

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**SENATE BILL 211  
PROPOSED COMMITTEE SUBSTITUTE S211-PCS15174-RI-8**

Short Title: Permit Multistate Water/Sewer Authority. (Public)

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Sponsors:

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Referred to:

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March 7, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW POLITICAL SUBDIVISIONS FROM ADJOINING STATES TO BE  
3 MEMBERS OF A NORTH CAROLINA WATER AND SEWER AUTHORITY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 162A-3 reads as rewritten:

6 "**§ 162A-3. Procedure for creation; certificate of incorporation; certification of principal**  
7 **office and officers.**

8 (a) The governing body of a single county or the governing bodies of any two or more  
9 political subdivisions may by resolution signify their determination to organize an authority  
10 under the provisions of this Article. Each of such resolutions shall be adopted after a public  
11 hearing thereon, notice of which hearing shall be given by publication at least once, not less than  
12 10 days prior to the date fixed for such hearing, in a newspaper having a general circulation in  
13 the political subdivision. Such notice shall contain a brief statement of the substance of the  
14 proposed resolution, shall set forth the proposed articles of incorporation of the authority and  
15 shall state the time and place of the public hearing to be held thereof. No such political  
16 subdivision shall be required to make any other publication of such resolution under the  
17 provisions of any other law.

18 (a1) If an authority is organized by three or more political subdivisions, it may include in  
19 its organization nonprofit water corporations. The board of directors of a nonprofit water  
20 corporation must signify the corporation's determination to participate in the organization of the  
21 authority by adopting a resolution that meets the requirements of subsection (b) of this section.  
22 The nonprofit water corporation is not subject to the notice and public hearing requirements of  
23 subsection (a) of this section. For all other purposes of this Article, the nonprofit water  
24 corporation shall be considered to be a political subdivision.

25 (a2) If an authority is organized by three or more political subdivisions, it may include in  
26 its organization the State of North Carolina. The State of North Carolina is not subject to the  
27 notice and public hearing requirements of subsection (a) of this section. For purposes of this  
28 Article, the State of North Carolina shall be a political subdivision and its governing body shall  
29 be the Council of State.

30 (a3) An authority may include one or more units of local government in a state adjoining  
31 a county in this State that is organizing an authority under this section, or a county in this State  
32 that contains one or more political subdivisions that are organizing an authority under this  
33 section, if that inclusion is permitted by the laws of the adjoining state. The governing body of  
34 the political subdivision in the adjoining state must adopt a resolution that meets the requirement  
35 of subsection (b) of this section and must also file the resolution with the Secretary of State of  
36 North Carolina and provide proof of publication as required by subsection (c) of this section. For



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1 all other purposes of this Article and notwithstanding the requirement of G.S. 162A-2(7) that a  
2 political subdivision be located in this State, the unit of local government in the adjoining state  
3 is considered a political subdivision.

4 (b) Each such resolution shall include articles of incorporation which shall set forth:

5 (1) The name of the authority;

6 (2) A statement that such authority is organized under this Article;

7 (3) The names of the organizing political subdivisions; and

8 (4) The names and addresses of the first members of the authority appointed by  
9 the organizing political subdivisions.

10 (c) A certified copy of each of such resolutions signifying the determination to organize  
11 an authority under the provisions of this Article shall be filed with the Secretary of State of North  
12 Carolina, together with proof of publication of the notice of hearing on each of such resolutions.  
13 If the Secretary of State finds that the resolutions, including the articles of incorporation, conform  
14 to the provisions of this Article and that the notices of hearing were properly published, he shall  
15 file such resolutions and proofs of publication in his office and shall issue a certificate of  
16 incorporation under the seal of the State and shall record the same in an appropriate book of  
17 record in his office. The issuance of such certificate of incorporation by the Secretary of State  
18 shall constitute the authority a public body and body politic and corporate of the State of North  
19 Carolina. Said certificate of incorporation shall be conclusive evidence of the fact that such  
20 authority has been duly created and established under the provisions of this Article.

21 (d) When the authority has been duly organized and its officers elected as herein provided  
22 the secretary of the authority shall certify to the Secretary of State the names and addresses of  
23 such officers as well as the address of the principal office of the authority."

