

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

S

2

SENATE BILL 14

Select Committee on Bonds Committee Substitute Adopted 4/15/93

Short Title: 1993 Education and Infrastructure GO Bond Act.

(Public)

Sponsors:

Referred to: Finance.

January 28, 1993

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF NINE HUNDRED EIGHTY-NINE
2 MILLION DOLLARS IN GENERAL OBLIGATION BONDS OF THE STATE,
3 SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO
4 PROVIDE FUNDS FOR (1) CAPITAL IMPROVEMENTS FOR THE
5 UNIVERSITY OF NORTH CAROLINA, (2) CAPITAL IMPROVEMENTS FOR
6 COMMUNITY COLLEGES, (3) PUBLIC SCHOOL FACILITIES FOR
7 COUNTIES, (4) GRANTS, LOANS, AND REVOLVING LOANS TO LOCAL
8 GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER
9 COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND
10 WATER CONSERVATION PROJECTS, AND (5) GRANTS AND LOANS TO
11 LOCAL GOVERNMENT UNITS FOR SOLID WASTE MANAGEMENT.
12

13 The General Assembly of North Carolina enacts:

14 Section 1. Short title. This act shall be known and may be cited as the
15 "Education and Environmental Infrastructure Bond Act of 1993".

16 Sec. 2. Purpose. It is the intent of the General Assembly by this act to
17 provide for the issuance of nine hundred eighty-nine million dollars (\$989,000,000) in
18 general obligation bonds of the State, and to provide that the proceeds realized from the
19 sale of the bonds shall be allocated as follows:

- 20 (1) Two hundred ninety-eight million dollars (\$298,000,000) to facilitate
21 the providing of capital improvements for certain of the constituent or
22 affiliated institutions of The University of North Carolina.

- 1 (2) One hundred ninety-one million dollars (\$191,000,000) to provide
2 grants to individual community colleges to assist in the financing of
3 the costs of community college capital improvements.
- 4 (3) Two hundred fifty million dollars (\$250,000,000) to provide grants
5 and loans to counties for public school buildings. The loans shall be
6 repayable by local governments from local funds available for that
7 purpose.
- 8 (4) Twenty-five million dollars (\$25,000,000) to provide State matching
9 funds required to receive federal wastewater assistance funds and to
10 provide additional funding for the Clean Water Revolving Loan and
11 Grant Fund established in Chapter 159G of the General Statutes and
12 one hundred twenty-five million dollars (\$125,000,000) to provide
13 loans to local government units to assist in the financing of the cost of
14 improvements, enlargements, extensions, and reconstruction of water
15 supply systems, wastewater collection systems, wastewater treatment
16 works, and water conservation projects and the construction of new
17 such systems and works.

18 The funds to be derived from the sale of the bonds authorized by
19 this act for water and wastewater needs are sufficient to meet no more
20 than a fraction of the needs which now exist and will arise in the
21 immediate future. For this reason, although public necessity and the
22 criteria established by Chapter 159G of the General Statutes shall be
23 the primary consideration in granting and loaning funds, great
24 emphasis shall also be placed on the creation of efficient systems of
25 regional wastewater disposal and regional water supply, and on the
26 willingness and ability of local government units to meet their
27 responsibilities through sound fiscal policies and plans and efficient
28 operation and management.

- 29 (5) Twenty-five million dollars (\$25,000,000) to provide grants to groups
30 of two or more local government units in different counties to assist in
31 the financing of the cost of solid waste regional facilities and seventy-
32 five million dollars (\$75,000,000) to provide loans to local government
33 units to assist in the financing of the cost of solid waste infrastructure
34 needs.

35 The funds to be derived from the sale of the bonds authorized by
36 this act for solid waste infrastructure needs are sufficient to meet no
37 more than a fraction of the needs which now exist and will arise in the
38 immediate future. For this reason, although public necessity and the
39 criteria established by Chapter 159I of the General Statutes shall be the
40 primary consideration in granting and loaning funds, great emphasis
41 shall also be placed on the creation of regional solid waste facilities,
42 and on the willingness and ability of local government units to meet
43 their responsibilities through sound fiscal policies and plans and
44 efficient operation and management.

1 Sec. 3. Definitions. As used in this act, unless the context otherwise
2 requires:

- 3 (1) "Bonds" means bonds issued under this act.
4 (2) "Clean Water Revolving Loan and Grant Act" means Chapter 796 of
5 the 1987 Session Laws, as the same may be amended from time to
6 time, codified as Chapter 159G of the General Statutes.
7 (3) "Clean Water Revolving Loan and Grant Fund" means the Clean
8 Water Revolving Loan and Grant Fund as defined in the Clean Water
9 Revolving Loan and Grant Act.

- 10 (4) "Cost" means, without intending thereby to limit or restrict any proper
11 definition of this term in financing the cost of facilities or purposes
12 authorized by this act:

- 13 a. The cost of constructing, reconstructing, enlarging, acquiring,
14 and improving facilities, and acquiring equipment and land
15 therefor,
16 b. The cost of engineering, architectural, and other consulting
17 services as may be required,
18 c. Administrative expenses and charges,
19 d. The cost of bond insurance, investment contracts, credit
20 enhancement and liquidity facilities, interest-rate swap
21 agreements, financial and legal consultants, and related costs of
22 bond and note issuance, to the extent and as determined by the
23 State Treasurer, and
24 e. Any other costs and expenses necessary or incidental to the
25 purposes of this act.

26 Allocations in this act of proceeds of bonds to the costs of a project or
27 undertaking in each case may include allocations to pay the costs set
28 forth in items c., d., and e. in connection with the issuance of bonds for
29 the project or undertaking.

- 30 (5) "Credit facility" means an agreement entered into by the State
31 Treasurer on behalf of the State with a bank, savings and loan
32 association, or other banking institution, an insurance company,
33 reinsurance company, surety company, or other insurance institution, a
34 corporation, investment banking firm, or other investment institution,
35 or any financial institution or other similar provider of a credit facility,
36 which provider may be located within or without the United States of
37 America, such agreement providing for prompt payment of all or any
38 part of the principal or purchase price (whether at maturity,
39 presentment or tender for purchase, redemption or acceleration),
40 redemption premium, if any, and interest on any bonds or notes
41 payable on demand or tender by the owner, in consideration of the
42 State agreeing to repay the provider of the credit facility in accordance
43 with the terms and provisions of such agreement.

- 1 (6) "Local government units" means local government units as defined in
2 the Clean Water Revolving Loan and Grant Act.
- 3 (7) "Notes" means notes issued under this act.
- 4 (8) "Par formula" means any provision or formula adopted by the State to
5 provide for the adjustment, from time to time, of the interest rate or
6 rates borne by any bonds or notes, including:
- 7 a. A provision providing for such adjustment so that the purchase
8 price of such bonds or notes in the open market would be as
9 close to par as possible,
- 10 b. A provision providing for such adjustment based upon a
11 percentage or percentages of a prime rate or base rate, which
12 percentage or percentages may vary or be applied for different
13 periods of time, or
- 14 c. Such other provision as the State Treasurer may determine to be
15 consistent with this act and will not materially and adversely
16 affect the financial position of the State and the marketing of
17 bonds or notes at a reasonable interest cost to the State.
- 18 (9) "State" means the State of North Carolina.
- 19 (10) "Wastewater collection systems" means wastewater collection
20 systems as defined in the Clean Water Revolving Loan and Grant Act.
- 21 (11) "Wastewater treatment works" means wastewater treatment works as
22 defined in the Clean Water Revolving Loan and Grant Act.
- 23 (12) "Water Pollution Control Revolving Fund" means the fund described
24 by G.S. 159G-4(a) and G.S. 159G-5(c).
- 25 (13) "Water supply systems" means water supply systems as defined in the
26 Clean Water Revolving Loan and Grant Act.

27 Sec. 4. Authorization of bonds and notes. (a) University Improvement Bonds.
28 Subject to a favorable vote of a majority of the qualified voters of the State who vote on
29 the question of issuing University Improvement Bonds in the election held as provided
30 in this act, the State Treasurer is authorized, by and with the consent of the Council of
31 State, to issue and sell, at one time or from time to time, general obligation bonds of the
32 State to be designated "State of North Carolina University Improvement Bonds", with
33 any additional designations as may be determined to indicate the issuance of bonds from
34 time to time, or notes of the State as provided in this act, in the aggregate principal
35 amount not exceeding two hundred ninety-eight million dollars (\$298,000,000) for the
36 purposes authorized in this act.

