated city-county shall prepare a report containing:

- (1) A map of the urban service district and the adjacent territory, showing the present and proposed boundaries of the district;
- (2) A statement showing that the area to be annexed meets the standards of subsection (a) or comes before the governing board by petition as provided by subsection (b); and
- (3) A plan for extending urban services, facilities and functions to the area to be annexed.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date for the public hearing.

(d) Hearing and Notice. – The governing board shall hold a public hearing prior to adoption of any resolution extending the boundaries of an urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the area to be annexed. The person designated by the governing board to mail the notice shall certify to the governing

board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(d1) Alternative Notice. – Notwithstanding the provisions of subsection (d) of this section, first-class mail notice shall not be required where a plan for consolidation prepared by a consolidation study committee pursuant to Article 20 of Chapter 153A of the General Statutes or a plan approved by the General Assembly proposed to include the area under consideration for annexation within an urban service district.

(e) Effective Date. – The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board.

(f) A consolidated city-county may not utilize the procedures of this section to annex to an urban service district territory within the boundaries of an active incorporated municipality. (1973, c. 537, s. 1; 1995, c. 461, s. 3.)

§ 160B-8. Consolidation of urban service districts.

(a) Standards. – The governing board, by resolution, may consolidate two or more urban service districts upon finding that:

- (1) The districts are contiguous or are in a continuous boundary; and
- (2) The provision or maintenance of urban services, facilities and functions for each of the districts is substantially the same; or
- (3) If the provision or maintenance of urban services, facilities and functions is lower for one of the districts, there is a need to increase those services, facilities and functions for that district. However, no urban service district providing electric or telephone services may be consolidated with any other urban service district unless the voters of the district providing these utility services approve the consolidation in a referendum held for that purpose. Any consolidated city-county may hold these referendums.

(b) Report. – Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

- (1) A map of the districts to be consolidated;
- (2) A statement showing the proposed consolidation meets the standards of subsection (a); and
- (3) If necessary, a plan for increasing the urban services, facilities and functions for one of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) Hearing and Notice. – The governing board shall hold a public hearing prior to adoption of any resolution consolidating urban service districts. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than two weeks prior to the date of the hearing. In addition, if the services, facilities and functions for one of the districts will be substantially increased as a result of the consolidation, notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within

the district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed and his certificate shall be conclusive in the absence of fraud.

(d) **Effective Date.** – The consolidation of urban service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the governing board. (1973, c. 537, s. 1.)

§ 160B-9. Required provision or maintenance of services, facilities and functions.

(a) **New District.** – When a consolidated city-county defines a new urban service district, it shall provide or maintain the services, facilities and functions for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) **Extended District.** – When a consolidated city-county annexes territory to an urban service district, it shall provide or maintain the services, facilities and functions provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time not to exceed one year, after the effective date of the annexation.

(c) **Consolidated District.** – When a consolidated city-county consolidates two or more urban service districts, one of which has provided or maintained a lower level of urban services, it shall increase the services, facilities and functions within that district to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 537, s. 1.)

§ 160B-10. Abolition of urban service districts.

Upon finding that there is no longer a need for a particular urban service district, the governing board, by resolution, may abolish that district. The governing board shall hold a public hearing prior to adoption of a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published in a newspaper of general circulation in the county at least once a week for two successive weeks prior to the date of the hearing. The abolition of any urban service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the governing board. (1973, c. 537, s. 1.)

Article 3.

Levy of Taxes in Urban Service Districts.

§ 160B-11. Taxes authorized; limits.

A consolidated city-county may levy the following taxes within defined urban service districts in addition to those levied throughout the county, in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county.

(1) **Property Taxes.** – A consolidated city-county may levy within any urban service district a tax on property at a rate not to exceed one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) of appraised valuation. This rate limitation does not apply to property taxes levied (i) for debt service on general obligation bonds of the consolidated city-county, (ii) for the support of the public schools or (iii) for any purpose approved by a special vote of the people.

- (2) Motor Vehicle and Taxicab License Taxes. – A consolidated city-county may levy within any urban service district the motor vehicle and taxicab license taxes authorized in G.S. 20-97.
- (3) Privilege License Taxes. – A consolidated city-county may levy within any urban service district privilege license taxes as authorized for cities and towns under the general law of the state. (1973, c. 537, s. 1.)

Article 4.

Allocation of Other Revenues.

§ 160B-12. Other allocation authorized.

A consolidated city-county may allocate to any urban service district it creates any other revenues of the consolidated government whose use is not otherwise restricted by law. (1973, c. 537, s. 1.)

§ 160B-13. Authority to borrow money and issue bonds.

