

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1582  
Finance Committee Substitute Adopted 7/13/90

Short Title: Infrastructure Bond Bill.

(Public)

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Sponsors:

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Referred to:

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June 6, 1990

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF TWO HUNDRED MILLION  
2 DOLLARS GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A  
3 VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO PROVIDE FUNDS,  
4 WITH ANY OTHER AVAILABLE FUNDS, FOR GENERAL STATE  
5 PURPOSES.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. Short title. This act shall be known and may be cited as the "State  
9 General Purposes Bond Act".

10 Sec. 2. Definitions. As used in this act, unless the context otherwise  
11 requires:

- 12 (1) " Bonds" means bonds issued under this act.  
13 (2) " Clean Water Revolving Loan and Grant Fund" means the Clean  
14 Water Revolving Loan and Grant Fund as defined in the Clean Water  
15 Revolving Loan and Grant Fund Act.  
16 (3) " Clean Water Revolving Loan and Grant Fund Act" means Chapter  
17 796 of the 1987 Session Laws, as the same may be amended from time  
18 to time, which, as codified appears as Chapter 159G of the General  
19 Statutes, as amended.  
20 (4) " Cost" means, without intending thereby to limit or restrict any proper  
21 definition of such word in financing the cost of facilities or purposes  
22 authorized by this act:

- 1 a. The cost of constructing, reconstructing, enlarging, acquiring  
2 and improving facilities, and acquiring equipment and land  
3 therefor,  
4 b. The cost of engineering, architectural and other consulting  
5 services as may be required,  
6 c. Administrative expenses and charges,  
7 d. The cost of bond insurance, investment contracts, credit  
8 enhancement and liquidity facilities, interest-rate swap  
9 agreements, financial and legal consultants and related costs of  
10 bond and note issuance, to the extent and as determined by the  
11 State Treasurer, and  
12 e. Any other costs and expenses necessary or incidental to the  
13 purposes of this act.
- 14 (5) " Credit facility" means an agreement entered into by the State  
15 Treasurer on behalf of the State with a bank, savings and loan  
16 association or other banking institution, an insurance company,  
17 reinsurance company, surety company or other insurance institution, a  
18 corporation, investment banking firm or other investment institution,  
19 or any financial institution or other similar provider of a credit facility,  
20 which provider may be located within or without the United States of  
21 America, such agreement providing for prompt payment of all or any  
22 part of the principal or purchase price (whether at maturity,  
23 presentment or tender for purchase, redemption or acceleration),  
24 redemption premium, if any, and interest on any bonds or notes  
25 payable on demand or tender by the owner, in consideration of the  
26 State agreeing to repay the provider of the credit facility in accordance  
27 with the terms and provisions of such agreement.
- 28 (6) " Notes" means notes issued under this act.
- 29 (7) " Par formula" means any provision or formula adopted by the State to  
30 provide for the adjustment, from time to time, of the interest rate or  
31 rates borne by any bonds or notes, including:
- 32 a. A provision providing for such adjustment so that the purchase  
33 price of such bonds or notes in the open market would be as  
34 close to par as possible,  
35 b. A provision providing for such adjustment based upon a  
36 percentage or percentages of a prime rate or base rate, which  
37 percentage or percentages may vary or be applied for different  
38 periods of time, or  
39 c. Such other provision as the State Treasurer may determine to be  
40 consistent with this act and will not materially and adversely  
41 affect the financial position of the State and the marketing of  
42 bonds or notes at a reasonable interest cost to the State.
- 43 (8) " Water supply systems" means water supply systems as defined in the  
44 Clean Water Revolving Loan and Grant Act.

1 (9) " Wastewater collection systems" means wastewater collection systems  
2 as defined in the Clean Water Revolving Loan and Grant Act.

3 (10) " Wastewater treatment works" means wastewater treatment works as  
4 defined in the Clean Water Revolving Loan and Grant Act.

5 Sec. 3. Clean water bonds. (a) Findings and determinations. It is the intent  
6 and purpose of the General Assembly by this act to provide for the issuance of general  
7 obligation bonds of the State in order to provide additional low-interest funding for the  
8 Clean Water Revolving Loan and Grant Fund and to assist in the financing of new water  
9 supply systems, wastewater collection systems and wastewater treatment works and  
10 necessary capital improvements to existing systems.

11 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
12 of the qualified voters of the State who vote on the question of issuing clean water  
13 bonds in the election called and held as hereinafter provided, the State Treasurer is  
14 hereby authorized, by and with the consent of the Council of State, to issue and sell, at  
15 one time or from time to time, general obligation bonds of the State to be designated  
16 "State of North Carolina Clean Water Bonds", with such additional designations as may  
17 be determined to indicate the issuance of bonds from time to time, or notes of the State  
18 as herein provided, in an aggregate principal amount not exceeding seventy-five million  
19 dollars (\$75,000,000) for the purpose of providing funds, with any other available  
20 funds, for the purposes authorized in this act.

21 (c) Use of bond and note proceeds. The proceeds of clean water bonds and notes  
22 shall be used for the purpose of making deposits to the Clean Water Revolving Loan  
23 and Grant Fund to provide funds to be used to make revolving loans and grants to local  
24 government units to construct wastewater collection systems, wastewater treatment  
25 works and water supply systems and to assist such units in obtaining financing for  
26 projects to provide wastewater collection systems, wastewater treatment works and  
27 water supply systems, including providing reserve funds to secure obligations issued by  
28 local government units to finance such projects, to provide interest subsidies on  
29 obligations issued by local government units to finance such projects and to provide  
30 funds for securing credit enhancement for obligations issued to finance such projects.

31 Proceeds of clean water bonds and notes shall be paid to the Clean Water  
32 Revolving Loan and Grant Fund and the accounts thereof as hereinafter provided and  
33 shall be disbursed in the manner set forth in the Clean Water Revolving Loan and Grant  
34 Act.

35 (d) Allocation of proceeds of bonds and notes. The proceeds of clean water  
36 bonds and notes, including premium, if any, except the proceeds of bonds the issuance  
37 of which has been anticipated by bond anticipation notes or the proceeds of refunding  
38 bonds or notes shall be placed by the State Treasurer in a special account to be  
39 designated "Clean Water Bonds Account" to be established in the "State General  
40 Purpose Bond Fund" hereafter mentioned. Moneys in the Clean Water Bonds Account  
41 shall be used for the purposes set forth in this section, and the particular deposits to the  
42 Clean Water Revolving Loan and Grant Fund to be made from the proceeds shall be  
43 determined from time to time in accordance with the procedures established by this  
44 section.

1           Amounts placed by the State Treasurer in the Clean Water Revolving Loan  
2 and Grant Fund shall be allocated among the various accounts in said fund in the  
3 amounts determined by the Director of the Office of State Budget and Management,  
4 provided that sixty-five percent (65%) of the amount deposited shall be deposited to the  
5 wastewater accounts and thirty-five percent (35%) of the amount deposited shall be  
6 deposited to the water supply accounts. The Director of the Office of State Budget and  
7 Management shall endeavor to allocate the amounts to the water supply accounts or  
8 wastewater accounts of the Clean Water Revolving Loan and Grant Fund so as to best  
9 effectuate the purposes of this act to provide revolving loans and grants for clean water  
10 projects, taking into account the historical and projected requirements for clean water  
11 projects in the State.

