



CHAPTER 62
ARTICLE 6 - THE UTILITY FRANCHISE

N.C.G.S. § 62-110.3.

Bond required for water and sewer companies.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2024-57, s. 3D.1(f) — fourth act in the lineage	21 September 2026, 03:36 UTC	e708a48dac3eb8437b47c4c7 - 17cb01abca314a65580b97a2 - 4ef66e18435afb4a

§ 62-110.3(a) No franchise may be granted to any water or sewer utility company until the applicant furnishes a bond, secured with sufficient surety as approved by the Commission, in an amount not less than twenty-five thousand dollars (\$25,000). The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas, including those for which franchises have previously been granted, shall be payable to the Commission, and shall be in a form acceptable to the Commission. In setting the amount of a bond, the Commission shall consider and make appropriate findings as to the following:

- (1) Whether the applicant holds other water or sewer franchises in this State, and if so its record of operation,
- (2) The number of customers the applicant now serves and proposes to serve,
- (3) The likelihood of future expansion needs of the service,
- (4) If the applicant is acquiring an existing company, the age, condition, and type of the equipment, and
- (5) Any other relevant factors, including the design of the system.

Any interest earned on a bond shall be payable to the water or sewer company that posted the bond.

§ 62-110.3(b) Notwithstanding the provisions of G.S. 62-110(a) and subsection (a) of this section, no water or sewer utility shall extend service into territory contiguous to that already

occupied without first having advised the Commission of such proposed extension. Upon notification, the Commission shall require the utility to furnish an appropriate bond, taking into consideration both the original service area and the proposed extension. This subsection shall apply to all service areas of water and sewer utilities without regard to the date of the issuance of the franchise.

§ 62-110.3(c) The utility, the Public Staff, and any other party may, at any time after the amount of a bond is set, apply to the Commission to raise or lower the amount based on changed circumstances.

§ 62-110.3(d) The appointment of an emergency operator, either by the superior court in accordance with G.S. 62-118(b) or by the Commission in accordance with G.S. 62-116(b), operates to forfeit the bond required by this section. The court or Commission, as appropriate, shall determine the amount of money needed to alleviate the emergency and shall order that amount of the bond to be paid to the Commission as trustee for the water or sewer system.

§ 62-110.3(e) If the person who operated the system before the emergency was declared desires to resume operation of the system upon a finding that the emergency no longer exists, the Commission shall require him to post a new bond, the amount of which may be different from the previous bond.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
4 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

1987		2006		2024
TICK HEIGHT = ACTS IN THAT YEAR		DASHED = RECODIFICATION, NOT AMENDMENT		
Nº	YEAR	ACT	CHARACTER	
01	1987	c. 490, s. 2	ENACTED	
02	1995	c. 28, s. 1	AMENDED	
03	2023	S.L. 2023-137, s. 24	AMENDED	
04	2024	S.L. 2024-57, s. 3D.1(f)	AMENDED	

APPARATUS II
3 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 62-110(a)	(b)	"Notwithstanding the provisions of"
G.S. 62-118(b)	(d)	"the superior court in accordance with"
G.S. 62-116(b)	(d)	"by the Commission in accordance with"

APPARATUS III

Citation

FULL SECTION
N.C. Gen. Stat. § 62-110.3 (2024).

PINPOINT
N.C. Gen. Stat. § 62-110.3(a) (2024).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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The text of the section is unaltered. Subsection designators have been moved from the run of text into the margin. The amendment history and the table of authorities are derived from the section by mechanical extraction — they add no characterization of the law.

This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE
(1987, c. 490, s. 2; 1995, c. 28, s. 1; 2023-137, s. 24; 2024-57, s. 3D.1(f).)

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