37 (b) Community College Bonds. Subject to a favorable vote of a majority of the
38 qualified voters of the State who vote on the question of issuing Community College
39 Bonds in the election held as provided in this act, the State Treasurer is authorized, by
40 and with the consent of the Council of State, to issue and sell, at one time or from time
41 to time, general obligation bonds of the State to be designated "State of North Carolina
42 Community College Bonds", with any additional designations as may be determined to
43 indicate the issuance of bonds from time to time, or notes of the State as provided in this

1 act, in the aggregate principal amount not exceeding one hundred ninety-one million
2 dollars (\$191,000,000) for the purposes authorized in this act.

3 (c) Public School Buildings Bonds. Subject to a favorable vote of a majority
4 of the qualified voters of the State who vote on the question of issuing Public School
5 Buildings Bonds in the election held as provided in this act, the State Treasurer is
6 authorized, by and with the consent of the Council of State, to issue and sell, at one time
7 or from time to time, general obligation bonds of the State to be designated "State of
8 North Carolina Public School Buildings Bonds", with any additional designations as
9 may be determined to indicate the issuance of bonds from time to time, or notes of the
10 State as provided in this act, in the aggregate principal amount not exceeding two
11 hundred fifty million dollars (\$250,000,000) for the purposes authorized in this act.

12 (d) Clean Water Bonds. Subject to a favorable vote of a majority of the
13 qualified voters of the State who vote on the question of issuing Clean Water Bonds in
14 the election called and held as provided in this act, the State Treasurer is hereby
15 authorized, by and with the consent of the Council of State, to issue and sell, at one time
16 or from time to time, general obligation bonds of the State to be designated "State of
17 North Carolina Clean Water Bonds", with any additional designations as may be
18 determined to indicate the issuance of bonds from time to time, or notes of the State as
19 provided in this act, in an aggregate principal amount not exceeding one hundred fifty
20 million dollars (\$150,000,000) for the purpose of providing funds, with any other
21 available funds, for the purposes authorized in this act.

22 (e) Solid Waste Infrastructure Bonds. Subject to a favorable vote of a
23 majority of the qualified voters of the State who vote on the question of issuing Solid
24 Waste Infrastructure Bonds in the election called and held as provided in this act, the
25 State Treasurer is hereby authorized, by and with the consent of the Council of State, to
26 issue and sell, at one time or from time to time, general obligation bonds of the State to
27 be designated "State of North Carolina Solid Waste Infrastructure Bonds", with any
28 additional designations as may be determined to indicate the issuance of bonds from
29 time to time, or notes of the State as provided in this act, in the aggregate principal
30 amount not exceeding one hundred million dollars (\$100,000,000) for the purposes
31 authorized in this act.

32 Sec. 5. Uses of bond and note proceeds. (a) University Improvement Bonds.
33 The proceeds of University Improvement Bonds and notes shall be used for the purpose
34 of paying (i) the cost of improvements to the facilities of the constituent or affiliated
35 institutions of The University of North Carolina, under the supervision of the Board of
36 Governors of The University of North Carolina, including, without limitation,
37 construction and renovation of classroom buildings, laboratory buildings, research
38 facilities, libraries, physical education facilities, continuing education centers, student
39 cafeteria and activity facilities, including sports facilities, administrative office
40 buildings, and land acquisition and (ii) the cost of improvements to the North Carolina
41 Center for Public Television under the Board of Governors of The University of North
42 Carolina. The buildings constructed using the proceeds of the bonds shall comply with
43 the energy design guidelines developed by the Energy Division of the Department of
44 Commerce.

1 Any additional moneys that 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 university improvements authorized by
4 this act may be placed by the State Treasurer in the University Improvement Bonds
5 Fund or in a separate account or fund and shall be disbursed, to the extent permitted by
6 the terms of the grant or grants, without regard to any limitations imposed by this act.

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

19 The Board of Governors of The University of North Carolina shall provide
20 quarterly reports to the Joint Legislative Commission on Governmental Operations, the
21 chairs of the Senate and House of Representatives Appropriations Committees, and the
22 Fiscal Research Division on the expenditure of moneys from the University
23 Improvement Bonds Fund.

24 (b) Community College Bonds. The proceeds of Community College Bonds and
25 notes shall be used for the purpose of making grants to community or technical colleges,
26 as defined in Chapter 115D of the General Statutes, the proceeds of the grants to be
27 allocated and expended for paying the cost of Community College capital
28 improvements, including, without limitation, construction and renovation of classroom
29 buildings, laboratory buildings, research facilities, libraries, physical education
30 facilities, continuing education centers, student cafeteria and activity facilities including
31 sports facilities, administrative office buildings, and land acquisition. The buildings
32 constructed using the proceeds of the bonds shall comply with the energy design
33 guidelines developed by the Energy Division of the Department of Commerce.

34 Any additional moneys which may be received by means of a grant or grants
35 from the United States of America or any agency or department thereof or from any
36 other source to aid in financing the cost of any Community College grants authorized by
37 this act may be placed by the State Treasurer in the Community College Bonds Fund or
38 in a separate account or fund and shall be disbursed, to the extent permitted by the terms
39 of the grant or grants, without regard to any limitations imposed by this act.

40 The proceeds of Community College Bonds and notes may be used with any
41 other moneys made available by the General Assembly for the making of Community
42 College grants, including the proceeds of any other State bond issues, whether
43 heretofore made available or which may be made available at the session of the General
44 Assembly at which this act is ratified or any subsequent sessions. The proceeds of

1 Community College Bonds and notes shall be expended and disbursed under the
 2 direction and supervision of the Director of the Budget. The funds provided by this act
 3 for Community College improvements shall be disbursed for the purposes provided in
 4 this act upon warrants drawn on the State Treasurer by the State Controller, which
 5 warrants shall not be drawn until requisition has been approved by the Director of the
 6 Budget and which requisition shall be approved only after full compliance with the
 7 Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

8 The State Board of Community Colleges shall provide quarterly reports to the
 9 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and
 10 House of Representatives Appropriations Committees, and the Fiscal Research Division
 11 on the expenditure of moneys from the Community College Bonds Fund.

12 (c) Public School Buildings Bonds. The proceeds of Public School Buildings
 13 Bonds and notes shall be used as provided in this act for paying the cost of
 14 improvements to existing public school facilities, the construction of new facilities,
 15 including the planning, construction, reconstruction, enlargement, improvement, repair,
 16 or renovation of public school buildings, the purchase of land necessary for immediate
 17 construction of school buildings and other related capital outlay projects constituting
 18 facilities for individual schools that are used for instructional and related purposes, but
 19 not including centralized administration, maintenance, or other facilities not directly
 20 related to instruction. The buildings constructed using the proceeds of the bonds shall
 21 comply with the energy design guidelines developed by the Energy Division of the
 22 Department of Commerce.

23 The bond proceeds in the Public School Buildings Bonds Fund shall be
 24 allocated to the counties on a per average daily membership basis according to the
 25 average daily membership for the fiscal year ending June 30, 1992, as determined and
 26 certified by the State Board of Education. Each county's allocated bond proceeds will
 27 be distributed as a combination of a loan and a grant. The ratio of grant to loan will be
 28 determined by a county's ability to pay according to the following chart:

<u>Ability to Pay</u>	<u>Grant : Loan Ratio</u>
Higher	1:2
Average	1:1
Lower	2:1

29
30
31
32
33 The Superintendent of Public Instruction shall rank the counties in order of their ability
 34 to pay as determined by Section 201.2 of Chapter 689 of the 1991 Session Laws, as
 35 amended by Section 47.3 of Chapter 761 of the 1991 Session Laws and by Section 67 of
 36 Chapter 900 of the 1991 Session Laws. The Superintendent shall assign the counties, in
 37 ranking order, to the three categories. The categories, when taken as a whole, must
 38 result in approximately three-fifths, but no less than three-fifths, of the bond proceeds
 39 being distributed in the form of a loan.