A consolidated city-county may borrow money and issue its bonds under Chapter 159, Subchapter IV, and for those purposes shall be considered a unit of local government under Article 4 thereof and a municipality under Article 5 thereof. A consolidated city-county may borrow money and issue its bonds for any purpose for which either a city or a county may do so. (1973, c. 537, s. 1.)

§ 160B-14. Procedure for issuing general obligation and revenue bonds.

In issuing its general obligation and revenue bonds, a consolidated city-county, except as expressly modified by this chapter, is subject to the provisions of Chapter 159 of the General Statutes of North Carolina.

If a proposed bond issue is required by law to be submitted to and approved by the voters of the consolidated government, and if the proceeds of the proposed bond issue are to be used in connection with a service, facility or function that is or, if the bond issue is approved, will be financed, provided or maintained only for one or more urban service districts, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire consolidated government and by a majority of the total of those voting in all the affected or to be affected urban service districts. (1973, c. 537, s. 1.)

§ 160B-15. Debt limitations.

The net indebtedness in the form of general obligations of a consolidated city-county for school purposes may not exceed eight percent (8%) of the appraised valuation of taxable property in the county. The net indebtedness in the form of general obligations of a consolidated city-county for all purposes other than for schools or water, sewerage, gas and electric purposes may not exceed eight percent (8%) of the appraised valuation of taxable property in the county. No other debt limitations applying to counties and municipalities in North Carolina apply to a consolidated city-county. (1973, c. 537, s. 1.)

Article 5.

Assumption of Obligations and Debt Secured By a Pledge of Faith and Credit.

Part 1. General Provisions.

§ 160B-16. Applicability of this Article.

(a) This Article applies to any county that has (i) a population over 120,000 according to the most recent federal decennial census and (ii) an area of less than 200 square miles.

(b) If this section is declared unconstitutional or invalid by the courts, it does not affect the validity of the Article as a whole or any part other than the part so declared to be unconstitutional or invalid. (1995, c. 461, s. 4.)

Part 2. Assumption of Obligations and Debt.

§ 160B-17. Organizational meeting; preparation of budget.

The governing board of a consolidated city-county shall have its first organizational meeting as provided in the charter or applicable local acts of the General Assembly, but not later than the first business day following the effective date of the consolidation. Unless otherwise provided in the charter or applicable local acts, the organizational meeting shall be held at 12:00 noon at the regular meeting place of the previous board of county commissioners. Prior to the effective date of consolidation, any interim governing board designated or appointed in the charter or applicable local acts may meet to discuss business and take action as appropriate, including preparation of a proposed budget for the next ensuing fiscal year. In addition, any such interim governing board may take any action which is specifically authorized by this Chapter to be taken by an interim governing board. Meetings of any interim governing board during this period are subject to all applicable notice and meeting procedures required by general law. (1995, c. 461, s. 4.)

§ 160B-18. Referendum approval of certain debt assumption required for consolidation; effective date of consolidation.

(a) Referendum Approval of Certain Debt Assumption Required for Consolidation. – For the consolidation of a city with a county to be effective in accordance with the provisions hereof, the assumption by the consolidated city-county of all debt secured by a pledge of faith and credit of said city outstanding at the effective date of consolidation must have been approved by referendum (which referendum approval may occur at different times for different portions of said debt).

(b) Effective Date of Consolidation. – Subject to the requirement of referendum approval of certain debt assumption for consolidation as provided by subsection (a) of this section, the consolidation of a city with a county shall be effective upon the later of:

- (1) Sixty days following publication of notice of the enactment of the consolidation by the General Assembly;
- (2) Sixty days following publication of the statement of result of the latest referendum relating to the consolidation or to the assumption of debt secured by a pledge of faith and credit in connection with the consolidation; or
- (3) Any effective date of the consolidation set by the General Assembly.

In addition, upon adoption of concurrent resolutions by the governing board of each unit to be consolidated, or by the interim governing board of the consolidated city-county, the effective date may be delayed further, but no later than July 1 of the next calendar year.

(c) Limitation of Local Acts. – No special, private, or local act, including any enactment of a consolidation of a city with a county, enacted after July 1, 1995, may be construed to modify,

amend, or repeal any portion of this section unless it expressly so provides by specific reference to this section. (1995, c. 461, s. 4.)

§ 160B-19. Referendum on consolidation and on assumption of certain debt secured by a pledge of faith and credit; right to issue certain authorized but unissued debt secured by a pledge of faith and credit.