12           Any additional moneys which may be received by means of a grant or  
13 grants from the United States of America or any agency or department thereof or from  
14 any other source for deposit to the Clean Water Revolving Loan and Grant Fund may be  
15 placed in the Clean Water Revolving Loan and Grant Fund or in a separate account or  
16 fund and shall be disbursed, to the extent permitted by the terms of such grant or grants,  
17 without regard to any limitations imposed by this act.

18           The proceeds of clean water bonds and notes may be used with any other  
19 moneys made available by the General Assembly for making deposits to the Clean  
20 Water Revolving Loan and Grant Fund, including the proceeds of any other State bond  
21 issues, whether heretofore made available or which may be made available at the  
22 session of the General Assembly at which this act is ratified or any subsequent sessions.  
23 The proceeds of clean water bonds and notes shall be expended and disbursed under the  
24 direction and supervision of the Director of the Budget. The funds provided by this act  
25 for making deposits to the Clean Water Revolving Loan and Grant Fund shall be  
26 disbursed for the purposes provided in this act upon warrants drawn on the State  
27 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition  
28 has been approved by the Director of the Budget and which requisition shall be  
29 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter  
30 143 of the General Statutes, as it may be amended from time to time.

31           (e) Amendments to the North Carolina Clean Water Revolving Loan and  
32 Grant Act.

33           (1) G.S. 159G-3 is amended to insert the following definitions, in  
34 appropriate chronological order:

35           "(4a) 'Financing assistance' means monetary assistance to a local  
36 government unit to assist such unit in obtaining financing of the cost of  
37 a wastewater collection system, wastewater treatment works or a water  
38 supply system, including assistance to provide a deposit to a debt  
39 service reserve fund, to provide credit enhancement such as bond  
40 insurance or a letter of credit and interest rate subsidies.

41           (14a) 'Revolving financing assistance loan' means a sum of money loaned  
42 by the State to a local government unit to provide financing assistance,  
43 with an obligation on the part of such unit to repay such sum."

44           (2) G.S. 159G-3(5) and (15) read as rewritten:

1           "(5) 'Grant' means a sum of money given by the State to a local  
2           government unit to subsidize the construction cost of a project  
3           authorized by this Chapter or to provide financing assistance to a local  
4           government unit, without any obligation on the part of such unit to  
5           repay such sum.

6           (15) 'Revolving loan' includes a revolving construction ~~loan and an~~  
7           ~~emergency loan.~~ loan, a revolving emergency loan, and a revolving  
8           financing assistance loan."

9           (3) G.S. 159G-4(c) reads as rewritten:

10          "(c) All payments of interest and repayments of principal resulting from revolving  
11          loans shall be credited to the respective accounts from which the revolving loan funds  
12          were ~~disbursed.~~ disbursed, provided that payments and repayments with respect to  
13          revolving loans to provide financing assistance shall be credited to the account from  
14          which a transfer to the Wastewater Financing Assistance Account or Water Supply  
15          Financing Assistance Account was made as herein provided. Terms and conditions for  
16          repayment of revolving loans shall be established by the Office of State Budget and  
17          Management, with the assistance of the Local Government Commission, consistent with  
18          the requirements of the Federal Water Pollution Control Act and this Chapter. ~~Provided,~~  
19          ~~the interest rate for all revolving loans authorized by this Chapter shall be fixed at the same~~  
20          ~~percent per annum as the interest rate fixed under the Federal Water Pollution Control Act for~~  
21          ~~loans from the Water Pollution Control Revolving Fund established by G.S. 159G-5(e), not to~~  
22          ~~exceed the lesser of four percent (4%) or one-half (1/2) the prevailing national market rate for~~  
23          ~~tax exempt general obligation debt of similar maturities derived from a published indicator.~~  
24          The interest rate for all revolving loans authorized by this Chapter, other than for loans  
25          from the Water Pollution Control Revolving Fund, shall be fixed at the rate of seven  
26          percent (7%) per annum. The interest rate for all revolving loans from the Water  
27          Pollution Control Revolving Fund established by G.S. 159G-5(c), shall not exceed the  
28          lesser of four percent (4%) or one-half the prevailing national market rate for tax  
29          exempt general obligation debt of similar maturities derived from a published indicator.  
30          Provided further, the interest rate for revolving loans from the Water Pollution Control  
31          Revolving Fund may be fixed at a lower rate per annum if authorized by the Federal  
32          Water Pollution Control Act Regulations. It is the intent of the General Assembly to  
33          provide uniform interest payments for all loans made to units of local government  
34          irrespective of the account from which loans are made for either wastewater or water  
35          supply projects."

36          (4) G.S. 159G-6(a)(1) and (2) read as rewritten:

37          "(a) Revolving loans and grants.

38          (1) All funds appropriated or accruing to the Clean Water Revolving Loan  
39          and Grant Fund, other than funds set aside for administrative expenses,  
40          shall be used for revolving loans and grants to local government units  
41          for construction costs of wastewater treatment works, wastewater  
42          collection systems and water supply systems and other assistance as  
43          provided in this Chapter or to provide financing assistance.

1 (2) The maximum principal amount of a revolving loan or grant to be used  
2 for construction costs of wastewater treatment works, wastewater  
3 collection systems and water supply systems may be one hundred  
4 percent (100%) of the nonfederal share of the construction cost of any  
5 eligible project. The maximum principal amount of revolving loans  
6 made to any one local government unit during any fiscal year shall be  
7 ~~three-five~~ million dollars (~~\$3,000,000~~) (\$5,000,000). The maximum  
8 principal amount of grants made to any one local government unit  
9 during any fiscal year shall be ~~five hundred~~ seven hundred fifty  
10 thousand dollars (\$500,000)-(\$750,000)."

11 (5) G.S. 159G-6(b) is amended by adding the following subdivision:

12 "(4) Financing Assistance Wastewater Revolving Loan and Grant Account.  
13 Upon the approval by the Division of Environmental Health or the  
14 Environmental Management Commission of an application for  
15 financing assistance and approval thereof by the Local Government  
16 Commission, the Office of State Budget and Management shall  
17 withdraw from the General Wastewater Revolving Loan and Grant  
18 Account, the High-Unit Cost Wastewater Account or the Emergency  
19 Wastewater Revolving Loan Account and deposit the amount  
20 withdrawn to the Financing Assistance Wastewater Revolving Loan  
21 and Grant Account to make a revolving financing assistance loan or  
22 grant. The account from which the withdrawal shall be made shall be  
23 determined by the type of project. The funds in the Financing  
24 Assistance Wastewater Revolving Loan and Grant Account shall be  
25 used for the purpose of providing for revolving financing assistance  
26 loans or grants to provide financing assistance in connection with the  
27 financing by local government units of approved wastewater treatment  
28 works or wastewater collection system projects."