40 The Superintendent shall administer the making of these loans. The form of
 41 the loans and the details thereof including, without limitation, the maturity, interest rate,
 42 and amortization schedule, shall be determined, from time to time, by the State
 43 Treasurer.

1 Repayments of the loans shall be credited to the General Fund and may be
2 used to pay, directly or indirectly, debt service on the bonds and notes issued.
3 Repayments shall be initially placed into any fund or account as may be determined by
4 the State Treasurer for the purpose of determining compliance with applicable
5 requirements of the federal tax law and shall be expended and disbursed therefrom
6 under the direction and supervision of the Director of the Budget.

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 public school buildings may be placed by the
10 State Treasurer in the Public School Buildings Bonds Fund or in a separate account or
11 fund and shall be disbursed, to the extent permitted by the terms of the grant or grants,
12 without regard to any limitations imposed by this act.

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

25 The Office of State Budget and Management and the Department of Public
26 Education shall provide quarterly reports to the Joint Legislative Commission on
27 Governmental Operations, the chairs of the Senate and House of Representatives
28 Appropriations Committees, and the Fiscal Research Division on the expenditure of
29 moneys from the Public School Buildings Bonds Fund.

30 (d) Clean Water Bonds. The proceeds of Clean Water Bonds and notes shall
31 be used for the purpose of making loans and grants to local governments as follows:

- 32 (1) The proceeds of twenty-five million dollars (\$25,000,000) of Clean
33 Water Bonds shall be used and allocated for the same purposes for
34 which funds in the Clean Water Revolving Loan and Grant Fund may
35 be used including, without limitation, to provide funds to be used to
36 make revolving loans and grants to local government units. The
37 revolving loans and grants shall be made for the purpose of paying the
38 cost of water supply systems, wastewater collection systems, and
39 wastewater treatment works. The first priority for use of proceeds
40 shall be to provide the State funds necessary to match the full amount
41 of federal wastewater assistance funds deposited into the Water
42 Pollution Control Revolving Fund that are available to the State from
43 year to year, unless the General Assembly has provided other funds for
44 that purpose, in which event this priority shall cease to exist to the

1 extent of the availability of those other funds. The proceeds may be (i)
2 transferred directly to the Clean Water Revolving Loan and Grant
3 Fund to make revolving loans or grants, (ii) used to make revolving
4 loans or grants directly to the appropriate local government qualifying
5 for a revolving loan or grant from the Clean Water Revolving Loan
6 and Grant Fund, (iii) used for any combination of (i) and (ii), or (iv)
7 used in such other manner as shall effectuate the purposes of this act.
8 Although public necessity and the criteria established by Chapter 159G
9 of the General Statutes shall be the primary consideration in granting
10 and loaning funds, great emphasis shall be placed on the creation of
11 efficient systems of regional wastewater disposal and regional water
12 supply, and on the willingness and ability of local government units to
13 meet their responsibilities through sound fiscal policies and plans and
14 efficient operation and management.

- 15 (2) The proceeds of one hundred twenty-five million dollars
16 (\$125,000,000) of clean water bonds shall be used and allocated for
17 loans to local government units for the same purposes for which funds
18 in the Clean Water Revolving Loan and Grant Fund may be used and
19 for water conservation projects. The loans shall be made for the
20 purpose of paying the cost of water supply systems, wastewater
21 collection systems, and wastewater treatment works and for the
22 purpose of paying the cost of water conservation projects. The
23 proceeds of bonds and notes shall be allocated between wastewater
24 and water supply purposes in the same percentages as established in
25 G.S. 159G-4, except that no allocation shall be made as a State match
26 of any federal funds deposited into the Water Pollution Control
27 Revolving Fund.

28 The proceeds may be used to make loans directly to local
29 government units qualifying for a loan from the Clean Water
30 Revolving Loan and Grant Fund or used in such other manner as shall
31 effectuate the purposes of this act. To qualify for a loan from the
32 Clean Water Bonds Fund for the purpose of paying the cost of water
33 supply systems or water conservation projects, a local government
34 must have a water supply facility plan approved by the Department of
35 Environment, Health, and Natural Resources. A water supply plan
36 submitted by a local government to the Department under G.S. 143-
37 355(l) will be sufficient to meet this requirement. To qualify for a loan
38 from the Clean Water Bonds Fund for the purpose of paying the cost
39 of wastewater collection systems or wastewater treatment works, a
40 local government must have a wastewater facility plan approved by the
41 Department of Environment, Health, and Natural Resources. A
42 wastewater facility plan must project future wastewater treatment
43 needs, must present a long range plan to meet those needs, and must

1 include plans for system operations and maintenance of the facilities
2 being built with the bond proceeds.

3 The Department of Environment, Health, and Natural Resources
4 shall administer the making of these loans. The form of the loans and
5 the details thereof including, without limitation, the maturity, interest
6 rate, and amortization schedule, shall be determined, from time to
7 time, by the State Treasurer.

8 Repayments of the loans may be used to pay, directly or indirectly,
9 debt service on the bonds and notes issued. Repayments shall be
10 initially placed into such fund or account as may be determined by the
11 State Treasurer for the purpose of determining compliance with
12 applicable requirements of the federal tax law and shall be expended
13 and disbursed therefrom under the direction and supervision of the
14 Director of the Budget.

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

21 The proceeds of bonds and notes may be used with any other moneys made
22 available by the General Assembly for making grants and loans authorized by this act,
23 including the proceeds of any other State bond issues, whether heretofore made
24 available or which may be made available at the session of the General Assembly at
25 which this act is ratified or any subsequent sessions. The proceeds of bonds and notes
26 shall be expended and disbursed under the direction and supervision of the Director of
27 the Budget. The funds provided by this act shall be disbursed for the purposes provided
28 in this act upon warrants drawn on the State Treasurer by the State Controller, which
29 warrants shall not be drawn until requisition has been approved by the Director of the
30 Budget and which requisition shall be approved only after full compliance with the
31 Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

32 (e) Solid Waste Infrastructure Bonds. The proceeds of Solid Waste
33 Infrastructure Bonds and notes shall be used for the purpose of making loans and grants
34 to local government units as follows:

- 35 (1) The proceeds of twenty-five million dollars (\$25,000,000) of the bonds
36 and notes shall be used and allocated for grants to groups of two or
37 more local government units in different counties for the purpose of
38 developing a regional solid waste management facility or plan. The
39 bond proceeds will be distributed on an equal matching-fund basis.
40 The North Carolina Solid Waste Management Capital Projects
41 Financing Agency shall administer the grant program. The grants shall
42 be made based on public necessity, the criteria established by Chapter
43 159I of the General Statutes, and the willingness and ability of local

1 government units to meet their responsibilities through sound fiscal
2 policies and plans and efficient operation and management.

3 (2) The proceeds of seventy-five million dollars (\$75,000,000) of the
4 bonds and notes shall be used and allocated for loans to local
5 government units for the same purposes for which funds in the Solid
6 Waste Management Loan Fund created in Chapter 159I of the General
7 Statutes may be used. The purposes for which moneys in the Solid
8 Waste Management Loan Fund created in Chapter 159I of the General
9 Statutes may be used are to assist local governments in meeting:

- 10 a. The increased costs of constructing new landfills that meet
11 current standards for the protection of the environment.
12 b. The cost of constructing a local or regional incinerator that
13 would serve to reduce the volume of waste to be landfilled.
14 c. The costs of implementing alternative programs to reduce the
15 amount of waste generated, to decrease the volume of waste
16 that is generated, or to recover or to recycle that part of the
17 waste stream that can be recovered or used for another purpose
18 of paying the cost of solid waste management facilities.

19 The proceeds may be used to make loans directly to local government
20 units qualifying for a loan from the Solid Waste Management Loan
21 Fund or used in such other manner as shall effectuate the purposes of
22 this act. The Department of Environment, Health, and Natural
23 Resources shall administer the making of these loans. The form of the
24 loans and the details thereof including, without limitation, the
25 maturity, interest rate, and amortization schedule, shall be determined,
26 from time to time, by the State Treasurer. Repayments of the loans
27 may be used to pay, directly or indirectly, debt service on the bonds
28 and notes issued. Repayments shall be initially placed into such fund
29 or account as may be determined by the State Treasurer for the
30 purpose of determining compliance with applicable requirements of
31 the federal tax law and shall be expended and disbursed therefrom
32 under the direction and supervision of the Director of the Budget.

