



2019-2020 General Assembly

HOUSE BILL 308: Regulatory Reform Act of 2020, Sec. 16: Nonbetterment Cost Recovery for Certain Private Water and Sewer Systems

Committee:		Date:	October 13, 2020
Introduced by:		Prepared by:	Kyle Evans Staff Attorney
Analysis of:	Sec. 16 of S.L. 2020-74		

OVERVIEW: Section 16 of S.L. 2020-74 adds water and sewer lines owned by a private water or sewer utility organized pursuant to Chapter 62 of the General Statutes serving 10,000 or fewer customers to the type of lines that DOT must pay to relocate for transportation improvement projects.

This section is effective retroactively to March 1, 2020, and applies to nonbetterment costs for State transportation improvement projects incurred on or after that date.

CURRENT LAW: The NC Department of Transportation (DOT) is authorized by G.S. 136-18(10) to allow entities that provide various utility services to locate their utility lines in DOT rights-of-way. The cost to move the lines because of a DOT project must be paid by the utility, unless State law provides otherwise. G.S. 136-27.1 requires DOT to pay the nonbetterment cost of relocating the water and sewer lines owned by certain entities in the transportation right-of-way when the lines must be moved for a transportation improvement project.

DOT must pay the nonbetterment cost to move water and sewer lines belonging to the following:

- Municipalities with a population of 10,000 or less, including lines for systems that were initially organized under Chapter 162A.
- Nonprofit water or sewer associations and corporations.
- A water or sewer system organized under Chapter 162A.
- A rural water system operated as a County enterprise system.
- Sanitary districts.
- Local boards of education.

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