29 (6) G.S. 159G-6(c) is amended by adding the following subdivision:

30 "(4) Financing Assistance Water Supply Revolving Loan and Grant  
31 Account. Upon the approval by the Division of Environmental Health  
32 or the Environmental Management Commission of an application for  
33 financing assistance and approval thereof by the Local Government  
34 Commission, the Office of State Budget and Management shall  
35 withdraw from the General Water Revolving Loan and Grant Account,  
36 the High-Unit Cost Water Account or the Emergency Water Revolving  
37 Loan Account and deposit the amount withdrawn to the Financing  
38 Assistance Water Supply Revolving Loan and Grant Account to make  
39 a revolving financing assistance loan or grant. The account from  
40 which the withdrawal shall be made shall be determined by the type of  
41 project. The funds in the Financing Assistance Water Supply  
42 Revolving Loan and Grant Account shall be used for the purpose of  
43 providing financing assistance to local government units in financing

1 water supply systems generally and not upon a county allotment  
2 basis."

3 (7) The first sentence of G.S. 159G-8(a) reads as rewritten:

4 "All applications for revolving loans and grants for water supply systems or  
5 financing assistance in connection with the financing of water supply systems shall be  
6 filed with the Division of Environmental Health and all applications for revolving loans  
7 and grants for wastewater treatment works or wastewater collection systems or  
8 financing assistance in connection with the financing of wastewater treatment works or  
9 wastewater collection systems shall be filed with the Environmental Management  
10 Commission."

11 (8) G.S. 159G-9(2) reads as rewritten:

12 "(2) The~~If the application shall be for a revolving loan, the applicant has~~  
13 the financial capacity to pay the principal of and interest on its  
14 proposed obligations and loans."

15 (9) G.S. 159G-9(4) reads as rewritten:

16 "(4) The applicant has agreed by official resolution to adopt and place into  
17 effect on or before completion of the project a schedule of fees and  
18 charges which will provide adequate funds for proper operation,  
19 maintenance and administration of the project, ~~and~~and, if the  
20 application is for a revolving loan, repayment of all principal of and  
21 interest on loans."

22 (10) G.S. 159G-10 is amended by adding the following subsection (e):

23 "(e) Financing Assistance Loans and Grants. If the receiving agency approves an  
24 application for financing assistance, the receiving agency shall notify the Secretary of  
25 the Local Government Commission. No financing assistance shall be provided  
26 hereunder unless the Local Government Commission shall approve the financing  
27 assistance to be provided and the type thereof."

28 (11) G.S. 159G-18(a) reads as rewritten:

29 "(a) Local government units may execute debt instruments payable to the State in  
30 order to obtain revolving loans provided for in this Chapter. Local government units  
31 ~~shall~~may pledge as security for such obligations the user fee revenues derived from  
32 operation of the benefitted facilities or systems only, or their faith and credit, or both.  
33 The faith and credit of such local government units shall not be pledged or be deemed to  
34 have been pledged unless the requirements of Article 4, Chapter 159 of the General  
35 Statutes have been met.

36 In addition to the security authorized to be pledged to the payment of debt  
37 instruments mentioned in the preceding paragraph, local government units may agree to  
38 apply to the payment of a debt instrument any available source or sources of revenues of  
39 the unit and, to the extent the generation of the revenues is within the power of the unit,  
40 to enter into covenants to take action in order to generate the revenues, provided the  
41 agreement to use such sources to make payments or such covenant to generate revenues  
42 does not constitute a pledge of the unit's taxing power.

43 The Office of State Budget and Management and the State Treasurer, with the  
44 assistance of the Local Government Commission, shall develop and adopt appropriate

1 debt instruments for use under this Chapter. The Local Government Commission shall  
2 develop and adopt appropriate procedures for the delivery of debt instruments to the  
3 State without any public bidding therefor."

4 Sec. 4. State parks bonds. (a) Findings and determination. It is the intent and  
5 purpose of the General Assembly by this act to provide for the issuance of general  
6 obligation bonds of the State in order to facilitate the payment of the capital costs  
7 required in providing and improving existing State parks and recreation areas.

8 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
9 of the qualified voters of the State who vote on the question of issuing State parks bonds  
10 in the election called and held as hereinafter provided, the State Treasurer is hereby  
11 authorized, by and with the consent of the Council of State, to issue and sell, at one time  
12 or from time to time, general obligation bonds of the State to be designated "State of  
13 North Carolina State Parks Bonds", with such additional designations as may be  
14 determined to indicate the issuance of bonds from time to time, or notes of the State as  
15 herein provided, in an aggregate principal amount not exceeding forty-five million  
16 dollars (\$45,000,000) for the purpose of providing funds, with any other available  
17 funds, for the purposes authorized in this act.

18 (c) Uses of bond and note proceeds. The proceeds of State parks bonds and  
19 notes shall be used for the purposes of financing the cost of capital facilities in State  
20 parks and recreation areas including, without limitation, visitors' centers, parking lots  
21 and access roads, dams, picnic areas, ranger residences, tent and trailer campsites, boat  
22 and canoe launching areas, rental cabins, boathouses, swimming facilities, trails,  
23 exhibits, storage buildings, water and wastewater systems, electrical systems and  
24 underground fuel tanks.

25 (d) Allocation of proceeds. The proceeds of State parks bonds and notes,  
26 including premium thereon, if any, except the proceeds of bonds the issuance of which  
27 has been anticipated by bond anticipation notes or the proceeds of refunding bonds or  
28 notes, shall be placed by the State Treasurer in a special account to be designated "State  
29 Parks Bonds Account" to be established in the "State General Purpose Bond  
30 Fund" hereinafter mentioned. Moneys in the State Parks Bonds Account shall be used  
31 for the purposes set forth in this section, and the particular projects within such purposes  
32 to be financed in whole or in part from the proceeds shall be determined from time to  
33 time by the Department of Environment, Health, and Natural Resources. In determining  
34 the particular projects to be financed, the Secretary of the Department of Environment,  
35 Health, and Natural Resources shall develop criteria to establish a priority system under  
36 which State parks projects shall be financed with the proceeds of State parks bonds and  
37 notes. The criteria shall include such factors as the Secretary of the Department of  
38 Environment, Health, and Natural Resources shall deem appropriate in order to forward  
39 the purposes of this act to provide safe recreational facilities throughout North Carolina.  
40 Such criteria shall include the impact of the proposed project on the public health and  
41 safety, the impact of the proposed project on the environment, the cost of the proposed  
42 project and the amount of financing from other sources available therefor, the extent the  
43 proposed project improves or preserves existing park and recreational facilities and the  
44 access to the proposed project of special populations within the general public.



1 Any additional moneys which may be received by means of a grant or grants  
2 from the United States of America or any agency or department thereof or from any  
3 other source to aid in financing the cost of any State parks facilities authorized by this  
4 act may be placed by the State Treasurer in the State Parks Bonds Account or in a  
5 separate account or fund and shall be disbursed, to the extent permitted by the terms of  
6 such grant or grants, without regard to any limitations imposed by this act.