33 Any additional moneys which may be received by means of a grant or grants
34 from the United States of America or any agency or department thereof or from any
35 other source for deposit to the State Solid Waste Infrastructure Bond Fund may be
36 placed in the State Solid Waste Infrastructure Bond Fund or in a separate account or
37 fund and shall be disbursed, to the extent permitted by the terms of the grant or grants,
38 without regard to any limitations imposed by this act.

39 The proceeds of bonds and notes may be used with any other moneys made
40 available by the General Assembly for making loans authorized by this act, including
41 the proceeds of any other State bond issues, whether heretofore made available or which
42 may be made available at the session of the General Assembly at which this act is
43 ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended
44 and disbursed under the direction and supervision of the Director of the Budget. The

1 funds provided by this act shall be disbursed for the purposes provided in this act upon
 2 warrants drawn on the State Treasurer by the State Controller, which warrants shall not
 3 be drawn until requisition has been approved by the Director of the Budget and which
 4 requisition shall be approved only after full compliance with the Executive Budget Act,
 5 Article 1 of Chapter 143 of the General Statutes.

6 Sec. 6. Allocation of proceeds. (a) University Improvement Bonds. The
 7 proceeds of University Improvement Bonds and notes, including premium thereon, if
 8 any, except the proceeds of bonds the issuance of which has been anticipated by bond
 9 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the
 10 State Treasurer in a special fund to be designated "University Improvements Bonds
 11 Fund". Moneys in the University Improvements Bonds Fund shall be used for the
 12 purposes set forth in this act. The proceeds of University Improvements Bonds and
 13 notes shall be allocated and expended for paying the cost of university capital
 14 improvements, to the extent and as provided in this act and subject to change as
 15 provided in this act, as follows:

<u>Constituent Institution or Board of Governors</u>					<u>Allocation</u>
<u>Projected Capital Improvement</u>					
Appalachian State University					
Academic Support Services Building					\$
8,794,900					
Science/Mathematics	Complex,		Phase		I
15,000,000					
East Carolina University					
Addition	to	Joyner			Library
28,900,000					
Land 5,000,000					
Elizabeth City State University					
Fine Arts and	Mass	Communications			Building
6,432,600					
Fayetteville State University					
Fine	Arts				Building
9,479,600					
North Carolina A & T State University					
School of Technology		Classroom/Laboratory			Building
7,961,900					
Renovation	of	Bluford	Library		Building
5,051,400					
North Carolina Central University					

1 Conversion of Women's Gymnasium in Support of
 2 Academic Programs
 3 1,970,900
 4 Chidley Hall Complex
 5 9,018,300
 6
 7 North Carolina School of the Arts
 8 School of Filmmaking
 9 6,999,200
 10
 11 North Carolina State University at Raleigh
 12 Engineering Graduate Research Center
 13 34,918,200
 14 Agricultural Communications Building
 15 4,484,900
 16 Agricultural Programs - Laboratory Animal Facilities
 17 4,484,100
 18
 19 Pembroke State University
 20 New Administrative Office Building
 21 5,723,300
 22 Repairs and Renovations to Business Administration Building
 23 422,700
 24
 25 The University of North Carolina at Asheville
 26 Ramsey Library (Remodeling)
 27 3,974,400
 28 Physical Education Building (Health Promotion)
 29 5,475,600
 30 The North Carolina Arboretum
 31 2,500,000
 32
 33 The University of North Carolina at Chapel Hill
 34 New Building, School of Business Administration
 35 13,490,900
 36 Addition to Lineberger Cancer Research Center
 37 8,119,900
 38 Carolina Living and Learning Center for Autistic Adults, Phase II 1,190,400
 39 Addition to School of Dentistry
 40 8,887,100
 41 Area Health Education Centers - Construction Grants
 42 3,370,800
 43
 44 The University of North Carolina at Charlotte

1	Classroom	and	Academic	Support	Facility
2	22,610,400				
3					
4	The University of North Carolina at Greensboro				
5	New		Music		Building
6	23,357,000				
7					
8	The University of North Carolina at Wilmington				
9	Physical Sciences Building	and	Renovation	of	DeLoach Hall
10	18,522,900				
11	Construct West Wing of Bear Hall and				
12	Renovate	West	End	of	Bear Hall
13	992,050				
14					
15	Western Carolina University				
16	Completion	of	Belk Building	and	Asbestos Removal
17	3,280,200				
18	Renovate	Moore	Hall,	Phase	II
19	2,043,900				
20	Renovate	Camp		Lab	School
21	1,896,500				
22	Renovate		Reid		Gym
23	2,379,400				
24					
25	Winston-Salem State University				
26	Student	Services/Cafeteria/Student		Union	Complex
27	6,073,350				
28	Renovations	to		O'Kelly	Library
29	1,119,500				
30					
31	North Carolina School of Science and Mathematics				
32	Educational	Technologies	Center	and	Auditorium
33	8,073,700				
34					
35	UNC Center for Public Television				
36	Improvements to Facilities				
37	<u>6,000,000</u>				
38			TOTAL		
39			\$298,000,000		
40					

41 Projected allocations set forth above may be adjusted to reflect the
 42 availability of other funds.

43 The Director of the Budget is empowered, when the Director of the Budget
 44 determines it is in the best interest of the State and The University of North Carolina to

1 do so, and if the cost of a particular project is less than the projected allocation, to use
 2 the excess funds to increase the size of that project or increase the size of any other
 3 project itemized in this section, or to increase the amount allocated to a particular
 4 institution or the Board of Governors within the aggregate amount of funds available
 5 under this section. In addition, the particular capital improvements and the amount of
 6 the projected allocation therefor set forth above may be changed from time to time as
 7 the General Assembly may decide. The provisions of G.S. 116-9 with respect to
 8 appropriations to the Board of Governors of The University of North Carolina shall not
 9 apply to proceeds of University Improvements Bonds and notes issued pursuant to the
 10 provisions of this act.

11 Allocations to the costs of a capital improvement or undertaking in each case
 12 may include allocations to pay the costs set forth in Section 3(4)c., d., and e. of this act
 13 in connection with the issuance of bonds for that capital improvement or undertaking.

14 (b) Community College Bonds. The proceeds of Community College Bonds and
 15 notes, including premium thereon, if any, except the proceeds of bonds the issuance of
 16 which has been anticipated by bond anticipation notes or the proceeds of refunding
 17 bonds or notes, shall be placed by the State Treasurer in a special fund to be designated
 18 "Community College Bonds Fund" and shall be disbursed as provided in this act.
 19 Moneys in the Community College Bonds Fund shall be used for making grants to
 20 community or technical colleges, as set forth in this act, the proceeds of the grants to be
 21 allocated and expended for paying the cost of community college capital improvements,
 22 to the extent and as provided in this act and subject to change as provided in this act, as
 23 follows:

				PROJECTED
COLLEGE	CAPITAL IMPROVEMENT	ALLOCATION		
Alamance CC	Phase	11B-Science		Labs/Classrooms
	\$3,059,855			
Anson CC	Advanced	Technology		Center
	2,576,215			
Asheville- Buncombe TCC	Classroom/Lab/Office			Building
	4,936,663			
Beaufort County CC	Student	Services		Center
	2,900,000			
Bladen TC	Allied	Health	Care	Center
	1,015,472			
Blue Ridge CC	Allied	Health		Building
	4,842,079			
Brunswick CC	Allied		Health/Classroom	
	4,000,000			
Caldwell CC & TI	Classroom/Lab			Building
	5,825,538			
Cape Fear CC	Health	Sciences		Building
	6,729,422			

