



# HOUSE BILL 637: Clarify Regional Water and Sewer Funds.

2017-2018 General Assembly

<b>Committee:</b>	Senate Agriculture/Environment/Natural Resources	<b>Date:</b>	May 9, 2017
<b>Introduced by:</b>	Reps. K. Hall, Bert Jones, Blust, Hardister	<b>Prepared by:</b>	Layla Cummings Committee Counsel
<b>Analysis of:</b>	First Edition		

**OVERVIEW:** *House Bill 637 would provide additional flexibility for the use of funds appropriated for regional water and sewer projects in Rockingham and Guilford Counties.*

**CURRENT LAW:** 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:** House Bill 637 would allow 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. Use of the funds would be 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.

The bill would allow the funds to be used in an agreement by the counties and municipalities specified by any combination of (i) interlocal agreements established pursuant to Article 20 of Chapter 160A of the General Statutes, or (ii) one or more regional water and sewer authorities established pursuant to Article 1 of Chapter 162A of the General Statutes.

Of the funds appropriated, 25% would be allocated to Guilford County and its municipalities and 75% would be allocated to Rockingham County and its municipalities.

The bill would provide that the funds would be held in reserve by the Office of State Budget and Management and the appropriation would be released when interlocal agreements are reached or upon the formation of regional water and sewer authorities. The funds not used by June 30, 2020 would revert to the General Fund.

**EFFECTIVE DATE:** This bill would become effective when it becomes law.

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