

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 14

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

Finance Committee Substitute Adopted 6/17/93

Short Title: Education/Clean Water/Parks Bonds.

(Public)

Sponsors:

Referred to: Capital Expenditures and Improvements.

January 28, 1993

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF SEVEN HUNDRED FIFTY-EIGHT
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) GRANTS, LOANS, AND REVOLVING LOANS
7 TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS,
8 WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT
9 WORKS, AND WATER CONSERVATION PROJECTS, AND (4) CAPITAL
10 IMPROVEMENTS AND LAND ACQUISITION FOR STATE PARKS AND
11 RECREATION AREAS.
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, Clean Water, and Parks 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 seven hundred fifty-eight million dollars (\$758,000,000) 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 provide
21 capital improvements for each of the constituent institutions and

1 certain of the affiliated institutions of The University of North
2 Carolina.

3 (2) Two hundred ten million dollars (\$210,000,000) to provide grants to
4 individual community colleges to finance the costs of community
5 college capital improvements for each community college in this State.

6 (3) Fifty million dollars (\$50,000,000) to provide State matching funds
7 required to receive federal wastewater or water supply assistance funds
8 and to provide additional funding for the Clean Water Revolving Loan
9 and Grant Fund established in Chapter 159G of the General Statutes or
10 to provide funding by grants and loans to local government units, and
11 one hundred million dollars (\$100,000,000) to provide loans to local
12 government units to assist in the financing of the cost of construction,
13 improvements, enlargements, extensions, and reconstruction of water
14 supply systems, wastewater collection systems, wastewater treatment
15 works, and water conservation projects.

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

27 (4) One hundred million dollars (\$100,000,000) to provide capital
28 improvements in the form of repairs, renovations, new construction,
29 and land acquisition for State parks and recreation areas.

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

32 (1) " Bonds" means bonds issued under this act.

33 (2) " Clean Water Revolving Loan and Grant Act" means Chapter 796 of
34 the 1987 Session Laws, as the same may be amended from time to
35 time, codified as Chapter 159G of the General Statutes.

36 (3) " Clean Water Revolving Loan and Grant Fund" means the Clean
37 Water Revolving Loan and Grant Fund as defined in the Clean Water
38 Revolving Loan and Grant Act.

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

42 a. The cost of constructing, reconstructing, enlarging, acquiring,
43 and improving facilities, and acquiring equipment and land
44 therefor,

- 1 b. The cost of engineering, architectural, and other consulting
2 services as may be required,
3 c. Administrative expenses and charges,
4 d. The cost of bond insurance, investment contracts, credit
5 enhancement and liquidity facilities, interest-rate swap
6 agreements or other derivative products, financial and legal
7 consultants, and related costs of bond and note issuance, to the
8 extent and as determined by the State Treasurer, and
9 e. Any other costs and expenses necessary or incidental to the
10 purposes of this act.

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

- 15 (5) " Credit facility" means an agreement entered into by the State
16 Treasurer on behalf of the State with a bank, savings and loan
17 association, or other banking institution, an insurance company,
18 reinsurance company, surety company, or other insurance institution, a
19 corporation, investment banking firm, or other investment institution,
20 or any financial institution or other similar provider of a credit facility,
21 which provider may be located within or without the United States of
22 America, such agreement providing for prompt payment of all or any
23 part of the principal or purchase price (whether at maturity,
24 presentment or tender for purchase, redemption or acceleration),
25 redemption premium, if any, and interest on any bonds or notes
26 payable on demand or tender by the owner, in consideration of the
27 State agreeing to repay the provider of the credit facility in accordance
28 with the terms and provisions of such agreement.
- 29 (6) " Local government units" means local government units as defined in
30 the North Carolina Clean Water Revolving Loan and Grant Act of
31 1987, Chapter 159G of the General Statutes.
- 32 (7) " Notes" means notes issued under this act.
- 33 (8) " Par formula" means any provision or formula adopted by the State to
34 provide for the adjustment, from time to time, of the interest rate or
35 rates borne by any bonds or notes, including:
- 36 a. A provision providing for such adjustment so that the purchase
37 price of such bonds or notes in the open market would be as
38 close to par as possible,
39 b. A provision providing for such adjustment based upon a
40 percentage or percentages of a prime rate or base rate, which
41 percentage or percentages may vary or be applied for different
42 periods of time, or
43 c. Such other provision as the State Treasurer may determine to be
44 consistent with this act and will not materially and adversely

1 affect the financial position of the State and the marketing of
2 bonds or notes at a reasonable interest cost to the State.

3 (9) " State" means the State of North Carolina.

4 (10) " Wastewater collection systems" means wastewater collection
5 systems as defined in the Clean Water Revolving Loan and Grant Act.

6 (11) " Wastewater treatment works" means wastewater treatment works as
7 defined in the Clean Water Revolving Loan and Grant Act.

8 (12) " Water Pollution Control Revolving Fund" means the fund described
9 by G.S. 159G-4(a) and G.S. 159G-5(c).

10 (13) " Water supply systems" means water supply systems as defined in the
11 Clean Water Revolving Loan and Grant Act.

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

22 (b) Community College Bonds. Subject to a favorable vote of a majority of the
23 qualified voters of the State who vote on the question of issuing Community College
24 Bonds in the election held as provided in this act, the State Treasurer is authorized, by
25 and with the consent of the Council of State, to issue and sell, at one time or from time
26 to time, general obligation bonds of the State to be designated "State of North Carolina
27 Community College Bonds", with any additional designations as may be determined to
28 indicate the issuance of bonds from time to time, or notes of the State as provided in this
29 act, in the aggregate principal amount not exceeding two hundred ten million dollars
30 (\$210,000,000) for the purposes authorized in this act.

31 (c) Clean Water Bonds. Subject to a favorable vote of a majority of the qualified
32 voters of the State who vote on the question of issuing Clean Water Bonds in the
33 election called and held as provided in this act, the State Treasurer is hereby authorized,
34 by and with the consent of the Council of State, to issue and sell, at one time or from
35 time to time, general obligation bonds of the State to be designated "State of North
36 Carolina Clean Water Bonds", with any additional designations as may be determined to
37 indicate the issuance of bonds from time to time, or notes of the State as provided in this
38 act, in an aggregate principal amount not exceeding one hundred fifty million dollars
39 (\$150,000,000) for the purpose of providing funds, with any other available funds, for
40 the purposes authorized in this act.