7 The proceeds of State parks bonds and notes may be used with any other  
8 moneys made available by the General Assembly for the cost of State parks facilities,  
9 including the proceeds of any other State bond issues, whether heretofore made  
10 available or which may be made available at the session of the General Assembly at  
11 which this act is ratified or any subsequent sessions. The proceeds of State parks bonds  
12 and notes shall be expended and disbursed under the direction and supervision of the  
13 Director of the Budget. The funds provided by this act for State parks facilities shall be  
14 disbursed for the purposes provided in this act upon warrants drawn on the State  
15 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition  
16 has been approved by the Director of the Budget and which requisition shall be  
17 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter  
18 143 of the General Statutes, as it may be amended from time to time.

19 Sec. 5. Area Mental Health Facilities Bonds. (a) Findings and determinations. It  
20 is the intent and purpose of the General Assembly by this act to provide for the issuance  
21 of general obligation bonds of the State in order to facilitate the payment of the capital  
22 costs required in providing facilities offering mental health, developmental disabilities,  
23 and substance abuse treatment services by Area Mental Health, Developmental  
24 Disabilities, and Substance Abuse Authorities.

25 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
26 of the qualified voters of the State who vote on the question of issuing area mental  
27 health facilities bonds in the election called and held as hereinafter provided, the State  
28 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue  
29 and sell, at one time or from time to time, general obligation bonds of the State to be  
30 designated "State of North Carolina Area Mental Health Facilities Bonds", with such  
31 additional designations as may be determined to indicate the issuance of bonds from  
32 time to time, or notes of the State as herein provided, in an aggregate principal amount  
33 not exceeding twenty-five million dollars (\$25,000,000) for the purposes authorized in  
34 this act.

35 (c) Uses of bond and note proceeds. The proceeds of area mental health facilities  
36 bonds and notes shall be used for the purpose of making grants to counties or to Area  
37 Mental Health, Developmental Disabilities, and Substance Abuse Authorities to pay the  
38 capital cost of land and buildings to be owned by such counties or Area Mental Health,  
39 Developmental Disabilities, and Substance Abuse Authorities or for reconstruction or  
40 improvements of existing buildings owned by counties or Area Mental Health,  
41 Developmental Disabilities, and Substance Abuse Authorities, in either case to provide  
42 primary centers, satellite centers or group homes to be used by Area Mental Health,  
43 Developmental Disabilities, and Substance Abuse Authorities to provide mental health,

1 developmental disabilities, and substance abuse treatment services pursuant to G.S.  
2 122C-115, as amended.

3 Grants shall be made only for the purposes authorized by this section. The  
4 funds provided by this act for the making of grants to counties or Area Mental Health,  
5 Developmental Disabilities, and Substance Abuse Authorities, when received from the  
6 State Treasurer as herein provided, shall be deposited by the Department of Human  
7 Resources in a special fund established with the Department of Human Resources and  
8 to be designated "Area Mental Health Facilities Grant Fund".

9 Grants shall be made by the Secretary of the Department of Human  
10 Resources upon recommendation of the North Carolina Medical Care Commission. In  
11 determining to recommend to the Secretary that a grant be awarded, the North Carolina  
12 Medical Care Commission shall consider:

- 13 (1) The need for the proposed capital improvement;
- 14 (2) The ability of the applicant to pay the cost of the capital improvement  
15 from other sources available to the applicant; and
- 16 (3) The ability of the applicant to pay the cost of operating the proposed  
17 capital improvement to be paid from the grant.

18 The Secretary of the Department of Human Resources may approve the  
19 recommendation of the North Carolina Medical Care Commission and the grant shall be  
20 approved if the Secretary finds and determines, which finding and determination shall  
21 be binding and conclusive, that:

- 22 (1) The applicant has demonstrated a need for the proposed capital  
23 improvement and that no other practicable source of payment is  
24 available;
- 25 (2) It is reasonably expected that sufficient funding will be available to  
26 pay the cost of operating the proposed capital improvement; and
- 27 (3) The awarding of the grant to pay the cost of the proposed capital  
28 improvement will further the mental health, developmental disability,  
29 or substance abuse treatment needs of the State of North Carolina.

30 (d) Allocation of proceeds. The proceeds of area mental health facilities bonds  
31 and notes, including premium thereon, if any, except the proceeds of bonds the issuance  
32 of which has been anticipated by bond anticipation notes or the proceeds of refunding  
33 bonds or notes, shall be placed by the State Treasurer in a special account to be  
34 designated "Area Mental Health Facilities Bonds Account" to be established in the  
35 "State General Purpose Bond Fund" hereinafter mentioned. Moneys in the Area Mental  
36 Health Facilities Bonds Account shall be used for the purposes set forth in this section,  
37 and the particular grants within such purposes to be made in whole or in part from the  
38 proceeds shall be determined from time to time by the Secretary of Human Resources as  
39 provided in this section.

40 Any additional moneys which may be received by means of a grant or grants  
41 from the United States of America or any agency or department thereof or from any  
42 other source to aid in financing the cost of any Area Mental Health Facilities grants  
43 authorized by this act may be placed by the State Treasurer in the Area Mental Health  
44 Facilities Bonds Account or in a separate account or fund and shall be disbursed, to the

1 extent permitted by the terms of such grant or grants, without regard to any limitations  
2 imposed by this act.

3         The proceeds of Area Mental Health Facilities bonds and notes may be used  
4 with any other moneys made available by the General Assembly for the making of  
5 grants, including the proceeds of any other State bond issues, whether heretofore made  
6 available or which may be made available at the session of the General Assembly at  
7 which this act is ratified or any subsequent sessions. The proceeds of area mental health  
8 facilities bonds and notes shall be expended and disbursed under the direction and  
9 supervision of the Director of the Budget. The funds provided by this act for area  
10 mental health facilities grants shall be disbursed for the purposes provided in this act  
11 upon warrants drawn on the State Treasurer by the State Comptroller, which warrants  
12 shall not be drawn until requisition has been approved by the Director of the Budget and  
13 which requisition shall be approved only after full compliance with the Executive  
14 Budget Act, Article 1 of Chapter 143 of the General Statutes, as it may be amended  
15 from time to time.

16         Sec. 6. Community College Equipment Bonds. (a) Findings and determinations. It  
17 is the intent and purpose of the General Assembly by this act to provide for the issuance  
18 of general obligation bonds of the State in order to facilitate the acquisition of  
19 instructional equipment by community colleges by creating and providing for the  
20 funding of a Community College Equipment Revolving Loan Fund.

21         (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
22 of the qualified voters of the State who vote on the question of issuing community  
23 college equipment bonds in the election called and held as hereinafter provided, the  
24 State Treasurer is hereby authorized, by and with the consent of the Council of State, to  
25 issue and sell, at one time or from time to time, general obligation bonds of the State to  
26 be designated "State of North Carolina Community College Equipment Bonds", with  
27 such additional designations as may be determined to indicate the issuance of bonds  
28 from time to time, or notes of the State as herein provided, in an aggregate principal  
29 amount not exceeding twenty-five million dollars (\$25,000,000) for the purposes  
30 authorized in this act.