1	Carteret CC	Classroom/Student			Center
2		2,404,124			
3	Catawba Valley CC	Classroom/Lab			Building
4		4,218,275			
5	Central		Carolina		CC
6					
7	Classroom				Building
8					1
9	,894,438				
10	Central		Piedmont		CC
11					
12	Science		Labs		Expansion
13					3
14	,950,000				
15	Cleveland CC	Advanced	Technology		Building
16		2,213,022			
17	Coastal		Carolina		CC
18					
19	Public	Service	Technology		Bldg.
20					2
21	,945,108				
22	College of the				
23	Albemarle	Classroom/Administration Bldg.	3,215,924		
24	Craven CC	Academic	Studies/Basic	Skills	Bldg.
25		2,790,276			
26	Davidson County CC	Advanced	Technology		Building
27		3,684,988			
28	Durham TCC	Classroom/Office			Building
29		5,800,000			
30	Edgecombe CC	Class/Lab	Addition-Rocky		Mount
31		1,200,000			
32	Fayetteville TCC	Health	and	Science	Facility
33		7,200,000			
34	Forsyth TCC	Class/Lab/Admin.	-	East	Campus
35		7,900,000			
36	Gaston College	Work	Force	Preparedness	Center
37		4,858,423			
38	Guilford TCC	Applied	Technology		Building
39		7,740,000			
40	Halifax CC	Literacy	Ed/Science		Building
41		2,008,592			
42	Haywood CC	Classroom			Building
43		1,100,000			

1	Isothermal CC	Continuing	Education	Center
2		5,267,099		
3	James Sprunt CC	Library/Cont.	Ed/Business &	Industry
4		2,600,000		
5	Johnston CC	Allied	Health	Building
6		3,000,000		
7	Lenoir CC	Renovations/Additions		
8		2,652,697		
9	Martin CC	Equine		Arena
10		577,553		
11	Mayland CC	Shop/Student	Lecture	Hall
12		3,905,613		
13	McDowell TCC	Renov.	Bookstore/Amphitheatre/Mezzanine	
14		283,800		
15	Mitchell CC	Renovate	Main	Building
16		2,200,000		
17	Montgomery CC	LRC		Building
18		2,592,709		
19	Nash CC	LRC/Student		Center
20		4,225,209		
21	Pamlico CC	Multi-Purpose	Class/Office	Bldg.
22		1,177,503		
23	Piedmont CC	Adult	Learning Center/Caswell	Cty.
24		1,300,000		
25	Pitt CC	Student	Services	Building
26		4,288,875		
27	Randolph CC	Photography		Studio
28		985,072		
29	Richmond CC	Fine	Arts	Ctr/Auditorium
30		2,251,414		
31	Roanoke-Chowan CC	Classroom/Student	Support	Center
32		2,549,087		
33	Robeson CC	Emergency	Training	Grounds
34		855,387		
35	Rockingham CC	Multi-Purpose		Building
36		2,700,000		
37	Rowan-Cabarrus CC	Engineering		Building
38		3,684,011		
39	Sampson CC	Multi-Purpose		Building
40		2,500,000		
41	Sandhills CC	Cont.	Ed.	Center/Classrooms
42		5,100,000		
43	Southeastern CC	Nursing/Allied	Health	Building
44		1,309,400		

1	Southwestern CC	Classroom	Renov./Expanded	Parking
2		700,000		
3	Stanly CC	Learning	Resource	Center
4		2,341,210		
5	Surry CC	Health/Day	Care/Library	Building
6		4,054,417		
7	Tri-County CC	Student	Services	Ctr./Classroom
8		1,123,010		Bldg.
9	Vance-Granville CC	Allied	Health/Day	Care/Classroom
10		2,127,400		Bldg.
11	Wake TCC	Student	Education	Bldg.
12		10,619,952		
13	Wayne CC	Classroom/Laboratory		Building
14		3,900,000		
15	Western			
16	Piedmont CC	Class/Office	Bldg.	(Bus. Tech.)
17		3,420,168		
18	Wilkes CC	LRC-Student		Development
19		4,700,000		
20	Wilson TCC	Multi-Purpose		Building
21		<u>1,000,000</u>		
22		TOTAL		
23		\$191,000,000		

25 The particular capital improvements and the amount of the allocation for the
 26 improvements set out above may be changed from time to time as the General
 27 Assembly may decide. The matching requirements of G.S. 115D-31(a)(1) apply to the
 28 proceeds of Community College Bonds and notes used to make grants to technical or
 29 community colleges.

30 Allocations to the costs of a capital improvement or undertaking in each case
 31 may include allocations to pay the costs set forth in Section 3(4)c., d., and e. of this act
 32 in connection with the issuance of bonds for that capital improvement or undertaking.

33 (c) Public School Buildings Bonds. The proceeds of Public School Buildings
 34 Bonds and notes, including premium thereon, if any, except the proceeds of bonds the
 35 issuance of which has been anticipated by bond anticipation notes or the proceeds of
 36 refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be
 37 designated "Public School Buildings Bonds Fund" and shall be disbursed as provided in
 38 this act. Moneys in the Public School Buildings Bonds Fund shall be used for the
 39 purposes set forth in this act.

40 (d) Clean Water Bonds. The proceeds of Clean Water Bonds and notes,
 41 including premium thereon, if any, except the proceeds of bonds the issuance of which
 42 has been anticipated by bond anticipation notes or the proceeds of refunding bonds or
 43 notes, shall be placed by the State Treasurer in a special fund to be designated "Clean
 44 Water Bonds Fund", which may include such appropriate special accounts therein as

1 may be determined by the State Treasurer, and shall be disbursed as provided in this act.
2 Moneys in the Clean Water Bonds Fund shall be allocated and expended as provided in
3 this act.

4 (e) Solid Waste Infrastructure Bonds. The proceeds of Solid Waste
5 Infrastructure Bonds and notes, including premium thereon, if any, except the proceeds
6 of bonds the issuance of which has been anticipated by bond anticipation notes or the
7 proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special
8 fund to be designated "Solid Waste Infrastructure Bonds Fund", which may include
9 such appropriate special accounts therein as may be determined by the State Treasurer,
10 and shall be disbursed as provided in this act. Moneys in the Solid Waste Infrastructure
11 Bonds Fund shall be used for the purposes set forth in this act.

12 Sec. 7. Election. The questions of the issuance of the nine hundred eighty-
13 nine million dollars (\$989,000,000) North Carolina Education and Environmental
14 Infrastructure Bonds authorized by this act shall be submitted to the qualified voters of
15 the State at an election to be held on the first Tuesday after the first Monday of
16 November 1993. Any other primary, election, or referendum validly called or
17 scheduled by law at the time the election on the bond questions provided for in this
18 section is held may be held as called or scheduled. Notice of the election on the bond
19 questions shall be given by publication twice in a newspaper or newspapers having
20 general circulation in each county in the State, and the election and the registration of
21 voters therefor shall be held under and in accordance with the general laws of the State.
22 Absentee ballots shall be authorized in the election.

23 The State Board of Elections shall reimburse the counties of the State for all
24 necessary expenses incurred in holding the election which are in addition to those which
25 would have otherwise been incurred, the same to be paid out of the Contingency and
26 Emergency Fund or other funds available to the State Board of Elections.

27 Voting machines, ballots, or both may be used in accordance with rules
28 prescribed by the State Board of Elections. The bond questions to be used in the voting
29 machines and ballots shall be in substantially the following forms:

30 "[] FOR the issuance of two hundred ninety-eight million dollars
31 (\$298,000,000) State of North Carolina University Improvement
32 Bonds secured by a pledge of the faith and credit and taxing power of
33 the State for paying, with any other available funds, the cost of capital
34 improvements at the constituent or affiliated institutions and the Center
35 for Public Television of The University of North Carolina.

36 [] AGAINST the issuance of two hundred ninety-eight million dollars
37 (\$298,000,000) State of North Carolina University Improvement
38 Bonds secured by a pledge of the faith and credit and taxing power of
39 the State for paying, with any other available funds, the cost of capital
40 improvements at the constituent or affiliated institutions and the Center
41 for Public Television of The University of North Carolina.