41 (d) State Parks Bonds. Subject to a favorable vote of a majority of the qualified
42 voters of the State who vote on the question of issuing State Parks Bonds in the election
43 called and held as provided in this act, the State Treasurer is hereby authorized, by and
44 with the consent of the Council of State, to issue and sell, at one time or from time to

1 time, general obligation bonds of the State to be designated "State of North Carolina
2 State Parks Bonds", with any additional designations as may be determined to indicate
3 the issuance of bonds from time to time, or notes of the State as provided in this act, in
4 the aggregate principal amount not exceeding one hundred million dollars
5 (\$100,000,000) for the purposes authorized in this act.

6 Sec. 5. Uses of bond and note proceeds. (a) University Improvement Bonds.
7 The proceeds of University Improvement Bonds and notes shall be used for the purpose
8 of paying (i) the cost of improvements to the facilities of the constituent or affiliated
9 institutions of The University of North Carolina, under the supervision of the Board of
10 Governors of The University of North Carolina, including, without limitation,
11 construction and renovation of classroom buildings, laboratory buildings, research
12 facilities, libraries, physical education facilities, continuing education centers, student
13 cafeteria and activity facilities, including sports facilities, administrative office
14 buildings, and land acquisition and (ii) the cost of improvements to existing facilities of
15 the North Carolina Center for Public Television under the Board of Governors of The
16 University of North Carolina. The buildings constructed using the proceeds of the
17 bonds shall comply with the energy design guidelines developed by the Energy Division
18 of the Department of Commerce.

19 Any additional moneys that may be received by means of a grant or grants
20 from the United States of America or any agency or department thereof or from any
21 other source to aid in financing the cost of any university improvements authorized by
22 this act may be placed by the State Treasurer in the University Improvement Bonds
23 Fund or in a separate account or fund and shall be disbursed, to the extent permitted by
24 the terms of the grant or grants, without regard to any limitations imposed by this act.

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

37 The Board of Governors of The University of North Carolina shall provide
38 quarterly reports to the Joint Legislative Commission on Governmental Operations, the
39 chairs of the Senate and House of Representatives Appropriations Committees, and the
40 Fiscal Research Division on the expenditure of moneys from the University
41 Improvement Bonds Fund.

42 (b) Community College Bonds. The proceeds of Community College Bonds and
43 notes shall be used for the purpose of making grants to community or technical colleges,
44 as defined in Chapter 115D of the General Statutes, the proceeds of the grants to be

1 allocated and expended for paying the cost of Community College capital
2 improvements, including, without limitation, construction and renovation of classroom
3 buildings, laboratory buildings, research facilities, libraries, physical education
4 facilities, continuing education centers, student cafeteria and activity facilities, including
5 sports facilities, and administrative office buildings, and related equipment, and land
6 acquisition. The buildings constructed using the proceeds of the bonds shall comply
7 with the energy design guidelines developed by the Energy Division of the Department
8 of Commerce. The proceeds of the bonds and notes shall be used to make at least one
9 grant to each community or technical college in this State.

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

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

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

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

- 34 (1) The proceeds of fifty million dollars (\$50,000,000) of Clean Water
35 Bonds shall be used and allocated for the same purposes for which
36 funds in the Clean Water Revolving Loan and Grant Fund may be used
37 including, without limitation, to provide funds to be used to make
38 revolving loans and grants to local government units. The revolving
39 loans and grants shall be made for the purpose of paying the cost of
40 water supply systems, wastewater collection systems, and wastewater
41 treatment works. The first priority for use of proceeds shall be to
42 provide the State funds necessary to match the full amount of federal
43 wastewater or water supply assistance funds deposited into the Water
44 Pollution Control Revolving Fund that are available to the State from

1 year to year, unless the General Assembly has provided other funds for
2 that purpose, in which event this priority shall cease to exist to the
3 extent of the availability of those other funds. The proceeds may be (i)
4 transferred directly to the Clean Water Revolving Loan and Grant
5 Fund to make revolving loans or grants, (ii) used to make revolving
6 loans or grants directly to the appropriate local government qualifying
7 for a revolving loan or grant from the Clean Water Revolving Loan
8 and Grant Fund, (iii) used for any combination of (i) and (ii), or (iv)
9 used in such other manner as shall effectuate the purposes of this act.
10 Although public necessity and the criteria established by Chapter 159G
11 of the General Statutes shall be the primary consideration in granting
12 and loaning funds, great emphasis shall be placed on the creation of
13 efficient systems of regional wastewater disposal and regional water
14 supply, and on the willingness and ability of local government units to
15 meet their responsibilities through sound fiscal policies and plans and
16 efficient operation and management. Loans and grants made from
17 bond proceeds transferred from the Clean Water Bonds Fund to the
18 Clean Water Revolving Loan and Grant Fund shall be made and
19 administered in accordance with the provisions of the Clean Water
20 Revolving Loan and Grant Act. Loans made directly to local
21 government units and any loan repayments shall, to the extent
22 applicable, be made, administered, and applied in accordance with the
23 provisions of the Clean Water Revolving Loan and Grant Act.
24 Repayments of any direct loans may be initially placed into any fund
25 or account as may be determined by the State Treasurer for the
26 purpose of determining compliance with the applicable requirements
27 of the federal tax law and shall be expended and disbursed therefrom
28 under the direction and supervision of the Director of the Budget.

- 29 (2) The proceeds of one hundred million dollars (\$100,000,000) of Clean
30 Water Bonds shall be used for the purpose of making loans to local
31 government units to pay the cost of water supply systems, water
32 conservation projects, wastewater collection systems, and wastewater
33 treatment works. Sixty-nine percent (69%) of the proceeds of the
34 bonds and notes shall be allocated for loans to local government units
35 for wastewater collection systems and wastewater treatment works.
36 Thirty-one percent (31%) of the proceeds of the bonds and notes shall
37 be allocated for loans to local government units for water supply
38 systems and water conservation projects.