31         (c) Uses of bond and note proceeds. The proceeds of community college  
32 equipment bonds and notes shall be used for the purpose of making revolving loans to  
33 community or technical colleges, as defined in Chapter 115D of the General Statutes, as  
34 it may be amended from time to time, the proceeds of such loans to be used by  
35 community colleges for the acquisition of instructional equipment including, without  
36 limitation, computer systems and supporting software programs, learning laboratories,  
37 audio visual equipment, mini- and micro-computers, computer controlled machine tools  
38 and computer assisted drafting machines.

39         Loans shall be made by the State Board of Community Colleges to  
40 individual community colleges. Loans shall be payable by individual community  
41 colleges from the proceeds of appropriations made by the General Assembly and  
42 available for such purpose. The funds provided by this act for the making of loans to  
43 community colleges, when received from the State Treasurer as herein provided, shall  
44 be deposited by the State Board of Community Colleges in a special fund established

1 with the State Board of Community Colleges and to be designated "Community College  
2 Equipment Revolving Loan Fund". Payments of principal and interest by individual  
3 community colleges on loans shall also be deposited to the Community College  
4 Equipment Revolving Loan Fund. Moneys in the Community College Equipment  
5 Revolving Loan Fund, whether the proceeds of bonds and notes or the proceeds of  
6 payments of principal and interest on loans, shall be used by the State Board of  
7 Community Colleges to make loans to community colleges as herein provided.

8 In the making of loans, the State Board of Community Colleges shall  
9 consider:

- 10 (1) The need for the equipment proposed to be acquired.
- 11 (2) The amount of the loan requested.
- 12 (3) The availability of local funds.
- 13 (4) The estimated needs of the various community colleges throughout the  
14 State.
- 15 (5) Whether or not the applicant has previously received a loan.

16 The State Board of Community Colleges may approve the making of a loan if  
17 it finds and determines, which finding and determination shall be binding and  
18 conclusive, that

- 19 (1) The community college has demonstrated to the State Board of  
20 Community Colleges by appropriate documentation the need for the  
21 instructional equipment; and
- 22 (2) The community college has demonstrated to the State Board of  
23 Community Colleges by appropriate documentation that the  
24 instructional equipment to be provided by the loan funds is needed to  
25 offer a curriculum program approved by the State Board of  
26 Community Colleges and that a quality program would not be offered  
27 if equipment loan funds were not made available.

28 In approving the making of loans, the State Board of Community Colleges  
29 shall give priority to loans to community colleges that do not have additional local funds  
30 for such purpose.

31 The form of the loans and the details thereof including, without limitation, the  
32 maturity, interest rate and amortization schedule, shall be determined, from time to time,  
33 by the State Board of Community Colleges.

34 (d) Allocation of proceeds. The proceeds of community college equipment  
35 bonds and notes, including premium thereon, if any, except the proceeds of bonds the  
36 issuance of which has been anticipated by bond anticipation notes or the proceeds of  
37 refunding bonds or notes, shall be placed by the State Treasurer in a special account to  
38 be designated "Community College Equipment Bonds Account" to be established in the  
39 "State General Purpose Bond Fund" hereinafter mentioned. Moneys in the Community  
40 College Equipment Bonds Account shall be used for the purposes set forth in this  
41 section, and the particular loans within such purposes to be made in whole or in part  
42 from the proceeds shall be determined from time to time by the State Board of  
43 Community Colleges.

1 Any additional moneys which may be received by means of a grant or grants  
2 from the United States of America or any agency or department thereof or from any  
3 other source to aid in financing the cost of any community college equipment loans  
4 authorized by this act may be placed by the State Treasurer in the Community College  
5 Equipment Bonds Account or in a separate account or fund and shall be disbursed, to  
6 the extent permitted by the terms of such grant or grants, without regard to any  
7 limitations imposed by this act.

8 The proceeds of community college equipment bonds and notes may be used  
9 with any other moneys made available by the General Assembly for the making of  
10 community college equipment loans, including the proceeds of any other State bond  
11 issues, whether heretofore made available or which may be made available at the  
12 session of the General Assembly at which this act is ratified or any subsequent sessions.  
13 The proceeds of community college equipment bonds and notes shall be expended and  
14 disbursed under the direction and supervision of the Director of the Budget. The funds  
15 provided by this act for community college equipment loans shall be disbursed for the  
16 purposes provided in this act upon warrants drawn on the State Treasurer by the State  
17 Comptroller, which warrants shall not be drawn until requisition has been approved by  
18 the Director of the Budget and which requisition shall be approved only after full  
19 compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General  
20 Statutes, as it may be amended from time to time.

21 Sec. 7. Solid waste management. (a) Findings and determinations. It is the intent  
22 and purpose of the General Assembly by this act to provide for the issuance of general  
23 obligation bonds of the State in order to facilitate the implementation of local and  
24 regional solid waste programs by providing funding for the Solid Waste Management  
25 Loan Fund established by Chapter 159I of the General Statutes.

26 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
27 of the qualified voters of the State who vote on the question of issuing solid waste  
28 management bonds in the election called and held as hereinafter provided, the State  
29 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue  
30 and sell, at one time or from time to time, general obligation bonds of the State to be  
31 designated "State of North Carolina Solid Waste Management Bonds", with such  
32 additional designations as may be determined to indicate the issuance of bonds from  
33 time to time, or notes of the State as herein provided, in an aggregate principal amount  
34 not exceeding twenty-five million dollars (\$25,000,000) for the purposes authorized in  
35 this act.

36 (c) Uses of bond and note proceeds. The proceeds of solid waste management  
37 bonds and notes shall be used for the purposes of making deposits to the Solid Waste  
38 Management Loan Fund established by Chapter 159I of the General Statutes, as it may  
39 be amended from time to time, as a loan fund for financing the capital expenses of local  
40 and regional governmental solid waste management programs.

41 (d) Allocation of proceeds. The proceeds of solid waste management bonds and  
42 notes, including premium thereon, if any, except the proceeds of bonds the issuance of  
43 which has been anticipated by bond anticipation notes or the proceeds of refunding  
44 bonds or notes, shall be placed by the State Treasurer in a special account to be

1 designated "Solid Waste Management Bonds Account" to be established in the "State  
2 General Purpose Bond Fund" hereinafter mentioned. Moneys in the Solid Waste  
3 Management Bonds Account shall be used for the purposes set forth in this section, and  
4 the particular deposits to the Solid Waste Management Loan fund to be made from the  
5 proceeds shall be determined from time to time by the Department of Environment,  
6 Health, and Natural Resources.

7 Any additional moneys which may be received by means of a grant or grants  
8 from the United States of America or any agency or department thereof or from any  
9 other source for deposit to the Solid Waste Management Loan Fund may be placed by  
10 the State Treasurer in the Solid Waste Management Bonds Account or in a separate  
11 account or fund and shall be disbursed, to the extent permitted by the terms of such  
12 grant or grants, without regard to any limitations imposed by this act.

