GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 129

| Short Title: Local Self-Insurance Programs. (Public) Sponsors: Senator Ezzell. | |
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| | February 7, 1989 |
| | A BILL TO BE ENTITLED |
| AN ACT R | ELATING TO THE ESTABLISHMENT AND FINANCING OF SELF- |
| INSUR <i>A</i> | NCE PROGRAMS BY CITIES AND COUNTIES. |
| The Genera | Assembly of North Carolina enacts: |
| | ection 1. G.S. 159-48(b) is rewritten to read: |
| | ach county and city is authorized to borrow money and issue its bonds under |
| this Article | in evidence thereof for the purpose of paying any capital costs of any one or |
| more of the | · · · · · · · · · · · · · · · · · · · |
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| | landing fields, runways, clear zones, lighting, navigational and signal |
| | systems, hangars, terminals, offices, shops, and parking facilities. |
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| | convention centers, and facilities for exhibitions, athletic and cultural |
| | events, shows, and public gatherings. |
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| | seawalls, groins, moles, sand dunes, vegetation, additional sand, |
| | pumps and related equipment, and drainage channels, for the control of |
| () | beach erosion and the improvement of beaches. |
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| (6 | Providing facilities for fire fighting and prevention, including without |

limitation headquarters buildings, station buildings, training facilities,

hydrants, alarm systems, and communications systems.

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- Providing hospital facilities, including without limitation general, **(7)** tuberculosis, mental, chronic disease, and other types of hospitals and related facilities such as laboratories, outpatient departments, nurses' homes and training facilities, and central service facilities operated in connection with hospitals; facilities for the provision of public health services, including related facilities such as laboratories, clinics, and administrative offices; facilities specially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists and sheltered workshops for the mentally retarded; nursing homes; and in connection with the foregoing, laundries, nurses', doctors', or interns' residences, administrative buildings, research facilities, maintenance, storage, and utility facilities, auditoriums, dining halls, food service and preparation facilities, fire prevention facilities, mental and physical health care facilities, dental care facilities, nursing schools, mental teaching facilities, offices, parking facilities, and other supporting service structures.
- (8) Providing land for corporate purposes.
- (9) Providing facilities for law enforcement, including without limitation headquarters buildings, station buildings, jails and other confinement facilities, training facilities, alarm systems, and communications systems.
- (10) Providing library facilities, including without limitation fixed and mobile libraries.
- (11) Providing art galleries, museums, and art centers, and providing for historic properties.
- (12) Providing parking facilities, including on- and off-street parking, and in connection therewith any area or place for the parking and storing of automobiles and other vehicles open to public use, with or without charge, including without limitation meters, buildings, garages, driveways, and approaches.
- (13) Providing parks and recreation facilities, including without limitation land, athletic fields, parks, playgrounds, recreation centers, shelters, stadiums, arenas, permanent and temporary stands, golf courses, swimming pools, wading pools, marinas, and lighting.
- (14) Providing public building, including without limitation buildings housing courtrooms, other court facilities, and council rooms, office buildings, public markets, public comfort stations, warehouses, and yards.
- (15) Providing public vehicles, including without limitation those for law enforcement, fire fighting and prevention, sanitation, street paving and maintenance, safety and public health, and other corporate purposes.
- (16) Providing for redevelopment through the acquisition of land and the improvement thereof for assisting local redevelopment commissions.

Providing sanitary sewer systems, including without limitation 1 (17)2 community sewerage facilities for the collection, treatment, and 3 disposal of sewage or septic tank systems and other on-site collection and disposal facilities or systems. 4 5 Providing solid waste disposal systems, including without limitation (18)6 land for sanitary landfills, incinerators, and other structures and 7 buildings. 8 (19)Providing storm sewers and flood control facilities, including without 9 limitation levees, dikes, diversionary channels, drains, catch basins, 10 and other facilities for storm water drainage. Providing voting machines. (20)11 12 (21)Providing water systems, including without limitation facilities for the supply, storage, treatment, and distribution of water. 13 14 (22)Providing for any other purpose for which it is authorized, by general 15 laws uniformly applicable throughout the State, to raise or appropriate money, except for current expenses. 16 17 (23)Providing public transportation facilities, including without limitation 18 equipment for public transportation, buses, surface and below-ground railways, ferries, and garage facilities. 19 20 Providing industrial parks, land suitable for industrial or commercial (24)21 purposes, shell buildings, in order to provide employment opportunities for citizens of the county or city. 22 23 Providing a reserve fund for a self-insurance program, including the (25)24 payment of claims against such self-insurance program, whether on a joint sharing of risk basis with other units or departments of local 25 government or on a several basis, against losses resulting from such 26 27 events as cities and counties customarily insure against." Sec. 2. G.S. 159-48(f) reads as rewritten: 28 29 For any of the purposes authorized by subsections (b), (c), (d), or (e) of this 30 section, a unit may do any of the following that it considers necessary or convenient: Acquire, construct, erect, provide, develop, install, furnish, and equip; 31 (1) 32 33 Reconstruct, remodel, alter, renovate, replace, refurnish, and reequip; (2) 34 and 35 (3) Enlarge, expand, and extend; and 36 **(4)** Demolish, relocate, improve, grade, drain, landscape, pave, widen, and 37 resurface. 38 Establish self-insurance reserves against losses by the borrowing of (5) 39 money and the issuance of bonds under this Article or, in anticipation of the issuance of all or any part of such bonds, enter into, and renew, 40 41 extend and continue, a letter or line of credit or similar type of credit facility in an amount not in excess of the maximum authorized but 42 unissued amount of such bonds, with a bank, savings and loan 43

association or other banking or financial institution providing for the

prompt payment to such city or county of funds for the purpose of paying all or any part of such losses, the proceeds of such bonds to be available to repay any drawings on such credit facility."

Sec. 3. G.S. 159-64 is amended by adding the following new paragraph at the end:

"Notwithstanding the foregoing, bonds may be issued under a bond order to provide a reserve fund for a self-insurance program, including the payment of claims against such self-insurance program, within 25 years after the bond order takes effect, provided (i) that within seven years after the bond order has taken effect there has been placed in effect, in anticipation of the issuance of all or any part of such bonds, a self-insurance program supported, in whole or in part, by a letter or line of credit or similar type of credit facility available for the payment of insurance losses and (ii) that such program and a supporting credit facility has remained in effect prior to the issuance of such bonds."

Sec. 4. Article 21 of Chapter 160A of the General Statutes is amended by adding the following new section:

"§ 160A-485.1. Self-insurance program.

Any city is hereby authorized to establish a self-insurance program, whether on a joint sharing of risk basis with other units or departments of local government or on a several basis, against losses resulting from such events as cities customarily insure against."

Sec. 5. Article 23 of Chapter 153A of the General Statutes is amended by adding the following new section:

"§ 153A-435.1. Self-insurance program.

Any county is hereby authorized to establish a self-insurance program, whether on a joint sharing of risk basis with other units or departments of local government or on a several basis, against losses resulting from such events as counties customarily insure against."

- Sec. 6. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.
- Sec. 7. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.
 - Sec. 8. This act is effective upon ratification.