39 The proceeds may be used to make loans directly to local
40 government units qualifying for a loan from the Clean Water
41 Revolving Loan and Grant Fund or used in such other manner as shall
42 effectuate the purposes of this act. To qualify for a loan from the
43 Clean Water Bonds Fund for the purpose of paying the cost of water
44 supply systems or water conservation projects, a local government unit

1 must also have a water supply facility plan approved by the
2 Department of Environment, Health, and Natural Resources. A water
3 supply facility plan submitted by a local government unit to the
4 Department under G.S. 143-355(l) will be sufficient to meet this
5 requirement. To qualify for a loan from the Clean Water Bonds Fund
6 for the purpose of paying the cost of wastewater collection systems or
7 wastewater treatment works, a local government unit must also have a
8 wastewater facility plan approved by the Department of Environment,
9 Health, and Natural Resources. A wastewater facility plan must
10 project future wastewater treatment needs, must present a long-range
11 plan to meet those needs, and must include plans for system operations
12 and maintenance of the facilities being built with the bond proceeds.

13 The Department of Environment, Health, and Natural Resources
14 shall administer the making of these loans, in accordance with the
15 provisions of Section 10 of this act. The form of the loans and the
16 details thereof including, without limitation, the maturity, interest rate,
17 and amortization schedule, shall be determined, from time to time, by
18 the State Treasurer. In making such determinations, the State
19 Treasurer shall consider the purpose of the loans, the ability of local
20 government units to repay the loans, and the security for the loans.
21 The interest rates on such loans shall reflect the self-supporting nature
22 of the loan program and shall be sufficient to cover substantially all
23 payments of debt service on the Clean Water Bonds and the issuance
24 costs and administrative expenses associated with the issuance of such
25 Bonds and the making of such loans, subject to any applicable
26 requirements of the federal tax law.

27 Repayments of the loans shall be credited to the General Fund and
28 may be used to pay, directly or indirectly, debt service on the bonds
29 and notes issued. Repayments shall be initially placed into such fund
30 or account as may be determined by the State Treasurer for the
31 purpose of determining compliance with applicable requirements of
32 the federal tax law and shall be expended and disbursed therefrom
33 under the direction and supervision of the Director of the Budget.

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 for deposit to the Clean Water Bonds Fund may be placed in the Clean
37 Water Bonds Fund or in a separate account or fund and shall be disbursed, to the extent
38 permitted by the terms of the grant or grants, without regard to any limitations imposed
39 by this act.

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

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

7 (d) State Parks Bonds. The proceeds of State Parks Bonds and notes shall be
 8 used for the purpose of paying the cost of capital facilities in State parks and recreation
 9 areas including, without limitation, land acquisition, visitors' centers, parking lots and
 10 access roads, dams, picnic areas, ranger residences, tent and trailer campsites, boat and
 11 canoe launching areas, rental cabins, boathouses, swimming facilities, trails, exhibits,
 12 storage buildings, water and wastewater systems, electrical systems, and underground
 13 fuel tanks.

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

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

31 Sec. 6. Allocation of proceeds. (a) University Improvement Bonds. The
 32 proceeds of University Improvement Bonds and notes, including premium thereon, if
 33 any, except the proceeds of bonds the issuance of which has been anticipated by bond
 34 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the
 35 State Treasurer in a special fund to be designated "University Improvement Bonds
 36 Fund". Moneys in the University Improvement Bonds Fund shall be used for the
 37 purposes set forth in this act. The proceeds of University Improvement Bonds and notes
 38 shall be allocated and expended for paying the cost of university capital improvements,
 39 to the extent and as provided in this act and subject to change as provided in this act, as
 40 follows:

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvement</u>	<u>Projected Allocation</u>
Appalachian State University	

1	Academic Support Services Building					\$
2	8,794,900					
3	Science/Mathematics	Complex,		Phase		I
4	15,000,000					
5						
6	East Carolina University					
7	Addition	to	Joyner			Library
8	28,900,000					
9	Land 5,000,000					
10						
11	Elizabeth City State University					
12	Fine Arts and	Mass	Communications			Building
13	6,432,600					
14						
15	Fayetteville State University					
16	Residence	Hall				Renovations
17	9,479,600					
18						
19	North Carolina A & T State University					
20	School of Technology		Classroom/Laboratory			Building
21	7,961,900					
22	Renovation of	Bluford	Library			Building
23	5,051,400					
24						
25	North Carolina Central University					
26	Conversion of Women's Gymnasium in Support of					
27	Academic					Programs
28	1,970,900					
29	Chidley	Hall				Complex
30	9,018,300					
31						
32	North Carolina School of the Arts					
33	School	of				Filmmaking
34	6,999,200					
35						
36	North Carolina State University at Raleigh					
37	Engineering	Graduate	Research			Center
38	34,918,200					
39	Agricultural	Communications				Building
40	4,484,900					
41	Agricultural Programs	-	Laboratory	Animal		Facilities
42	4,484,100					
43						
44	Pembroke State University					

1 New Administrative Office Building
 2 5,723,300
 3 Repairs and Renovations to Business Administration Building
 4 422,700
 5
 6 The University of North Carolina at Asheville
 7 Ramsey Library (Remodeling)
 8 3,974,400
 9 Physical Education Building (Health Promotion)
 10 5,475,600
 11 The North Carolina Arboretum
 12 2,500,000
 13
 14 The University of North Carolina at Chapel Hill
 15 New Building, School of Business Administration
 16 13,490,900
 17 Addition to Lineberger Cancer Research Center
 18 8,119,900
 19 Carolina Living and Learning Center for Autistic Adults, Phase II 1,190,400
 20 Addition to School of Dentistry
 21 8,887,100
 22 Area Health Education Centers - Construction Grants
 23 3,370,800
 24
 25 The University of North Carolina at Charlotte
 26 Classroom and Academic Support Facility
 27 22,610,400
 28
 29 The University of North Carolina at Greensboro
 30 New Music Building
 31 23,357,000
 32
 33 The University of North Carolina at Wilmington
 34 Physical Sciences Building and Renovation of DeLoach Hall
 35 18,522,900
 36 Construct West Wing of Bear Hall and
 37 Renovate West End of Bear Hall
 38 992,050
 39
 40 Western Carolina University
 41 Completion of Belk Building and Asbestos Removal
 42 3,280,200
 43 Renovate Moore Hall, Phase II
 44 2,043,900