13 The proceeds of solid waste management bonds and notes may be used with  
14 any other moneys made available by the General Assembly for making deposits to the  
15 Solid Waste Management Loan Fund, including the proceeds of any other State bond  
16 issues, whether heretofore made available or which may be made available at the  
17 session of the General Assembly at which this act is ratified or any subsequent sessions.  
18 The proceeds of solid waste management bonds and notes shall be expended and  
19 disbursed under the direction and supervision of the Director of the Budget. The funds  
20 provided by this act for making deposits to the Solid Waste Management Loan Fund  
21 shall be disbursed for the purposes provided in this act upon warrants drawn on the  
22 State Treasurer by the State Comptroller, which warrants shall not be drawn until  
23 requisition has been approved by the Director of the Budget and which requisition shall  
24 be approved only after full compliance with the Executive Budget Act, Article 1 of  
25 Chapter 143 of the General Statutes, as it may be amended from time to time.

26 Sec. 8. State zoo bonds. (a) Findings and determinations. It is the intent and  
27 purpose of the General Assembly by this act to provide for the issuance of general  
28 obligation bonds of the State in order to facilitate the payment of the capital costs  
29 required in connection with providing additional State zoo facilities.

30 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority  
31 of the qualified voters of the State who vote on the question of issuing State zoo bonds  
32 in the election called and held as hereinafter provided, the State Treasurer is hereby  
33 authorized, by and with the consent of the Council of State, to issue and sell, at one time  
34 or from time to time, general obligation bonds of the State to be designated "State of  
35 North Carolina State Zoo Bonds", with such additional designations as may be  
36 determined to indicate the issuance of bonds from time to time, or notes of the State as  
37 herein provided, in an aggregate principal amount not exceeding five million dollars  
38 (\$5,000,000) for the purposes authorized in this act.

39 (c) Uses of bond and note proceeds. The proceeds of State zoo bonds and notes  
40 shall be used for the purposes of financing the cost of capital facilities for the North  
41 American Phase exhibits at the State zoo.

42 (d) Allocation of proceeds. The proceeds of State zoo bonds and notes, including  
43 premium thereon, if any, except the proceeds of bonds the issuance of which has been  
44 anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall

1 be placed by the State Treasurer in a special account to be designated "State Zoo Bonds  
 2 Account" to be established in the "State General Purpose Bond Fund" hereinafter  
 3 mentioned. Moneys in the State Zoo Bonds Account shall be used for the purposes set  
 4 forth in this section, and the particular projects within such purposes to be financed in  
 5 whole or in part from the proceeds shall be determined from time to time by the  
 6 Department of Environment, Health, and Natural Resources.

7 Any additional moneys which may be received by means of a grant or grants  
 8 from the United States of America or any agency or department thereof or from any  
 9 other source to aid in financing the cost of any State zoo facilities authorized by this act  
 10 may be placed by the State Treasurer in the State Zoo Bonds Account or in a separate  
 11 account or fund and shall be disbursed, to the extent permitted by the terms of such  
 12 grant or grants, without regard to any limitations imposed by this act.

13 The proceeds of State zoo bonds and notes may be used with any other  
 14 moneys made available by the General Assembly for the cost of State zoo facilities,  
 15 including the proceeds of any other State bond issues, whether heretofore made  
 16 available or which may be made available at the session of the General Assembly at  
 17 which this act is ratified or any subsequent sessions. The proceeds of State zoo bonds  
 18 and notes shall be expended and disbursed under the direction and supervision of the  
 19 Director of the Budget. The funds provided by this act for State zoo facilities shall be  
 20 disbursed for the purposes provided in this act upon warrants drawn on the State  
 21 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition  
 22 has been approved by the Director of the Budget and which requisition shall be  
 23 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter  
 24 143 of the General Statutes, as it may be amended from time to time.

25 Sec. 9. Uses of bond and note proceeds. The proceeds of bonds and notes,  
 26 including premium thereon, if any, except the proceeds of bonds the issuance of which  
 27 has been anticipated by bond anticipation notes or the proceeds of refunding bonds or  
 28 notes, shall be placed by the State Treasurer in the appropriate special account in a  
 29 special fund to be designated the "State General Purposes Bond Fund" and shall be  
 30 disbursed as herein provided.

31 Sec. 10. Election. The questions of the issuance of the following bonds  
 32 authorized by this act shall each be submitted to the qualified voters of the State at an  
 33 election to be held on Tuesday, November 6, 1990:

34	\$75,000,000	State of North Carolina Clean Water Bonds,
35	\$45,000,000	State of North Carolina State Park Bonds,
36	\$25,000,000	State of North Carolina Area Mental Health Facilities
37		Bonds,
38	\$25,000,000	State of North Carolina Community College
39		Equipment Bonds,
40	\$25,000,000	State of North Carolina Solid Waste Management
41		Bonds, and
42	\$ 5,000,000	State of North Carolina State Zoo Bonds.

43 Any other primary, election or referendum validly called or scheduled by law at the  
 44 time the election on the bond questions provided for in this section is held may be held

1 as called or scheduled. Notice of the election on the bond questions shall be given by  
2 publication twice in a newspaper or newspapers having general circulation in each  
3 county in the State, and the election and the registration of voters therefor shall be held  
4 under and in accordance with the general laws of the State. Absentee ballots shall be  
5 authorized in the election.

6 The State Board of Elections shall reimburse the counties of the State for all  
7 necessary expenses incurred in holding the election which are in addition to those which  
8 would have otherwise been incurred, the same to be paid out of the Contingency and  
9 Emergency Fund.

10 Voting machines may be used in accordance with the rules and regulations  
11 prescribed by the State Board of Elections. The State Board of Elections may also  
12 cause to be printed and distributed, to the extent necessary, ballots for use in the  
13 election. The bond questions to be used in the voting machines and any ballots shall be  
14 in substantially the following forms:

15 "[] FOR the issuance of seventy-five million dollars (\$75,000,000) State  
16 of North Carolina Clean Water Bonds constituting general obligation  
17 bonds of the State secured by a pledge of the faith and credit and  
18 taxing power of the State for the purpose of providing funds, with any  
19 other available funds, for making deposits to the Clean Water  
20 Revolving Loan and Grant Fund established by Chapter 159G, as  
21 amended, of the General Statutes, in order to provide funds to make  
22 revolving loans and grants to assist local government units in paying  
23 the cost of construction or financing the cost of construction of clean  
24 water projects.

25  
26 [] AGAINST the issuance of seventy-five million dollars (\$75,000,000)  
27 State of North Carolina Clean Water Bonds constituting general  
28 obligation bonds of the State secured by a pledge of the faith and credit  
29 and taxing power of the State for the purpose of providing funds, with  
30 any other available funds, for making deposits to the Clean Water  
31 Revolving Loan and Grant Fund established by Chapter 159G, as  
32 amended, of the General Statutes, in order to provide funds to make  
33 revolving loans and grants to assist local government units in paying  
34 the cost of construction or financing the cost of construction of clean  
35 water projects."

