## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2011

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## SENATE BILL 472\* State and Local Government Committee Substitute Adopted 4/19/11 PROPOSED HOUSE COMMITTEE SUBSTITUTE S472-PCS75217-ST-109

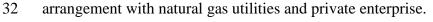
Short Title: Kinston Public Enterprises.

Sponsors:

Referred to:

## March 31, 2011

1		A BILL TO BE ENTITLED
2	AN ACT REGA	RDING THE OPERATION OF PUBLIC ENTERPRISES BY THE CITY OF
3	KINSTON.	
4	The General Ass	embly of North Carolina enacts:
5	SEC	<b>FION 1.</b> G.S. 160A-312 reads as rewritten:
6	"§ 160A-312. A	uthority to operate public enterprises.
7	(a) A cit	y shall have authority to acquire, construct, establish, enlarge, improve,
8		perate, and contract for the operation of any or all of the public enterprises as
9	defined in this Article to furnish services to the city and its citizens. citizens and other areas and	
10	their citizens located outside the corporate limits of the city. Subject to Part 2 of this Article, a	
11		, construct, establish, enlarge, improve, maintain, own, and operate any public
12	-	e its corporate limits, within reasonable limitations, but in no case shall a city
13	be held liable for damages to those outside the corporate limits for failure to furnish any public	
14	enterprise service	
15		y shall have full authority to protect and regulate any public enterprise system
16	belonging to or operated by it by adequate and reasonable rules. The rules shall be adopted by	
17		nce, and shall comply with all of the following:
18	<u>(1)</u>	The rules shall apply equally to the public enterprise system both within and
19		outside the corporate limits of the <del>city, <u>city</u>.</del>
20	<u>(2)</u>	The rules may not apply differing treatment within and outside the corporate
21	<i>(</i> <b>-</b> )	limits of the city.
22	<u>(3)</u>	The rules shall make access to public enterprise services available to the city
23		and its citizens and other areas and their citizens located outside the
24		corporate limits of the city equally.
25	<u>(4)</u>	The rules may prioritize the continuation of the provision of services based
26		on availability of excess capacity to provide the service.
27	<u>(5)</u>	The rules and may be enforced with the remedies available under any
28		provision of law.
29		y may operate that part of a gas system involving the purchase and/or lease of
30	natural gas fields, natural gas reserves and natural gas supplies and the surveying, drilling or	
31	•	ies related to the exploration for natural gas, in a partnership or joint venture





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(Local)

	General Assembly Of North Carolina Session 2011	
1	(d) A city shall account for a public enterprise in a separate fund and may not transfer	
2	any money from that fund to another except for a capital project fund established for the	
3	construction or replacement of assets for that public enterprise. Obligations of the public	
4	enterprise may be paid out of the separate fund. Obligations shall not include any other fund or	
5	line item in the city's budget."	
6	<b>SECTION 2.</b> This act applies only to the City of Kinston. Section 1 of this act shall	
7	not apply to the operation of electric power generation, transmission, and distribution systems;	
8	public transportation systems; or off-street parking facilities and systems as public enterprises.	
9	SECTION 3. This act becomes effective June 30, 2013. Section 1 of this act	
10	applies to the fiscal year 2013-2014 and thereafter, but the city may implement any rate	
11	changes required by that section over a two-year period from the effective date. Any assets,	
12	liabilities, or equity of a public enterprise operated or held by the city during the fiscal year	
13	2011-2012 shall be transferred to a separate fund in accordance with G.S. 160A-312, as	
14	amended by Section 1 of this act, when this act becomes law.	