1	Renovate	Camp	Lab	School
2	1,896,500			
3	Renovate		Reid	Gym
4	2,379,400			
5				
6	Winston-Salem State University			
7	Student	Services/Cafeteria/Student	Union	Complex
8	6,073,350			
9	Renovations	to	O'Kelly	Library
10	1,119,500			
11				
12	North Carolina School of Science and Mathematics			
13	Educational	Technologies	Center	and Auditorium
14	8,073,700			
15				
16	UNC Center for Public Television			
17	Improvements to Facilities			
18	<u>6,000,000</u>			
19		TOTAL		
20		\$298,000,000		

22 No University Improvement Bonds or notes shall be issued and no proceeds
 23 of University Improvement Bonds and notes shall be allocated for the purposes
 24 provided in this act, however, until the General Assembly authorizes issuance of some
 25 or all of University Improvement Bonds and notes and appropriates the proceeds of the
 26 bonds and notes for specific projects within these purposes by separate legislative action
 27 in addition to this act in 1993 or at any subsequent session. It is the intent of the
 28 General Assembly that in appropriating the total amount of University Improvement
 29 Bonds and notes authorized by this act, the General Assembly shall adhere as closely as
 30 feasible to the relative funding amounts for each of the constituent institutions of The
 31 University of North Carolina as set out in the above chart. Nothing in this act or as a
 32 result of the approval of the bonds at the election provided for in this act restricts the
 33 right of the General Assembly in 1994 or at a subsequent session to:

- 34 (1) Establish a procedure whereby projected allocations set forth in
 35 subsequent legislation may be increased or decreased to reflect the
 36 availability of other funds, including, without limitation, contingency
 37 funds, income earned on the investment of bond and notes proceeds,
 38 and the proceeds of grants.
- 39 (2) Establish a contingency account and provide for an allocation of bond
 40 proceeds thereto. The funds in the contingency account may be used
 41 to pay the cost of projects, the costs of issuance of bonds and notes,
 42 and increased project costs resulting from construction costs exceeding
 43 projections, inflationary factors, and changes in projects and
 44 allocations. The funds allocated to the contingency account shall be

placed by the State Treasurer in a separate account in the University Improvement Bonds Fund and shall be disbursed in accordance with the procedures established for disbursements from the University Improvement Bonds Fund.

(3) Empower the Director of the Budget or the Board of Governors of The University of North Carolina, when the Director or the Board determines it is in the best interest of the State and The University of North Carolina to do so, and if the cost of a particular project is less than the projected allocation, to use the excess funds to increase the size of that project or increase the size of any other project itemized by the General Assembly, or to increase the amount allocated to a particular institution or the Board of Governors within the aggregate amount of funds available under this section; the Director of the Budget having the right to consult with the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations.

(4) Provide that the provisions of G.S. 116-11(9) with respect to appropriations to the Board of Governors of The University of North Carolina shall not apply to proceeds of University Improvement Bonds and notes issued pursuant to the provisions of this act.

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

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

COLLEGE	CAPITAL IMPROVEMENT	ALLOCATION	PROJECTED
Alamance CC	Phase 11B-Science		Labs/Classrooms
	\$3,427,038		
Anson CC	Advanced Technology		Center
	2,885,361		
Asheville-Buncombe TCC	Classroom/Lab/Office		Building
	5,250,000		
Beaufort County CC	Student Services		Center
	3,009,500		

1	Bladen TC	Allied	Health	Care	Center
2		1,102,062			
3	Blue Ridge CC	Allied	Health		Building
4		5,205,079			
5	Brunswick CC	Allied		Health/Classroom	
6		4,480,000			
7	Caldwell CC & TI	Classroom/Lab			Building
8		6,524,603			
9	Cape Fear CC	Health	Sciences		Building
10		7,536,953			
11	Carteret CC	Classroom/Student			Center
12		2,607,904			
13	Catawba Valley CC	Classroom/Lab			Building
14		4,724,468			
15	Central		Carolina		CC
16					
17	Classroom				Building
18					2
19	,121,771				
20	Central		Piedmont		CC
21					
22	Science		Labs		Expansion
23					4
24	,261,650				
25	Cleveland CC	Advanced	Technology		Building
26		2,478,585			
27	Coastal		Carolina		CC
28					
29	Public	Service	Technology		Bldg.
30					3
31	,298,521				
32	College of the				
33	Albemarle	Classroom/Administration Bldg.	3,351,674		
34	Craven CC	Academic	Studies/Basic	Skills	Bldg.
35		2,990,276			
36	Davidson County CC	Advanced	Technology		Building
37		4,127,187			
38	Durham TCC	Classroom/Office			Building
39		6,496,000			
40	Edgecombe CC	Class/Lab	Addition-Rocky		Mount
41		1,303,000			
42	Fayetteville TCC	Health	and	Science	Facility
43		8,064,000			

