



2023-2024 General Assembly

SENATE BILL 607: Regulatory Reform Act of 2024, Sec. 14: Remove Time Limits on Certain Viable Utility Reserve Grants

Committee:
Introduced by:
Analysis of: Sec. 14 of S.L. 2024-45

Date: August 14, 2024
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OVERVIEW: Section 14 of S.L. 2024-45 allows emergency grants from the Viable Utility Reserve to be awarded for more than three consecutive fiscal years.

This section became effective July 9, 2024.

BACKGROUND:

The Viable Utility Reserve (VUR) is an account within the Water Infrastructure Fund established to receive appropriated State funds to be used for grants to local government units for any of the following purposes:

- Providing physical interconnection and extension of public water or wastewater infrastructure to provide regional service.
- Rehabilitating existing public water or wastewater infrastructure.
- Decentralizing an existing public water system or wastewater system into smaller viable parts.
- Funding a study of rates, asset inventory and management, or merger and regionalization options.
- Funding other options deemed feasible which result in local government units generating sufficient revenues to adequately fund management and operations, personnel, appropriate levels of maintenance, and reinvestment that facilitate the provision of reliable water or wastewater services.
- Providing emergency grants for operating deficits if the Local Government Commission has exercised its powers under G.S. 159-181 to assume full or partial control over the affairs of the public water or wastewater system or of the local government unit or public authority that owns or operates the public water or wastewater system.

Emergency grants from the VUR for operating deficits to any single local government cannot exceed \$750,000 in any fiscal year. Prior to the enactment of S.L. 2024-45, emergency grants from the VUR could not be awarded for more than three consecutive fiscal years.

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