24 **SECTION 2.** G.S. 162A-3.1 reads as rewritten:

25 **"§ 162A-3.1. Alternative procedure for creation.**

26 (a) As an alternative to the procedure set forth in G.S. 162A-3, the governing body of a  
27 single county or the governing bodies of any two or more political subdivisions may by resolution  
28 signify their determination to organize an authority under the provisions of this section of this  
29 Article. Each of such resolutions shall be adopted after a public hearing thereon, notice of which  
30 hearing shall be given by publication at least once, not less than 10 days prior to the date fixed  
31 for such hearing, in a newspaper having a general circulation in the political subdivision. Such  
32 notice shall contain a brief statement of the substance of the proposed resolution, shall set forth  
33 the proposed articles of incorporation of the authority and shall state the time and place of the  
34 public hearing. No such political subdivision shall be required to make any other publication of  
35 such resolution under the provisions of any other law.

36 (a1) If an authority is organized by three or more political subdivisions, it may include in  
37 its organization nonprofit water corporations. The board of directors of a nonprofit water  
38 corporation must signify the corporation's determination to participate in the organization of the  
39 authority by adopting a resolution that meets the requirements of subsection (b) of this section.  
40 The nonprofit water corporation is not subject to the notice and public hearing requirements of  
41 subsection (a) of this section. For all other purposes of this Article, the nonprofit water  
42 corporation shall be considered to be a political subdivision.

43 (a2) If an authority is organized by three or more political subdivisions, it may include in  
44 its organization the State of North Carolina. The State of North Carolina is not subject to the  
45 notice and public hearing requirements of subsection (a) of this section. For purposes of this  
46 Article, the State of North Carolina shall be a political subdivision and its governing body shall  
47 be the Council of State.

48 (a3) An authority may include one or more units of local government in a state adjoining  
49 a county in this State that is organizing an authority under this section, or a county in this State  
50 that contains one or more political subdivisions that are organizing an authority under this  
51 section, if that inclusion is permitted by the laws of the adjoining state. The governing body of

1 the political subdivision in the adjoining state must adopt a resolution that meets the requirement  
2 of subsection (b) of this section and must also file the resolution with the Secretary of State of  
3 North Carolina and provide proof of publication as required by subsection (c) of this section. For  
4 all other purposes of this Article and notwithstanding the requirement of G.S. 162A-2(7) that a  
5 political subdivision be located in this State, the unit of local government in the adjoining state  
6 is considered a political subdivision.

7 (b) Each such resolution shall include articles of incorporation which shall set forth:

8 (1) The name of the authority;

9 (2) A statement that such authority is organized under this section of this Article;

10 (3) The names of the organizing political subdivisions;

11 (4) The names and addresses of the members of the authority appointed by the  
12 organizing political subdivisions; and

13 (5) A statement that members of the authority will be limited to such members as  
14 may be appointed from time to time by the organizing political subdivisions.

15 (c) A certified copy of each of such resolutions signifying the determination to organize  
16 an authority under the provisions of this section of this Article shall be filed with the Secretary  
17 of State of North Carolina, together with proof of publication of the notice of hearing on each of  
18 such resolutions. If the Secretary of State finds that the resolutions, including the articles of  
19 incorporation, conform to the provisions of this section of this Article and that the notices of  
20 hearing were properly published, he shall file such resolutions and proofs of publication in his  
21 office and shall issue a certificate of incorporation under the seal of the State and shall record the  
22 same in an appropriate book of record in his office. The issuance of such certificate of  
23 incorporation by the Secretary of State shall constitute the authority a public body and body  
24 politic and corporate of the State of North Carolina. Said certificate of incorporation shall be  
25 conclusive evidence of the fact that such authority has been duly created and established under  
26 the provisions of this section of this Article.

27 (d) When the authority has been duly organized and its officers elected as herein provided  
28 the secretary of the authority shall certify to the Secretary of State the names and addresses of  
29 such officers as well as the address of the principal office of the authority."

30 **SECTION 3.** This act is effective when it becomes law and applies to any water and  
31 sewer authority created under Article 1 of Chapter 162A of the General Statutes on or after that  
32 date.