42 [] FOR the issuance of one hundred ninety-one million dollars
43 (\$191,000,000) State of North Carolina Community College Bonds
44 secured by a pledge of the faith and credit and taxing power of the

- 1 State for making grants to community and technical colleges to pay,
2 together with other available funds, the cost of capital improvements.
- 3 [] AGAINST the issuance of one hundred ninety-one million dollars
4 (\$191,000,000) State of North Carolina Community College Bonds
5 secured by a pledge of the faith and credit and taxing power of the
6 State for making grants to community and technical colleges to pay,
7 together with other available funds, the cost of capital improvements.
- 8 [] FOR the issuance of two hundred fifty million dollars (\$250,000,000)
9 State of North Carolina Public School Buildings 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, to make grants and loans to
13 assist local government units in paying the cost of providing public
14 school buildings.
- 15 [] AGAINST the issuance of two hundred fifty million dollars
16 (\$250,000,000) State of North Carolina Public School Buildings
17 Bonds constituting general obligation bonds of the State secured by a
18 pledge of the faith and credit and taxing power of the State for the
19 purpose of providing funds, with any other available funds, to make
20 grants and loans to assist local government units in paying the cost of
21 providing public school buildings.
- 22 [] FOR the issuance of one hundred fifty million dollars (\$150,000,000)
23 State of North Carolina Clean Water Bonds constituting general
24 obligation bonds of the State secured by a pledge of the faith and credit
25 and taxing power of the State for the purpose of providing funds, with
26 any other available funds, to make loans, revolving loans, and grants to
27 assist local government units in paying the cost of clean water projects.
- 28 [] AGAINST the issuance of one hundred fifty million dollars
29 (\$150,000,000) State of North Carolina Clean Water Bonds
30 constituting general obligation bonds of the State secured by a pledge
31 of the faith and credit and taxing power of the State for the purpose of
32 providing funds, with any other available funds, to make loans,
33 revolving loans, and grants to assist local government units in paying
34 the cost of clean water projects.
- 35 [] FOR the issuance of one hundred million dollars (\$100,000,000) State
36 of North Carolina Solid Waste Infrastructure Bonds secured by a
37 pledge of the faith and credit and taxing power of the State for
38 providing, with any other available funds, loans and grants to units of
39 local government to finance the capital costs of solid waste
40 management programs.
- 41 [] AGAINST the issuance of one hundred million dollars (\$100,000,000)
42 State of North Carolina Solid Waste Infrastructure Bonds secured by a
43 pledge of the faith and credit and taxing power of the State for
44 providing, with any other available funds, loans and grants to units of

1 local government to finance the capital costs of solid waste
2 management programs."

3 If a majority of those voting on a bond question in the election vote in favor
4 of the issuance of the bonds described in the question, those bonds may be issued as
5 provided in this act. If a majority of those voting on a bond question in the election vote
6 against the issuance of the bonds described in the question, those bonds shall not be
7 issued.

8 The results of the election shall be canvassed and declared as provided by law
9 for elections for State officers; the results of the election shall be certified by the State
10 Board of Elections to the Secretary of State, in the manner and at the time provided by
11 the general election laws of the State.

12 Sec. 8. Issuance of bonds and notes. (a) Terms and conditions. Bonds or notes
13 may bear such date or dates, may be serial or term bonds or notes, or any combination
14 thereof, may mature in such amounts and at such time or times, not exceeding 40 years
15 from their date or dates, may be payable at such place or places, either within or without
16 the United States of America, in such coin or currency of the United States of America
17 as at the time of payment is legal tender for payment of public and private debts, may
18 bear interest at such rate or rates, which may vary from time to time, and may be made
19 redeemable before maturity, at the option of the State or otherwise as may be provided
20 by the State, at such price or prices, including a price less than the face amount of the
21 bonds or notes, and under such terms and conditions, all as may be determined by the
22 State Treasurer, by and with the consent of the Council of State.

23 (b) Signatures; form and denomination; registration. Bonds or notes may be
24 issued as certificated or uncertificated obligations. If issued as certificated obligations,
25 bonds or notes shall be signed on behalf of the State by the Governor or shall bear his
26 facsimile signature, shall be signed by the State Treasurer or shall bear his facsimile
27 signature, and shall bear the Great Seal of the State or a facsimile thereof shall be
28 impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the
29 Governor and the State Treasurer, the bonds or notes shall also bear a manual signature
30 which may be that of a bond registrar, trustee, paying agent, or designated assistant of
31 the State Treasurer. Should any officer whose signature or facsimile signature appears
32 on bonds or notes cease to be such officer before the delivery of the bonds or notes, the
33 signature or facsimile signature shall nevertheless have the same validity for all
34 purposes as if the officer had remained in office until delivery and bonds or notes may
35 bear the facsimile signatures of persons who at the actual time of the execution of the
36 bonds or notes shall be the proper officers to sign any bond or note although at the date
37 of the bond or note such persons may not have been such officers. The form and
38 denomination of bonds or notes, including the provisions with respect to registration of
39 the bonds or notes and any system for their registration, shall be as the State Treasurer
40 may determine in conformity with this act; provided, however, that nothing in this act
41 shall prohibit the State Treasurer from proceeding, with respect to the issuance and form
42 of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the
43 Registered Public Obligations Act, as well as under this act.

1 (c) Manner of sale; expenses. Subject to determination by the Council of State as
2 to the manner in which bonds or notes shall be offered for sale, whether at public or
3 private sale, whether within or without the United States of America and whether by
4 publishing notices in certain newspapers and financial journals, mailing notices, inviting
5 bids by correspondence, negotiating contracts of purchase or otherwise, the State
6 Treasurer is authorized to sell bonds or notes at one time or from time to time at such
7 rate or rates of interest, which may vary from time to time, and at such price or prices,
8 including a price less than the face amount of the bonds or the notes, as the State
9 Treasurer may determine. All expenses incurred in preparation, sale, and issuance of
10 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes
11 or other available moneys.

12 (d) Notes; repayment.

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

- 17 a. For anticipating the sale of bonds to the issuance of which the
18 Council of State shall have given consent, if the State Treasurer
19 shall deem it advisable to postpone the issuance of the bonds;
- 20 b. For the payment of interest on or any installment of principal of
21 any bonds then outstanding, if there shall not be sufficient funds
22 in the State treasury with which to pay the interest or
23 installment of principal as they respectively become due;
- 24 c. For the renewal of any loan evidenced by notes herein
25 authorized;
- 26 d. For the purposes authorized in this act; and
- 27 e. For refunding bonds or notes as herein authorized.

28 (2) Funds derived from the sale of bonds or notes may be used in the
29 payment of any bond anticipation notes issued under this act. Funds
30 provided by the General Assembly for the payment of interest on or
31 principal of bonds shall be used in paying the interest on or principal
32 of any notes and any renewals thereof, the proceeds of which shall
33 have been used in paying interest on or principal of the bonds.

34 (e) Refunding bonds and notes. By and with the consent of the Council of
35 State, the State Treasurer is authorized to issue and sell refunding bonds and notes
36 pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding
37 bonds or notes issued pursuant to this act. The refunding bonds and notes may be
38 combined with any other issues of State bonds and notes similarly secured.

39 (f) Tax exemption. Bonds and notes shall be exempt from all State, county,
40 and municipal taxation or assessment, direct or indirect, general or special, whether
41 imposed for the purpose of general revenue or otherwise, excluding inheritance and gift
42 taxes. The gain from the transfer of bonds and notes shall be exempt from State income
43 taxation to the same extent as gain from the transfer of federal obligations. The interest

1 on bonds and notes shall not be subject to taxation as to income, to the same extent as
2 the interest on federal obligations.

3 (g) Investment eligibility. Bonds and notes are hereby made securities in
4 which all public officers, agencies, and public bodies of the State and its political
5 subdivisions, all insurance companies, trust companies, investment companies, banks,
6 savings banks, savings and loan associations, credit unions, pension or retirement funds,
7 other financial institutions engaged in business in the State, executors, administrators,
8 trustees, and other fiduciaries may properly and legally invest funds, including capital in
9 their control or belonging to them. Bonds and notes are hereby made securities which
10 may properly and legally be deposited with and received by any officer or agency of the
11 State or political subdivision of the State for any purpose for which the deposit of
12 bonds, notes, or obligations of the State or any political subdivision is now or may
13 hereafter be authorized by law.

14 (h) Faith and credit. The faith and credit and taxing power of the State are
15 hereby pledged for the payment of the principal of and the interest on bonds and notes.

