



HOUSE BILL 637: Clarify Regional Water and Sewer Funds.

2017-2018 General Assembly

Committee:		Date:	September 11, 2017
Introduced by:		Prepared by:	Jennifer McGinnis
Analysis of:	S.L. 2017-17		Staff Attorney

OVERVIEW: *S.L. 2017-17 provides additional flexibility for the use of funds previously appropriated for regional water and sewer projects in Rockingham and Guilford Counties.*

This act became effective May 23, 2017.

PRIOR LAW/BACKGROUND: Section 14.20A of Session Law 2016-94, the Current Operations and Capital Improvements Appropriations Act of 2016 (2016 Appropriations Act), appropriated funds to the Division of Water Infrastructure for use on water and sewer projects upon the establishment of a Regional Water and Sewer Authority (Authority) pursuant to Article 1 of Chapter 162A of the General Statutes that included Rockingham and Guilford Counties and one or more municipalities within those counties.

The funds were to be used for interconnection and extension of water lines to participating counties and municipalities undertaken by the Authority. The funds could also be used for interconnections with municipalities that do not join the Authority if the interconnections are necessary to provide sufficient water resources to support the water system expansion needs of the Authority.

BILL ANALYSIS:

This act allows for the funds appropriated by the 2016 Appropriations Act to be used for related water system modifications and expansion in addition to interconnection and extension of water lines. Specifically, funds may be spent for planning, design, survey, real property acquisition, construction, repair, and any other activities necessary to improve the performance and reliability and expand the capacity and service footprint of participating water systems. Use of the funds is limited to water and sewer projects in Guilford and Rockingham Counties and the following municipalities within those counties: Oak Ridge, Stokesdale, Summerfield, Reidsville, Madison, and Mayodan. Of the funds appropriated, no more than 25% may be allocated to Guilford County and its municipalities and no more than 75% may be allocated to Rockingham County and its municipalities.

The act requires that the local governments agree on the use of the funds through any combination of (i) interlocal agreements that specify, at a minimum, the ownership of the water lines and infrastructure funded by this section and long-term maintenance, repair, and replacement responsibility or (ii) one or more regional water and sewer authorities. The funds must be held in reserve by the Office of State Budget and Management until such time as interlocal agreements are reached or upon the formation of regional water and sewer authorities, at which point appropriations may be released. Funds not used by June 30, 2020, will revert to the General Fund.

EFFECTIVE DATE: This act became effective May 23, 2017.

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Director



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This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.