

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 434

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/23/19

Short Title: Merger of Certain Sewerage Districts.

(Public)

Sponsors:

Referred to:

April 2, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT REQUIRING THE DISSOLUTION OF CERTAIN METROPOLITAN SEWERAGE  
3 DISTRICTS AND TRANSFERRING THE DISSOLVING DISTRICTS' ASSETS AND  
4 LIABILITIES TO AN ADJACENT DISTRICT IN THE SAME COUNTY.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 5 of Chapter 162A of the General Statutes is amended by  
7 adding a new section to read:

8 "**§ 162A-82. Mandatory merger of certain districts.**

9 (a) The Environmental Management Commission shall adopt a resolution dissolving a  
10 district and transferring the assets, liabilities, and other obligations of the district to another  
11 district located in the same county when the procedures set forth in subsection (b) of this section  
12 have been completed and when all of the following describe the two districts:

- 13 (1) The districts are located in a county with a population of less than 15,000,  
14 according to the latest federal decennial census, and with nine or more  
15 incorporated municipalities within the county.  
16 (2) The districts collectively provide services to no less than six of the nine or  
17 more municipalities.  
18 (3) The areas served by each district are contiguous.  
19 (4) The district to be dissolved does not directly provide sewerage services to any  
20 customers.  
21 (5) The district to be dissolved leases its assets to the district with which it is  
22 proposed to be merged.

23 (b) Before the dissolution and merger of districts as provided in subsection (a) of this  
24 section, the following must occur:

- 25 (1) The district boards of each district shall adopt a resolution requesting the  
26 merger.  
27 (2) The chair of each district board shall submit the resolution to the  
28 Environmental Management Commission and, at the same time, shall request  
29 that a representative of the Environmental Management Commission hold a  
30 public hearing in the proposed merged district to discuss the proposed  
31 dissolution and merger and to receive public comment. The time and place of  
32 the public hearing shall be mutually agreed to by the chair of the  
33 Environmental Management Commission and the chairs of each district  
34 board.  
35 (3) Each district board shall (i) cause notice of the public hearing to be posted, at  
36 least 30 days prior to the hearing, at the courthouse in the county within which



1           the merged district will lie and (ii) publish the notice at least once a week for  
2           four successive weeks in a newspaper having general circulation in the  
3           proposed merged district, the first publication to be at least 30 days prior to  
4           the public hearing.

5           (c)   The dissolution and merger of districts under this section shall become effective on  
6           July 1 after the resolution described in subsection (a) of this section has been adopted by the  
7           Environmental Management Commission.

8           (d)   Upon the adoption of a resolution by the Environmental Management Commission as  
9           provided in subsection (a) of this section, all of the following shall apply on the effective date set  
10          forth in subsection (c) of this section:

11          (1)   All property, real, personal, and mixed, including accounts receivable,  
12          belonging to the dissolving district shall vest in, belong to, and be the property  
13          of the merged district.

14          (2)   All judgments, liens, rights of liens, and causes of action of any nature in favor  
15          of the dissolving district shall vest in and remain and inure to the benefit of  
16          the merged district.

17          (3)   All taxes, assessments, sewer charges, and any other debts, charges, or fees  
18          owing to the dissolving district shall be owed to and collected by the merged  
19          district.

20          (4)   All actions, suits, and proceedings pending against, or having been instituted  
21          by, the dissolving district shall not be abated by the merger, but all such  
22          actions, suits, and proceedings shall be continued and completed in the same  
23          manner as if merger had not occurred, and the merged district shall be a party  
24          to all such actions, suits, and proceedings in the place and stead of the  
25          dissolving district and shall pay or cause to be paid any judgments rendered  
26          against the dissolving district in any such actions, suits, or proceedings. No  
27          new process is required to be served in any such action, suit, or proceeding.

28          (5)   All obligations of the dissolving district, including outstanding indebtedness,  
29          shall be assumed by the merged district, and all such obligations and  
30          outstanding indebtedness shall constitute obligations and indebtedness of the  
31          merged district.

32          (6)   All ordinances and policies of the dissolved district shall continue in full force  
33          and effect until the effective date of the merger as provided in subsection (c)  
34          of this section. After the effective date, the ordinances and policies of the  
35          merged district shall apply.

36          (7)   The dissolving district shall be abolished, and shall no longer be constituted a  
37          public body or a body politic and corporate, except for purposes of carrying  
38          into effect the provisions and intent of this section.

39          (e)   Each district board is authorized to take the actions and to execute the documents  
40          necessary to effectuate the provisions and intent of this section."

41          **SECTION 2.** This act becomes effective October 1, 2019.