1	Forsyth TCC	Class/Lab/Admin.	-	East	Campus
2		8,848,000			
3	Gaston College	Work	Force	Preparedness	Center
4		5,441,434			
5	Guilford TCC	Applied		Technology	Building
6		8,668,800			
7	Halifax CC	Literacy		Ed/Science	Building
8		2,183,592			
9	Haywood CC	Classroom			Building
10		1,232,000			
11	Isothermal CC	Continuing		Education	Center
12		5,796,944			
13	James Sprunt CC	Library/Cont.	Ed/Business	&	Industry
14		2,912,000			
15	Johnston CC	Allied		Health	Building
16		3,303,000			
17	Lenoir CC	Renovations/Additions			
18		2,971,021			
19	Martin CC	Equine			Arena
20		605,903			
21	Mayland CC	Shop/Student		Lecture	Hall
22		4,037,566			
23	McDowell TCC	Renov.		Bookstore/Amphitheater/Mezzanine	
24		569,539			
25	Mitchell CC	Renovate		Main	Building
26		2,464,000			
27	Montgomery CC	LRC			Building
28		2,903,834			
29	Nash CC	LRC/Student			Center
30		4,409,179			
31	Pamlico CC	Multi-Purpose		Class/Office	Bldg.
32		1,318,803			
33	Piedmont CC	Adult	Learning	Center/Caswell	Cty.
34		1,354,125			
35	Pitt CC	Student		Services	Building
36		4,750,000			
37	Randolph CC	Photography			Studio
38		1,103,281			
39	Richmond CC	Fine	Arts		Ctr/Auditorium
40		2,351,414			
41	Roanoke-Chowan CC	Classroom/Student		Support	Center
42		2,854,977			
43	Robeson CC	Emergency		Training	Grounds
44		958,033			

1	Rockingham CC	Multi-Purpose			Building
2		3,024,000			
3	Rowan-Cabarrus CC	Engineering			Building
4		4,126,092			
5	Sampson CC	Multi-Purpose			Building
6		2,800,000			
7	Sandhills CC	Cont.	Ed.		Center/Classrooms
8		5,309,500			
9	Southeastern CC	Nursing/Allied		Health	Building
10		1,466,528			
11	Southwestern CC	Classroom		Renov./Expanded	Parking
12		784,000			
13	Stanly CC	Learning		Resource	Center
14		2,543,940			
15	Surry CC	Health/Day		Care/Library	Building
16		4,532,997			
17	Tri-County CC	Student	Services		Ctr./Classroom
18		1,216,530			Bldg.
19	Vance-Granville CC	Allied	Health/Day		Care/Classroom
20		2,309,200			Bldg.
21	Wake TCC	Student		Education	Bldg.
22		11,488,881			
23	Wayne CC	Classroom/Laboratory			Building
24		4,300,667			
25	Western				
26	Piedmont CC	Class/Office		Bldg.	(Bus. Tech.)
27		3,830,588			
28	Wilkes CC	LRC-Student			Development
29		4,864,300			
30	Wilson TCC	Multi-Purpose			Building
31		<u>1,120,000</u>			
32		TOTAL			
33		\$210,000,000			

35 No Community College Bonds or notes shall be issued for grants as provided
36 in this act and no proceeds of Community College Bonds and notes shall be allocated
37 for grants for the purposes provided in this act, however, until the General Assembly
38 authorizes issuance of some or all Community College Bonds and notes to be used for
39 grants and appropriates the proceeds of the bonds and notes for grants for specific
40 projects within these purposes by separate legislative action in addition to this act in
41 1993 or at any subsequent session. In appropriating the proceeds of the Community
42 College Bonds and notes, the General Assembly shall provide a grant for at least one
43 project for each community college in this State. Nothing in this act or as a result of the

1 approval of the bonds at the election provided for in this act restricts the right of the
2 General Assembly in 1994 or at a subsequent session to:

- 3 (1) Establish a procedure whereby projected allocations set forth in
4 subsequent legislation may be increased or decreased to reflect the
5 availability of other funds, including, without limitation, contingency
6 funds, income earned on the investment of bond and notes proceeds,
7 and the proceeds of grants.
- 8 (2) Establish a contingency account and provide for an allocation of bond
9 proceeds thereto. The funds in the contingency account may be used
10 to pay the cost of projects, the costs of issuance of bonds and notes,
11 and increased project costs resulting from construction costs exceeding
12 projections, inflationary factors, and changes in projects and
13 allocations. The funds allocated to the contingency account shall be
14 placed by the State Treasurer in a separate account in the Community
15 College Bonds Fund and shall be disbursed in accordance with the
16 procedures established for disbursements from the Community College
17 Bonds Fund.
- 18 (3) Empower the State Board of Community Colleges, when the State
19 Board of Community Colleges determines it is in the best interest of
20 the State and the Community College System to do so, and if the cost
21 of a particular project is less than the projected allocation, to use the
22 excess funds to increase the size of that project or increase the size of
23 any other project authorized by the General Assembly, or to increase
24 the amount allocated to a particular institution within the aggregate
25 amount of funds available under this section. To the extent that funds
26 are not required to be expended for the specific projects prescribed by
27 the General Assembly, the General Assembly may provide that
28 allocations authorized by it may be used for capital outlay projects at
29 any community college or colleges, including community colleges not
30 described by the General Assembly as replacement projects, but none
31 of the funds may be used for operating expenditures.

32 Allocations to the costs of a capital improvement or undertaking in each case
33 may include allocations to pay the costs set forth in Section 3(4)c., d., and e. of this act
34 in connection with the issuance of bonds for that capital improvement or undertaking.
35 The matching requirements of G.S. 115D-31(a)(1) apply to the proceeds of Community
36 College Bonds and notes used to make grants to community or technical colleges.

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

1 (d) State Parks Bonds. The proceeds of State Parks Bonds and notes, including
2 premium thereon, if any, except the proceeds of bonds the issuance of which has been
3 anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall
4 be placed by the State Treasurer in a special fund to be designated "State Parks Bonds
5 Fund", which may include such appropriate special accounts therein as may be
6 determined by the State Treasurer, and shall be disbursed as provided in this act.
7 Moneys in the State Parks Bonds Fund shall be used for the purposes set forth in this
8 act, and the particular projects within such purposes to be financed in whole or in part
9 from the proceeds shall be determined as hereinafter provided.