16 Sec. 9. Variable interest rates. In fixing the details of bonds and notes, the
17 State Treasurer may provide that any of the bonds or notes may:

- 18 (1) Be made payable from time to time on demand or tender for purchase
19 by the owner thereof provided a credit facility supports the bonds or
20 notes, unless the State Treasurer specifically determines that a credit
21 facility is not required upon a finding and determination by the State
22 Treasurer that the absence of a credit facility will not materially or
23 adversely affect the financial position of the State and the marketing of
24 the bonds or notes at a reasonable interest cost to the State;
- 25 (2) Be additionally supported by a credit facility;
- 26 (3) Be made subject to redemption or a mandatory tender for purchase
27 prior to maturity;
- 28 (4) Bear interest at a rate or rates that may vary for such period or periods
29 of time, all as may be provided in the proceedings providing for the
30 issuance of the bonds or notes, including, without limitation, such
31 variations as may be permitted pursuant to a par formula; and
- 32 (5) Be made the subject of a remarketing agreement whereby an attempt is
33 made to remarket bonds or notes to new purchasers prior to their
34 presentment for payment to the provider of the credit facility or to the
35 State.

36 If the aggregate principal amount repayable by the State under a credit facility
37 is in excess of the aggregate principal amount of bonds or notes secured by the credit
38 facility, whether as a result of the inclusion in the credit facility of a provision for the
39 payment of interest for a limited period of time or the payment of a redemption
40 premium or for any other reason, then the amount of authorized but unissued bonds or
41 notes during the term of such credit facility shall not be less than the amount of such
42 excess, unless the payment of such excess is otherwise provided for by agreement of the
43 State executed by the State Treasurer.

44 Sec. 10. Special Provisions Governing Loans.

1 (a) Definition. "Receiving agency" means the agency, charged with
2 responsibility by this act, to receive applications for loans in their respective categories
3 of projects.

4 (b) Loan Fund.

5 (1) There is established in the Department of State Treasurer a fund to be
6 known as the Public Facility and Infrastructure Loan Fund. The
7 various accounts of the Fund shall be administered as required and
8 provided for in this act. The funds in the various accounts may be
9 invested in the same manners permitted for investments of funds
10 belonging to the State or held in the State treasury. Interest earnings
11 derived from these investments shall be credited to the respective
12 accounts from which funds were used to make the loans.

13 (2) Distribution of funds. All appropriated or bond funds accruing to each
14 account of the Public Facility and Infrastructure Loan Fund, other than
15 funds set aside for administrative expenses, shall be used for loans for
16 the purposes provided in this act.

17 (3) The maximum principal amount of a loan may be one hundred percent
18 (100%) of the cost of any eligible project.

19 (4) The State Treasurer shall be responsible for investing and distributing
20 all funds appropriated or accruing to the Public Facility and
21 Infrastructure Loan Fund. The State Treasurer shall arrange for the
22 appropriated funds to be transferred from the appropriate accounts to a
23 local government unit to provide funds for one or more loan programs
24 or shall invest the funds as authorized by this act with the interest on
25 and the principal of the investments to be transferred to the local
26 government unit to provide funds for one or more loans.

27 (c) Application for Loans; Hearings.

28 (1) Eligibility/Initial Hearing.

29 a. Prior to filing an application for a loan, a unit of local
30 government shall hold a public hearing. A notice of the public
31 hearing shall be published once at least 10 days before the date
32 fixed for the hearing.

33 b. All applications for loans shall be filed with the designated
34 receiving agency. If the application is denied, the application
35 shall then be considered at the next available period. All
36 applications approved by the receiving agency shall be filed
37 with the Local Government Commission. Each applicant shall
38 furnish information in addition or supplemental to the
39 information contained in its application upon request.

40 c. Local Loans. No unit of local government shall be eligible for a
41 loan unless it demonstrates to the satisfaction of the receiving
42 agency that:

43 1. The applicant is a local government unit or a consortium
44 of local government units;

- 1 2. The applicant has the financial capacity to pay the
2 principal of and interest on its proposed obligations and
3 loans, as evidenced by the approval of the Local
4 Government Commission;
- 5 3. The applicant has substantially complied or will
6 substantially comply with all applicable laws, rules,
7 regulations, and ordinances, whether federal, State, or
8 local; and
- 9 4. The applicant has agreed by official resolution to adopt
10 and place into effect on or before completion a schedule
11 of fees and charges and other sources of revenue which
12 will provide adequate funds for proper operation,
13 maintenance, and administration of the project and
14 repayment of all principal and interest on loans.
- 15 (2) Assessment. Every applicant shall file with its application an
16 assessment of the impact the project for which the funds are sought
17 will have upon meeting the facility needs of the area within which the
18 project is to be located.
- 19 (3) Hearing by Receiving Agency. A public hearing may be held by the
20 receiving agency or the Local Government Commission at any time on
21 any application. Public hearings may also be held by the receiving
22 agency upon written request from any citizen or taxpayer who is a
23 resident of the county or counties in which the project is to be located
24 if it appears that the public interest will be served by the hearing. The
25 written request will set forth each objection to the proposed project or
26 other reason for requesting a hearing on the application and shall
27 contain the name and address of the persons submitting it. The
28 receiving agency may consider all written objections to the proposed
29 project and other statements along with the application including any
30 significant considerations on facility needs and shall determine if the
31 public interest will be served by a hearing. The determination by the
32 receiving agency will be conclusive that all written requests for a
33 hearing shall be retained as a permanent part of the records pertaining
34 to the application.
- 35 (4) To be eligible to receive the loans provided for in this act, local
36 government units shall arrange to borrow the amounts necessary
37 pursuant to rules adopted by the Local Government Commission.
- 38 (5) A petition, demanding that the question of whether to enter into a loan
39 agreement with the State under this act be submitted to voters, may be
40 filed with the clerk of the local government unit applying for the loan
41 within 15 days after the public hearing required by the local
42 government unit. The petition's sufficiency shall be determined and a
43 referendum, if any, shall be conducted, according to the standards,

1 procedures, and limitations set out in G.S. 159-60 through G.S. 159-
2 62.

3 (d) Priorities.

4 (1) Determination. Determination of priorities to be assigned each eligible
5 application shall be made semiannually by each receiving agency
6 during each fiscal year. Every eligible application shall be considered
7 by the receiving agency with every other application eligible during
8 this same priority period.

9 (2) Priority Factors. All applications for loans under this act shall be
10 assigned a priority by the receiving agency. The receiving agency
11 shall establish by rule the priority factors criteria.

12 (3) Assignment of Priority. A written statement relative to each priority
13 assigned shall be prepared by the receiving agency and shall be
14 attached to the receiving application. The priority assigned shall be
15 conclusive.

16 (4) Failure to Qualify. If an application does not qualify for a loan as of
17 the prior period in which the application was eligible for consideration
18 by reason of the priority assigned, the application shall be considered
19 during the next succeeding priority period upon request of the
20 applicant. If the application again fails to qualify for a loan during the
21 second priority period by reason of the priority assigned, the
22 application shall receive no further consideration. An applicant may
23 file a new application at any time and may amend any pending
24 application to include additional data or information.

25 (5) Withdrawal of Commitment. Failure of an applicant within one year
26 after the date of acceptance of the loan to arrange for necessary
27 financing of the proposed project or award of the contract of the
28 construction of the proposed project shall constitute sufficient cause
29 for withdrawal of the commitment. Prior to withdrawal of a
30 commitment, the receiving agency shall give due consideration to any
31 extenuating circumstances presented by the applicant as reasons for
32 failure to arrange necessary financing or to award a contract, and the
33 commitment may be extended for an additional period of time if, in the
34 judgment of the receiving agency, the extension is justified.

35 (e) Disbursement.

36 (1) No funds shall be disbursed until the receiving agency gives a
37 certificate of eligibility to the effect that the applicant meets all
38 eligibility criteria and that all procedural requirements of this act have
39 been met.

40 (2) In the event that the loan payments are to be made in installments, no
41 payments shall be disbursed until the receiving agency submits a
42 request for disbursement.

43 (f) Failure to Pay Loans. In the event repayment of a loan is not received or
44 is in apparent likelihood of not being received in a timely manner from a local

1 government unit, as determined conclusively by the State Treasurer, then,
2 notwithstanding any other provision of law, upon determination by the State Treasurer
3 of the default, any distributions which might otherwise be made to a unit of local
4 government from any funds of the State shall be withheld and used, as required, in
5 payment of the loan until notice from the State Treasurer that the local government unit
6 is no longer in default.

