

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 320\*

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

Sponsors: Senator J. Alexander (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 21, 2019

A BILL TO BE ENTITLED

AN ACT TO FOSTER REGIONAL COOPERATION FOR WATER AND WASTEWATER  
INFRASTRUCTURE.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