10 No State Parks Bonds or notes shall be issued and no proceeds of State Parks
11 Bonds and notes shall be allocated for the purposes provided in this act, however, until
12 the General Assembly authorizes issuance of some or all of State Parks Bonds and notes
13 and appropriates the proceeds of the bonds and notes for specific projects within these
14 purposes by separate legislative action in addition to this act in 1993 or at any
15 subsequent session. It is the intent of the General Assembly to appropriate
16 approximately one-half the proceeds of the bonds and notes for repairs, renovations, and
17 new construction and approximately one-half the proceeds of the bonds and notes for
18 land acquisition. It is the intent of the General Assembly to appropriate the proceeds of
19 the bonds and notes in 1994 or at a subsequent session based on the recommendations
20 of the Department of Environment, Health, and Natural Resources in its State parks
21 capital improvement and land acquisition plan submitted to the General Assembly in
22 May 1994 as provided in Section 11 of this act. Nothing in this act or as a result of the
23 approval of the bonds at the election provided for in this act restricts the right of the
24 General Assembly in 1994 or at a subsequent session to:

- 25 (1) Establish a procedure whereby projected allocations set forth in
26 subsequent legislation may be increased or decreased to reflect the
27 availability of other funds, including, without limitation, contingency
28 funds, income earned on the investment of bond and notes proceeds,
29 and the proceeds of grants.
- 30 (2) Establish a contingency account and provide for an allocation of bond
31 proceeds thereto. The funds in the contingency account may be used
32 to pay the cost of projects, the costs of issuance of bonds and notes,
33 and increased project costs resulting from construction costs exceeding
34 projections, inflationary factors, and changes in projects and
35 allocations. The funds allocated to the contingency account shall be
36 placed by the State Treasurer in a separate account in the State Parks
37 Bonds Fund and shall be disbursed in accordance with the procedures
38 established for disbursements from the State Parks Bonds Fund.
- 39 (3) Empower the Director of the Budget, when the Director determines it
40 is in the best interest of the State and the State Parks System to do so,
41 and if the cost of a particular project is less than the projected
42 allocation, to use the excess funds to increase the size of that project or
43 increase the size of any other project itemized by the General
44 Assembly, or to increase the amount allocated to a particular project

1 within the aggregate amount of funds available under this section; the
2 Director of the Budget having the right to consult with the Advisory
3 Budget Commission and the Joint Legislative Commission on
4 Governmental Operations.

- 5 (4) Provide that to the extent that funds are not required to be expended
6 for the specific projects identified by the General Assembly,
7 allocations may be used for capital outlay projects at any State parks as
8 replacement projects, but no such funds may be used for operating
9 expenditures.

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

13 Sec. 7. Election. The questions of the issuance of the bonds authorized by
14 this act shall be submitted to the qualified voters of the State at an election to be held on
15 the first Tuesday after the first Monday of November 1993. Any other primary,
16 election, or referendum validly called or scheduled by law at the time the election on the
17 bond questions provided for in this section is held may be held as called or scheduled.
18 Notice of the election on the bond questions shall be given by publication twice in a
19 newspaper or newspapers having general circulation in each county in the State, and the
20 election and the registration of voters therefor shall be held under and in accordance
21 with the general laws of the State. Absentee ballots shall be authorized in the election.

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

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

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

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

- 1 [] FOR the issuance of two hundred ten million dollars (\$210,000,000)
2 State of North Carolina Community College Bonds secured by a
3 pledge of the faith and credit and taxing power of the State for the
4 purpose of providing funds, with any other available funds, to make
5 grants to community colleges to pay, with any other available funds,
6 the cost of capital improvements.
- 7 [] AGAINST the issuance of two hundred ten million dollars
8 (\$210,000,000) State of North Carolina Community College Bonds
9 secured by a pledge of the faith and credit and taxing power of the
10 State for the purpose of providing funds, with any other available
11 funds, to make grants to community colleges to pay, with any other
12 available funds, the cost of capital improvements.
- 13 [] FOR the issuance of one hundred fifty million dollars (\$150,000,000)
14 State of North Carolina Clean Water Bonds constituting general
15 obligation bonds of the State secured by a pledge of the faith and credit
16 and taxing power of the State for the purpose of providing funds, with
17 any other available funds, to make loans and grants to local
18 government units to pay, with any other available funds, the cost of
19 clean water capital improvements.
- 20 [] AGAINST the issuance of one hundred fifty million dollars
21 (\$150,000,000) State of North Carolina Clean Water Bonds
22 constituting general obligation bonds of the State secured by a pledge
23 of the faith and credit and taxing power of the State for the purpose of
24 providing funds, with any other available funds, to make loans and
25 grants to local government units to pay, with any other available funds,
26 the cost of clean water capital improvements.
- 27 [] FOR the issuance of one hundred million dollars (\$100,000,000) State
28 of North Carolina State Parks Bonds constituting general obligation
29 bonds of the State secured by a pledge of the faith and credit and
30 taxing power of the State for the purpose of providing funds, with any
31 other available funds, to pay the cost of capital facilities in State parks
32 and recreation areas.
- 33 [] AGAINST the issuance of one hundred million dollars (\$100,000,000)
34 State of North Carolina State Parks Bonds constituting general
35 obligation bonds of the State secured by a pledge of the faith and credit
36 and taxing power of the State for the purpose of providing funds, with
37 any other available funds, to pay the cost of capital facilities in State
38 parks and recreation areas."

39 If a majority of those voting on a bond question in the election vote in favor
40 of the issuance of the bonds described in the question, those bonds may be issued as
41 provided in this act. If a majority of those voting on a bond question in the election vote
42 against the issuance of the bonds described in the question, those bonds shall not be
43 issued.

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

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

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

37 (c) Manner of sale; expenses. Subject to determination by the Council of State as
38 to the manner in which bonds or notes shall be offered for sale, whether at public or
39 private sale, whether within or without the United States of America and whether by
40 publishing notices in certain newspapers and financial journals, mailing notices, inviting
41 bids by correspondence, negotiating contracts of purchase or otherwise, the State
42 Treasurer is authorized to sell bonds or notes at one time or from time to time at such
43 rate or rates of interest, which may vary from time to time, and at such price or prices,
44 including a price less than the face amount of the bonds or the notes, as the State

1 Treasurer may determine. All expenses incurred in preparation, sale, and issuance of
2 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes
3 or other available moneys.

4 (d) Notes; repayment.