7 In the event repayment of a loan is not received or is in apparent likelihood of
8 not being received in a timely manner from the State agency which originally received
9 the loan, as determined conclusively by the State Treasurer, then, notwithstanding any
10 other provision of law, upon determination by the State Treasurer as to the default or
11 likely default, the State Treasurer shall notify the Director of the Budget to take
12 immediate steps to make available other funds and distributions that might otherwise be
13 made to the State agency that originally received the loan for repayment of the loan.
14 These funds may include appropriations and unrestricted revenues statutorily designated
15 for the agency.

16 (g) Intercept.

17 (1) Before the issuance of any bonds or the issuance of any other
18 obligations entered into by a local government, the governing board of
19 the local government must include within the resolution authorizing
20 the obligations, authorization and direction to the State Treasurer that
21 in the event the local government fails to pay when due any amount
22 owed pursuant to the bond or other obligation, the State Treasurer be
23 authorized to notify the Secretary of Revenue and the State Controller
24 to withhold from the unit of local government sufficient moneys to
25 repay the obligation from State revenues that local government may
26 thereafter receive from the State, and for which distribution is not
27 directed by the Constitution or by statute to be otherwise withheld or
28 used and which have not been specifically designated by the unit as a
29 source of payment of revenue bonds or special obligation bonds. The
30 resolution may also authorize the State Treasurer to notify the
31 Secretary of Revenue or the State Controller to apply the withheld
32 funds as necessary to make all payments due on the bonds or other
33 obligations until all delinquent payments have been paid. The unit of
34 local government shall provide the State Treasurer with (i) a copy of
35 the resolution, (ii) the payment schedule for the bonds or other
36 obligations, and (iii) the name and address of the custodian, trustee, or
37 paying agent for the bonds or obligations to whom any payment
38 should be made.

39 (2) Whenever the custodian, trustee, or paying agent for the bonds or
40 obligations subsequently notifies the State Treasurer in writing that the
41 unit of local government has failed to effect a payment when due, the
42 State Treasurer shall immediately notify the Secretary of Revenue and
43 the State Controller.

- 1 (3) When the Secretary of Revenue or the State Controller receives notice
2 from the State Treasurer and the Secretary of Revenue or the State
3 Controller verifies the information with the State Treasurer, the
4 Secretary of Revenue or the State Controller shall immediately
5 withhold all further payment to the unit which issued the bonds or
6 entered into the obligations of all State funds or any part thereof
7 allocated or attributed to the unit for distributions or payments to the
8 unit, except for funds required by the Constitution or by statute to be
9 otherwise withheld or used or which have been specifically designated
10 by the unit as a source of payment of revenue bonds or special
11 obligation bonds.
- 12 (4) From the funds so withheld, the Secretary of Revenue or the State
13 Controller, as appropriate, shall pay to the custodian, trustee, or paying
14 agent for the owners or to the owners of the bonds or obligations, as
15 directed by the State Treasurer, the amount required to pay the
16 principal of or interest on the bonds or obligations so as to avoid or
17 remedy a default with respect thereto by the unit issuing the bonds.
18 The Secretary of Revenue and the State Controller shall continue so to
19 withhold and pay the funds as necessary, in accordance with advice
20 from the State Treasurer, to avoid or remedy the default.
- 21 (5) The Secretary of Revenue and the State Controller shall report each
22 payment made pursuant to subdivision (4) of this subsection to the
23 board of the unit and to the State Treasurer and shall reduce, by the
24 amount of the payment, the subsequent distributions or payments to
25 which the unit would otherwise be entitled.
- 26 (6) Nothing in this subsection shall be construed to create any obligation
27 on the part of the Secretary of Revenue, the State Controller, or this
28 State to make any payment on behalf of a unit other than from funds
29 payable or distributable to the unit as provided in this Article.
- 30 (h) Inspection. Inspection of a project for which a loan has been made under
31 this act may be performed by qualified personnel of the receiving agency or may be
32 performed by qualified engineers registered in this State approved by the receiving
33 agency. No person shall be approved to perform inspections who is an officer
34 employed by the unit of government to which the loan was made or who is an owner,
35 officer, employer, or agent of a contractor or subcontractor engaged in the construction
36 of the project for which the loan was made. For the purpose of payment of inspection
37 fees, inspection services shall be included in the term "construction cost" as used in this
38 act.
- 39 (i) Rules. The Council of State, the State Treasurer, the Local Government
40 Commission, and receiving agencies may adopt, modify, and repeal rules necessary for
41 the administration of their respective duties under this act. Uniform rules may be jointly
42 adopted where feasible and desirable, and no rule, jointly adopted, may be modified or
43 revoked except upon concurrence of all agencies involved.

1 (j) Federal Grants and Loans. In order to carry out the purposes of this act to
2 secure the greatest possible benefits to the citizens of this State of the funds
3 appropriated, the departments and receiving agencies shall adopt rules and criteria, not
4 inconsistent with provisions of this act, as are necessary and appropriate to conform to
5 regulations for federal grants and loans for any of the purposes set forth in this act.

6 (k) Reports. The receiving agencies shall prepare and file each year on or
7 before July 31 with the Joint Legislative Commission on Governmental Operations a
8 consolidated report for the preceding fiscal year concerning the allocation of loans
9 authorized by this act. The report shall set forth for the preceding fiscal year itemized
10 and total allocations of loans authorized and unallocated funds on hand in each as of the
11 end of the preceding fiscal year; identification of each loan made by the receiving
12 agency during the preceding fiscal year; the total amount of the loans the sums actually
13 paid during the preceding fiscal year to each loan and to each loan previously
14 committed but unpaid; the total loans paid during the preceding fiscal year; and
15 summary for all preceding years and the total number of the loans made and the total
16 funds committed to the loans and the total sum actually paid to the loans and grants.

17 The report shall be signed by each of the chief executive officers of the State
18 agencies preparing the report.

19 (l) Local Government Commission.

20 (1) Local government units may execute debt instruments payable to the
21 State in order to obtain loans provided for in this act. Local
22 government units shall pledge as security for such obligations:

- 23 a. The revenues from benefited facilities or systems;
- 24 b. Nonlocally levied tax revenues that are not otherwise pledged
25 as security for other obligations of the local government unit or
26 otherwise restricted by law;
- 27 c. Their faith and credit; or
- 28 d. Any combination of a., b., and c. above. The faith and credit of
29 such local government units shall not be pledged or be deemed
30 to have been pledged unless the requirements of Article 4 of
31 Chapter 159 of the General Statutes have been met. The State
32 Treasurer, with the assistance of the Local Government
33 Commission, shall develop and adopt appropriate debt
34 instruments for use under this act. The Local Government
35 Commission shall develop and adopt appropriate procedures for
36 the delivery of debt instruments to the State without any public
37 bidding therefor.

38 (2) The Local Government Commission shall review and approve
39 proposed loans to units of local government under this act under the
40 provisions of Articles 4 and 5 of Chapter 159 of the General Statutes.
41 Loans under this act shall be outstanding debts for the purposes of
42 Article 10 of Chapter 159 of the General Statutes.

1 (3) The State Treasurer shall annually certify to the General Assembly the
2 financial condition of the loan program and identify existing
3 delinquencies.

4 Sec. 11. Interpretation of act. (a) Additional Method. The foregoing sections of
5 this act shall be deemed to provide an additional and alternative method for the doing of
6 the things authorized thereby and shall be regarded as supplemental and additional to
7 powers conferred by other laws, and shall not be regarded as in derogation of any
8 powers now existing.

9 (b) Statutory References. References in this act to specific sections or Chapters
10 of the General Statutes or to specific acts are intended to be references to these sections,
11 Chapters, or acts as they may be amended from time to time by the General Assembly.

12 (c) Liberal Construction. This act, being necessary for the health and welfare of
13 the people of the State, shall be liberally construed to effect the purposes thereof.

14 (d) Inconsistent Provisions. Insofar as the provisions of this act are inconsistent
15 with the provisions of any general laws, or parts thereof, the provisions of this act shall
16 be controlling.

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

21 Sec. 12. Effective date. This act is effective upon ratification.