(a) In connection with a city-county consolidation, if there exists at the effective date of the consolidation (i) any outstanding debt secured by a pledge of faith and credit of a consolidating city or (ii) the right to issue any authorized but unissued debt of said city that is to be secured by a pledge of faith and credit and is proposed to be assumed by the consolidated city-county, then there shall have been held a favorable referendum on the question of the assumption of that debt secured by a pledge of faith and credit and, if applicable, there shall have been held a referendum on the assumption of the right to issue that authorized but unissued debt secured by a pledge of faith and credit.

(b) The referendum on the question of the assumption of debt secured by a pledge of faith and credit or, if applicable, the assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit may be included in the proposition submitted to the voters in a referendum called by a consolidation study commission under G.S. 153A-405.

(c) If the General Assembly provided for a referendum on the question of consolidation instead of a referendum called by a consolidation study commission under G.S. 153A-405, the governing bodies of the units proposed to be consolidated, by resolution, may add to the ballot proposition the assumption of debt secured by a pledge of faith and credit question and, if applicable, the assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit question. In either event, the proposition shall be substantially as provided in G.S. 153A-405.

(d) If the city-county consolidation is authorized by the General Assembly without a referendum or if there otherwise has not been a referendum on the question of the assumption of any debt secured by a pledge of faith and credit or, if applicable, the question of the assumption of the right to issue any authorized but unissued faith and credit debt, then the governing bodies of the units proposed to be consolidated, by resolution, may provide for a referendum on said questions. In addition, any interim governing board for the consolidated city-county, by resolution, also may provide for such a referendum. The proposition submitted to the voters shall be substantially in the following form (and may include part or all of the bracketed language as appropriate and any other modifications as may be needed to reflect the issued debt secured by a pledge of faith and credit of any of the consolidating units or the portion of the authorized but unissued debt secured by a pledge of faith and credit of any of the consolidating units, the right to issue which is proposed to be assumed by the consolidated city-county):

"Shall, in connection with the consolidation of the City of _____ with the County of _____, the consolidated unit assume the debt of each secured by a pledge of faith and credit, [the right to issue authorized but unissued debt to be secured by a pledge of faith and credit [(including any such debt as may be authorized for said city or county on the date of this referendum)] and any of said authorized but unissued debt as may be hereafter issued,] and be authorized to levy taxes in an amount sufficient to pay the principal of and the interest on said debt secured by a pledge of faith and credit?

[] YES [] NO"

(e) To be approved the proposition must receive the votes of a majority of those voting in the referendum. In connection with the proposed consolidation of one or more cities with a county, if the assumption by the consolidated city-county of outstanding debt secured by a pledge of faith and credit of the consolidating city and, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit of the consolidating city was approved by the votes of a majority of those voting in the referendum, the vote on that referendum shall constitute the approval by a majority of the qualified voters who vote thereon as required by Article V, Section 4(2) of the Constitution of North Carolina.

(f) Any such referendum on the question of consolidation or the assumption of debt secured by a pledge of faith and credit or the right to issue authorized but unissued debt secured by a pledge of faith and credit may be held on the same day as any other referendum or election in the county involved, but may not otherwise be held during the period beginning 30 days before and ending 30 days after the day of any other referendum or election to be conducted by the board of elections conducting the referendum and already validly called or scheduled by law.

(g) A notice of a referendum on consolidation or on the assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit shall be published at least twice in a newspaper of general circulation in the county. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, a statement as to the last date for registration for the referendum under the election laws then in effect, and substantially the text of the proposition to be voted upon. The notice shall be published by the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county by their respective clerks or by such other person as shall be designated by each applicable governing body or board.

(h) The board of elections shall canvass any referendum on consolidation and any referendum on the assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit and shall certify the results to the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county which shall then certify and declare the result of the referendum and shall publish a statement of the result once in a newspaper of general circulation in the county, with the following statement appended:

"Any action or proceeding challenging the regularity or validity of this referendum must be begun within 30 days after the date of publication of this statement of result."

(i) Any action or proceeding in any court to set aside a referendum on consolidation or a referendum on assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit in connection with consolidation, or to obtain any other relief, upon the grounds that the referendum is invalid or was irregularly conducted, must be begun within 30 days after the publication of the statement of the result of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed in this section. (1995, c. 461, s. 4.)

§ 160B-20. Local Government Commission review of assumption of debt secured by a pledge of faith and credit; assumption of debt secured by a pledge of faith and credit and right to issue authorized but unissued debt secured by a pledge of faith and credit upon consolidation.