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

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

20 (2) Funds derived from the sale of bonds or notes may be used in the
21 payment of any bond anticipation notes issued under this act. Funds
22 provided by the General Assembly for the payment of interest on or
23 principal of bonds shall be used in paying the interest on or principal
24 of any notes and any renewals thereof, the proceeds of which shall
25 have been used in paying interest on or principal of the bonds.

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

31 (f) Tax exemption. Bonds and notes shall be exempt from all State, county,
32 and municipal taxation or assessment, direct or indirect, general or special, whether
33 imposed for the purpose of general revenue or otherwise, excluding inheritance and gift
34 taxes and income taxes on the gain from the transfer of bonds and notes. The interest on
35 bonds and notes shall not be subject to taxation as to income.

36 (g) Investment eligibility. Bonds and notes are hereby made securities in
37 which all public officers, agencies, and public bodies of the State and its political
38 subdivisions, all insurance companies, trust companies, investment companies, banks,
39 savings banks, savings and loan associations, credit unions, pension or retirement funds,
40 other financial institutions engaged in business in the State, executors, administrators,
41 trustees, and other fiduciaries may properly and legally invest funds, including capital in
42 their control or belonging to them. Bonds and notes are hereby made securities which
43 may properly and legally be deposited with and received by any officer or agency of the
44 State or political subdivision of the State for any purpose for which the deposit of

1 bonds, notes, or obligations of the State or any political subdivision is now or may
2 hereafter be authorized by law.

3 (h) Faith and credit. The faith and credit and taxing power of the State are
4 hereby pledged for the payment of the principal of and the interest on bonds and notes.
5 In addition to the State's right to amend any provision of this act to the extent it does not
6 impair any contractual right of a bond owner, the State expressly reserves the right to
7 amend any provision of this act with respect to the making and repayment of loans, the
8 disposition of any repayments of loans, and any intercept provisions relating to the
9 failure of a local government unit to repay a loan, the bonds not being secured in any
10 respect by loans, any repayments thereof, or any intercept provisions with respect
11 thereto.

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

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

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

40 Sec. 10. Special provisions governing clean water loans. (a) Scope. The
41 provisions of this section shall apply to loans being made from the proceeds of bonds
42 authorized by this act for clean water projects, other than from funds deposited in the
43 Clean Water Revolving Loan and Grant Fund.

44 (b) Clean Water Bonds Loan Fund.

- 1 (1) There is established in the Department of State Treasurer a fund to be
2 known as the Clean Water Bonds Loan Fund. The Fund shall contain
3 any special or segregated accounts the State Treasurer considers
4 appropriate. There shall be deposited to accounts of the Clean Water
5 Bonds Loan Fund the proceeds of the Clean Water Bonds and notes to
6 be used to make loans, other than loans to be made through the Clean
7 Water Revolving Loan and Grant Fund, for costs of clean water
8 projects. The funds may be invested in the same manner permitted for
9 investments of funds belonging to the State or held in the State
10 treasury. Interest earnings derived from these investments shall be
11 credited to the Fund.
- 12 (2) Distribution of funds. All appropriated or bond funds accruing to the
13 Clean Water Bonds Loan Fund, other than funds set aside for
14 administrative expenses, including expenses related to determining
15 compliance with applicable requirements of the federal tax law and
16 costs of issuance, shall be used for loans for the purposes provided in
17 this act.
- 18 (3) The maximum principal amount of a loan may be one hundred percent
19 (100%) of the cost of any eligible project.
- 20 (4) The State Treasurer shall be responsible for investing and distributing
21 all funds appropriated or accruing to the Clean Water Bonds Loan
22 Fund. Subject to any applicable requirements of the federal tax law,
23 the State Treasurer shall arrange for the funds to be transferred from
24 the appropriate accounts to a local government unit or shall invest the
25 funds as authorized by this act with the interest on and the principal of
26 the investments to be transferred to the local government unit to
27 provide funds for one or more loans.
- 28 (c) Application for Loans; Hearings.
- 29 (1) Eligibility/Initial Hearing.
- 30 a. Prior to filing an application for a loan, a local government unit
31 shall hold a public hearing. A notice of the public hearing shall
32 be published once at least 10 days before the date fixed for the
33 hearing.
- 34 b. All applications for loans shall be filed with the Department of
35 Environment, Health, and Natural Resources. If the application
36 is denied, the application shall then be considered at the next
37 available period. All applications approved by the Department
38 of Environment, Health, and Natural Resources shall be filed
39 with the Local Government Commission. Each applicant shall
40 furnish information in addition or supplemental to the
41 information contained in its application, upon request.
- 42 c. A local government unit shall not be eligible for a loan unless it
43 demonstrates to the satisfaction of the Department of
44 Environment, Health, and Natural Resources that:

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

1 filed with the clerk of the local government unit applying for the loan
2 within 15 days after the public hearing required by the local
3 government unit. The petition's sufficiency shall be determined and a
4 referendum, if any, shall be conducted, according to the standards,
5 procedures, and limitations set out in G.S. 159-60 through G.S. 159-
6 62.

7 (d) Priorities.

8 (1) Determination. Determination of priorities to be assigned each eligible
9 application shall be made semiannually by the Department of
10 Environment, Health, and Natural Resources during each fiscal year.
11 Every eligible application shall be considered by the Department of
12 Environment, Health, and Natural Resources with every other
13 application eligible during this same priority period.

14 (2) Priority Factors. All applications for loans under this act shall be
15 assigned a priority by the Department of Environment, Health, and
16 Natural Resources. The Department of Environment, Health, and
17 Natural Resources shall establish by rule the priority factors criteria.

18 (3) Assignment of Priority. A written statement relative to each priority
19 assigned shall be prepared by the Department of Environment, Health,
20 and Natural Resources and shall be attached to the application. The
21 priority assigned shall be conclusive.