36  
37 "[] FOR the issuance of forty-five million dollars (\$45,000,000) State of  
38 North Carolina State Park Bonds constituting general obligation bonds  
39 of the State secured by a pledge of the faith and credit and taxing  
40 power of the State for the purpose of providing funds, with any other  
41 available funds, for paying the cost of capital facilities in State Parks  
42 and recreation areas.

43



- 1           []     AGAINST the issuance of forty-five million dollars (\$45,000,000)  
2           State of North Carolina State Park Bonds constituting general  
3           obligation bonds of the State secured by a pledge of the faith and credit  
4           and taxing power of the state for the purpose of providing funds, with  
5           any other available funds, for paying the cost of capital facilities in  
6           State Parks and recreation areas."  
7
- 8           "[]     FOR the issuance of twenty-five million dollars (\$25,000,000) State of  
9           North Carolina Area Mental Health Facilities Bonds constituting  
10          general obligation bonds of the State secured by a pledge of the faith  
11          and credit and taxing power of the State for the purpose of providing  
12          funds, with any other available funds, for making grants to counties or  
13          Area Mental Health, Developmental Disabilities, and Substance Abuse  
14          Authorities for capital improvements to provide mental health,  
15          developmental disabilities and substance abuse treatment services.  
16
- 17          []     AGAINST the issuance of twenty-five million dollars (\$25,000,000)  
18          State of North Carolina Area Mental Health Facilities Bonds  
19          constituting general obligation bonds of the State secured by a pledge  
20          of the faith and credit and taxing power of the State for the purpose of  
21          providing funds, with any other available funds, for making grants to  
22          counties or Area Mental Health, Developmental Disabilities, and  
23          Substance Abuse Authorities for capital improvements to provide  
24          mental health, developmental disabilities and substance abuse  
25          treatment services."  
26
- 27          "[]     FOR the issuance of twenty-five million dollars (\$25,000,000) State of  
28          North Carolina Community College Equipment Bonds constituting  
29          general obligation bonds of the State secured by a pledge of the faith  
30          and credit and taxing power of the State for the purpose of providing  
31          funds, with any other available funds, for making loans to Community  
32          Colleges for paying the cost of instructional equipment.  
33
- 34          []     AGAINST the issuance of twenty-five million dollars (\$25,000,000)  
35          State of North Carolina Community College Equipment Bonds  
36          constituting general obligation bonds of the State secured by a pledge  
37          of the faith and credit and taxing power of the State for the purpose of  
38          providing funds, with any other available funds, for making loans to  
39          Community Colleges for paying the cost of instructional equipment."  
40
- 41          "[]     FOR the issuance of twenty-five million dollars (\$25,000,000) State of  
42          North Carolina Solid Waste Management Bonds constituting general  
43          obligation bonds of the State secured by a pledge of the faith and credit  
44          and taxing power of the State for the purpose of providing funds, with

1 any other available funds, for making deposits to the Solid Waste  
2 Management Loan Fund established by Chapter 159I of the General  
3 Statutes as a loan fund for financing the capital expenses of local and  
4 regional governmental solid waste management programs.

5  
6 [] AGAINST the issuance of twenty-five million dollars (\$25,000,000)  
7 State of North Carolina Solid Waste Management Bonds constituting  
8 general obligation bonds of the State secured by a pledge of the faith  
9 and credit and taxing power of the State for the purpose of providing  
10 funds, with any other available funds, for making deposits to the Solid  
11 Waste Management Loan Fund established by Chapter 159I of the  
12 General Statutes as a loan fund for financing the capital expenses of  
13 local and regional governmental solid waste management programs."

14  
15 "[] FOR the issuance of five million dollars (\$5,000,000) State of North  
16 Carolina State Zoo Bonds constituting general obligation bonds of the  
17 State secured by a pledge of the faith and credit and taxing power of  
18 the State for the purpose of providing funds, with any other available  
19 funds, for paying the cost of capital facilities for the North American  
20 Phase exhibits at the State Zoo.

21  
22 [] AGAINST the issuance of five million dollars (\$5,000,000) State of  
23 North Carolina State Zoo Bonds constituting general obligation bonds  
24 of the State secured by a pledge of the faith and credit and taxing  
25 power of the State for the purpose of providing funds, with any other  
26 available funds, for paying the cost of capital facilities for the North  
27 American Phase exhibits at the State Zoo."

28 If a majority of those voting on a bond question in the election shall vote in  
29 favor of the issuance of the bonds described in the question, such bonds may be issued  
30 as herein provided. If a majority of those voting on a bond question in the election shall  
31 vote against the issuance of the bonds described in the question, such bonds shall not be  
32 issued.

33 The results of the election shall be canvassed and declared as provided by law  
34 for the holding of elections for State officers and the results thereof certified by the  
35 State Board of Elections to the Secretary of State, in the manner and at the time  
36 provided by the general election laws of the State.

37 Sec. 11. Issuance of bonds and notes. (a) Terms and conditions. Bonds or  
38 notes may bear such date or dates, may be serial or term bonds or notes, or any  
39 combination thereof, may mature in such amounts and at such time or times, not  
40 exceeding 40 years from their date or dates, may be payable at such place or places,  
41 either within or without the United States of America, in such coin or currency of the  
42 United States of America as at the time of payment is legal tender for payment of public  
43 and private debts, may bear interest at such rate or rates, which may vary from time to  
44 time, and may be made redeemable before maturity, at the option of the State or

1 otherwise as may be provided by the State, at such price or prices, including a price less  
2 than the face amount of the bonds or notes, and under such terms and conditions, all as  
3 may be determined by the State Treasurer, by and with the consent of the Council of  
4 State.

5 (b) Signatures; form and denomination; registration. Bonds or notes may be  
6 issued as certificated or uncertificated obligations. If issued as certificated obligations,  
7 bonds or notes shall be signed on behalf of the State by the Governor or shall bear his  
8 facsimile signature, shall be signed by the State Treasurer or shall bear his facsimile  
9 signature, and shall bear the Great Seal of the State or a facsimile thereof shall be  
10 impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the  
11 Governor and the State Treasurer, the bonds or notes shall also bear a manual signature  
12 which may be that of a bond registrar, trustee, paying agent or designated assistant of  
13 the State Treasurer. Should any officer whose signature or facsimile signature appears  
14 on bonds or notes cease to be such officer before the delivery of the bonds or notes, the  
15 signature or facsimile signature shall nevertheless have the same validity for all  
16 purposes as if the officer had remained in office until delivery and bonds or notes may  
17 bear the facsimile signatures of persons who at the actual time of the execution of the  
18 bonds or notes shall be the proper officers to sign any bond or note although at the date  
19 of the bond or note such persons may not have been such officers. The form and  
20 denomination of bonds or notes, including the provisions with respect to registration of  
21 the bonds or notes and any system for their registration, shall be as the State Treasurer  
22 may determine in conformity with this act; provided, however, that nothing in this act  
23 shall prohibit the State Treasurer from proceeding, with respect to the issuance and form  
24 of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the  
25 Registered Public Obligations Act, as said Chapter may be amended from time to time,  
26 as well as under this act.