(a) Review by Local Government Commission. – At the date specified in the following sentence if any consolidating city or county has outstanding any debt secured by a pledge of faith and credit or, if applicable, any authorized but unissued debt secured by a pledge of faith and credit which is proposed to be assumed by the consolidated city-county or has outstanding or pending approval any debt secured by a pledge of faith and credit the issuance of which was or is subject to approval by the Local Government Commission, then the assumption of any such debt and, if applicable, the assumption of the right to issue such authorized but unissued debt, if any, shall be subject to review by the Local Government Commission. The finance officers of the units proposed to be consolidated shall use their best efforts to notify the secretary of the Local Government Commission of the proposed consolidation and assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit at least two months before the introduction in the General Assembly of legislation proposing to enact the consolidation into law, provided that time allows. The Local Government Commission, to such extent it deems appropriate, may conduct a review of the proposed consolidation and assumption of debt secured by a pledge of faith and credit or, if applicable, the right to issue authorized but unissued debt secured by a pledge of faith and credit and may report the results of its review to the presiding officer of each house of the General Assembly to be provided to the respective committees to which the legislation to enact the consolidation shall be referred.

(b) Assumption of Debt Secured by a Pledge of Faith and Credit by Consolidated City-County. – Subject to the requirement of referendum approval of certain debt assumption for consolidation provided in G.S. 160B-18(a), upon enactment of the consolidation by the General Assembly and effective upon the effective date of the consolidation provided in G.S. 160B-18(b), the debt secured by a pledge of faith and credit of the consolidating city at the effective date of the consolidation (including formerly authorized but unissued debt secured by a pledge of faith and credit as may have been issued at the time) is assumed by, and becomes a binding obligation of the consolidated city-county, and the faith and credit of the consolidated city-county is pledged to secure any such assumed debt secured by a pledge of faith and credit. In addition, any debt secured by a pledge of faith and credit of the county at the effective date of the consolidation shall become a binding obligation of the consolidated city-county and the faith and credit of the consolidated city-county is pledged to secure any such debt.

(c) Right to Issue Authorized but Unissued Debt Secured by a Pledge of Faith and Credit. – Subject to the passage of a referendum relating to the assumption by the consolidated city-county of the right to issue any authorized but unissued debt of the consolidating city to be secured by a pledge of faith and credit that is proposed to be assumed by the consolidated city-county, upon enactment of the consolidation by the General Assembly and effective upon the effective date of the consolidation as provided in G.S. 160B-18(b), the right to issue the authorized but unissued debt secured by a pledge of faith and credit of the consolidating city at the effective date of the consolidation is assumed by, and upon issuance such obligations become binding obligations of, the consolidated city-county, and, upon issuance, the faith and credit of the consolidated city-county is pledged to secure any such debt secured by a pledge of faith and credit. In addition, the right to issue the authorized but unissued debt secured by a pledge of faith and credit of the

county at the effective date of the consolidation shall be vested in the consolidated city-county and, upon issuance, such debt secured by a pledge of faith and credit becomes a binding obligation of the consolidated city-county and, upon issuance, the faith and credit of the consolidated city-county is pledged to secure any such debt. (1995, c. 461, s. 4; 1995 (Reg. Sess., 1996), c. 742, s. 40.)

§ 160B-21. Notice of enactment of consolidation; limitation of actions.

(a) Publication of Notice of Enactment. – Following ratification of an act of the General Assembly authorizing consolidation, there shall be published once in a newspaper of general circulation in the county a notice of said enactment and, if applicable, the fact that in connection with said enactment there is an assumption by the consolidated city-county of the debt secured by a pledge of faith and credit of the consolidating city and, if applicable, assumption of the right to issue authorized but unissued debt secured by a pledge of faith and credit of the consolidating city and that there is also binding on the consolidated city-county the debt secured by a pledge of faith and credit of the county and, if applicable, there is vested in the consolidated city-county the right to issue authorized but unissued debt secured by a pledge of faith and credit of the county with the following statement appended:

"Any action or proceeding challenging the regularity or validity of this enactment must be begun within 30 days after the date of publication of this notice."

The notice shall be published by the governing bodies of the units proposed to be consolidated or, if applicable, the interim governing board of the consolidated city-county by their respective clerks or by such other persons as shall be designated by each applicable governing body or board.

(b) Limitation on Action Contesting Validity of Enactment of Consolidation. – Any action or proceeding in any court to set aside enactment of a city-county consolidation by the General Assembly, or to obtain any other relief, upon the grounds that the enactment is invalid or was irregularly enacted, must be begun within 30 days after the publication of the notice of the enactment. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of the enactment or any irregularity in the enactment shall be asserted, nor shall the validity of the enactment be open to question in any court upon any grounds whatever, except in an action or proceeding begun within the period of limitation prescribed in this section. (1995, c. 461, s. 4; 1995 (Reg. Sess., 1996), c. 742, s. 41.)