27 (c) Manner of sale; expenses. Subject to determination by the Council of  
28 State as to the manner in which bonds or notes shall be offered for sale, whether at  
29 public or private sale, whether within or without the United States of America and  
30 whether by publishing notices in certain newspapers and financial journals, mailing  
31 notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise,  
32 the State Treasurer is authorized to sell bonds or notes at one time or from time to time  
33 at such rate or rates of interest, which may vary from time to time, and at such price or  
34 prices, including a price less than the face amount of the bonds or notes, as the State  
35 Treasurer may determine. All expenses incurred in the preparation, sale and issuance of  
36 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes  
37 or other available moneys.

38 (d) Notes; repayment.

39 (1) By and with the consent of the Council of State, the State Treasurer is  
40 hereby authorized to borrow money and to execute and issue notes of  
41 the State for the same, but only in the following circumstances and  
42 under the following conditions:

- 1 a. For anticipating the sale of bonds to the issuance of which the  
2 Council of State shall have given consent, if the State Treasurer  
3 shall deem it advisable to postpone the issuance of the bonds;  
4 b. For the payment of interest on or any installment of principal of  
5 any bonds then outstanding, if there shall not be sufficient funds  
6 in the State treasury with which to pay the interest or  
7 installment of principal as they respectively become due;  
8 c. For the renewal of any loan evidenced by notes herein  
9 authorized;  
10 d. For the purposes authorized in this act; and  
11 e. For refunding bonds or notes as herein authorized.
- 12 (2) Funds derived from the sale of bonds or notes may be used in the  
13 payment of any bond anticipation notes issued under this act. Funds  
14 provided by the General Assembly for the payment of interest on or  
15 principal of bonds shall be used in paying the interest on or principal  
16 of any notes and any renewals thereof, the proceeds of which shall  
17 have been used in paying interest on or principal of the bonds.
- 18 (e) Refunding bonds and notes. By and with the consent of the Council of  
19 State, the State Treasurer is authorized to issue and sell refunding bonds and notes  
20 pursuant to the provisions of the State Refunding Bond Act, as it may be amended from  
21 time to time, for the purpose of refunding bonds or notes issued pursuant to this act.  
22 The refunding bonds and notes may be combined with any other issues of State bonds  
23 and notes similarly secured.
- 24 (f) Tax exemption. Bonds and notes and their transfer (including any profit  
25 made on the sale thereof) shall be exempt from all State, county and municipal taxation  
26 or assessment, direct or indirect, general or special, whether imposed for the purpose of  
27 general revenue or otherwise, excluding inheritance and gift taxes. The interest on  
28 bonds and notes shall not be subject to taxation as to income, nor shall the bonds and  
29 notes be subject to taxation when constituting a part of the surplus of any bank, trust  
30 company or other corporation.
- 31 (g) Investment eligibility. Bonds and notes are hereby made securities in  
32 which all public officers, agencies and public bodies of the State and its political  
33 subdivisions, all insurance companies, trust companies, investment companies, banks,  
34 savings banks, savings and loan associations, credit unions, pension or retirement funds,  
35 other financial institutions engaged in business in the State, executors, administrators,  
36 trustees and other fiduciaries may properly and legally invest funds, including capital in  
37 their control or belonging to them. Bonds and notes are hereby made securities which  
38 may properly and legally be deposited with and received by any officer or agency of the  
39 State or political subdivision of the State for any purpose for which the deposit of  
40 bonds, notes or obligations of the State or any political subdivision is now or may  
41 hereafter be authorized by law.
- 42 (h) Faith and credit. The faith and credit and taxing power of the State are  
43 hereby pledged for the payment of the principal of and the interest on bonds and notes.

1           Sec. 12. Variable interest rates. In fixing the details of bonds and notes, the  
2 State Treasurer may provide that any of the bonds or notes may:

- 3           (1) Be made payable from time to time on demand or tender for purchase  
4 by the owner thereof provided a credit facility supports the bonds or  
5 notes, unless the State Treasurer specifically determines that a credit  
6 facility is not required upon a finding and determination by the State  
7 Treasurer that the absence of a credit facility will not materially and  
8 adversely affect the financial position of the State and the marketing of  
9 the bonds or notes at a reasonable interest cost to the State;
- 10          (2) Be additionally supported by a credit facility;
- 11          (3) Be made subject to redemption or a mandatory tender for purchase  
12 prior to maturity;
- 13          (4) Bear interest at a rate or rates that may vary for such period or periods  
14 of time, all as may be provided in the proceedings providing for the  
15 issuance of the bonds or notes, including, without limitation, such  
16 variations as may be permitted pursuant to a par formula; and
- 17          (5) Be made the subject of a remarketing agreement whereby an attempt is  
18 made to remarket bonds or notes to new purchasers prior to their  
19 presentment for payment to the provider of the credit facility or to the  
20 State.

21           If the aggregate principal amount repayable by the State under a credit facility  
22 is in excess of the aggregate principal amount of bonds or notes secured by the credit  
23 facility, whether as a result of the inclusion in the credit facility of a provision for the  
24 payment of interest for a limited period of time or the payment of a redemption  
25 premium or for any other reason, then the amount of authorized but unissued bonds or  
26 notes during the term of such credit facility shall not be less than the amount of such  
27 excess, unless the payment of such excess is otherwise provided for by agreement of the  
28 State executed by the State Treasurer.

29           Sec. 13. Interpretation of act. (a) Additional method. The foregoing sections  
30 of this act shall be deemed to provide an additional and alternative method for the doing  
31 of the things authorized thereby and shall be regarded as supplemental and additional to  
32 powers conferred by other laws, and shall not be regarded as in derogation of any  
33 powers now existing.

34           (b) Liberal construction. This act, being necessary for the health and welfare  
35 of the people of the State, shall be liberally construed to effect the purposes thereof.

36           (c) Inconsistent provisions. Insofar as the provisions of this act are  
37 inconsistent with the provisions of any general laws, or parts thereof, the provisions of  
38 this act shall be controlling.

39           (d) Severability. If any provision of this act or the application thereof to any  
40 person or circumstance is held invalid, such invalidity shall not affect other provisions  
41 or applications of the act which can be given effect without the invalid provision or  
42 application, and to this end the provisions of this act are declared to be severable.

43           Sec. 14. This act is effective upon ratification; except that the provisions of  
44 Section 3(e) providing for amendments to the North Carolina Clean Water Revolving

1 Loan and Grant Act shall become effective only upon the receipt by the Secretary of  
2 State from the State Board of Elections of certification of election results showing that a  
3 majority of those voting on the question of the issuance of seventy-five million dollars  
4 (\$75,000,000) State of North Carolina Clean Water Bonds voted in favor of the issuance  
5 of said bonds.