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

31 (5) Withdrawal of Commitment. Failure of an applicant within one year
32 after the date of acceptance of the loan to arrange for necessary
33 financing of the proposed project or award of the contract of the
34 construction of the proposed project shall constitute sufficient cause
35 for withdrawal of the commitment. Prior to withdrawal of a
36 commitment, the Department of Environment, Health, and Natural
37 Resources shall give due consideration to any extenuating
38 circumstances presented by the applicant as reasons for failure to
39 arrange necessary financing or to award a contract, and the
40 commitment may be extended for an additional period of time if, in the
41 judgment of the Department of Environment, Health, and Natural
42 Resources, the extension is justified.

43 (e) Disbursement. No funds shall be disbursed until the Department of
44 Environment, Health, and Natural Resources gives a certificate of eligibility to the

1 effect that the applicant meets all eligibility criteria and that all procedural requirements
2 of this act have been met.

3 (f) Intercept. The governing body of a local government unit shall include in
4 its resolution authorizing a loan pursuant to this section a provision authorizing the State
5 Treasurer, upon failure of the local government unit to make a scheduled repayment of
6 the loan, to withhold from the local government unit any State funds that would
7 otherwise be distributed to the local government unit in an amount sufficient to pay all
8 sums then due and payable to the State as a repayment of the loan. In such event,
9 notwithstanding any other provision of law, the State Treasurer shall be authorized to
10 withhold and apply such funds to the repayment of the loan; provided, however, that
11 such funds shall not be withheld if the source of the funds to be withheld secures special
12 obligation bonds or other obligations of the local government unit.

13 The State Treasurer shall notify the Secretary of Revenue or other appropriate
14 State agency and the State Controller of the amount to be withheld from the local
15 government unit, and the Secretary of Revenue and the State Controller shall transfer to
16 the State Treasurer the amount so requested to be applied by the State Treasurer to the
17 repayment of the loan.

18 (g) Inspection. Inspection of a project for which a loan has been made under
19 this act may be performed by qualified personnel of the Department of Environment,
20 Health, and Natural Resources or may be performed by qualified engineers registered in
21 this State approved by the Department of Environment, Health, and Natural Resources.
22 No person shall be approved to perform inspections who is an officer employed by the
23 local government unit to which the loan was made or who is an owner, officer,
24 employer, or agent of a contractor or subcontractor engaged in the construction of the
25 project for which the loan was made. For the purpose of payment of inspection fees,
26 inspection services shall be included in the term "construction cost" as used in this act.

27 (h) Rules. The State Treasurer, the Local Government Commission, and the
28 Department of Environment, Health, and Natural Resources may adopt, modify, and
29 repeal rules necessary for the administration of their respective duties under this act.
30 Uniform rules may be jointly adopted where feasible and desirable, and no rule, jointly
31 adopted, may be modified or revoked except upon concurrence of all agencies involved.

32 (i) Federal Grants and Loans. In order to carry out the purposes of this act to
33 secure the greatest possible benefits to the citizens of this State of the funds
34 appropriated, the State Treasurer, the Local Government Commission, and the
35 Department of Environment, Health, and Natural Resources shall adopt rules and
36 criteria, not inconsistent with provisions of this act, as are necessary and appropriate to
37 conform to regulations for federal grants and loans for any of the purposes set forth in
38 this act.

39 (j) Reports. The Department of Environment, Health, and Natural Resources
40 shall prepare and file each year on or before July 31 with the Joint Legislative
41 Commission on Governmental Operations a consolidated report for the preceding fiscal
42 year concerning the allocation of loans authorized by this act. The report shall set forth
43 for the preceding fiscal year itemized and total allocations of loans authorized and
44 unallocated funds on hand in each as of the end of the preceding fiscal year;

1 identification of each loan made by the Department of Environment, Health, and
2 Natural Resources during the preceding fiscal year; the total amount of the loans and the
3 sums actually paid during the preceding fiscal year to each loan and to each loan
4 previously committed but unpaid; the total loans paid during the preceding fiscal year;
5 and summary for all preceding years and the total number of the loans made and the
6 total funds committed to the loans and the total sum actually paid to the loans and
7 grants. The report shall be signed by the Secretary of the Department of Environment,
8 Health, and Natural Resources.

9 (k) Local Government Commission.

10 (1) Local government units may execute debt instruments payable to the
11 State in order to obtain loans provided for in this act. Local
12 government units shall pledge or agree to apply as security for such
13 obligations:

- 14 a. Any available source of revenues of the local government unit,
15 including revenues from benefitted facilities or systems,
16 provided that (i) the local government unit has not otherwise
17 pledged the revenues as security for, or agreed to apply the
18 revenues to, the payment of any other obligations of the local
19 government unit, (ii) the use of revenues is not otherwise
20 restricted by law, or (iii) the revenues are not derived from the
21 exercise of the local government unit's taxing power; or
22 b. Their faith and credit; or
23 c. Any combination of a. or b. above.

24 The faith and credit of such local government units shall not be
25 pledged or be deemed to have been pledged unless the requirements of
26 Article 4 of Chapter 159 of the General Statutes have been met. The
27 State Treasurer, with the assistance of the Local Government
28 Commission, shall develop and adopt appropriate debt instruments for
29 use under this act. The Local Government Commission shall develop
30 and adopt appropriate procedures for the delivery of debt instruments
31 to the State without any public bidding therefor.

32 (2) Nothing contained in this act shall prohibit any local government unit
33 from applying any funds of the local government unit not otherwise
34 restricted as to use by law to the payment of any debt instrument
35 payable to the State incurred pursuant to the provisions of this act.

36 (3) The Local Government Commission shall review and approve
37 proposed loans to local government units under this act under the
38 provisions of Articles 4 and 5 of Chapter 159 of the General Statutes.
39 The Local Government Commission in considering the ability of a
40 local government unit to repay a loan may regard as a source of
41 revenue for repayment of a loan revenue sources that may not be
42 available other than on an annual discretionary basis and that may not
43 be subject to a pledge or agreement to apply. Loans under this act

1 shall be outstanding debts for the purposes of Article 10 of Chapter
2 159 of the General Statutes.

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

6 Sec. 11. State parks capital improvement and land acquisition plan. The
7 Department of Environment, Health, and Natural Resources shall develop a State parks
8 capital improvement and land acquisition plan that recommends two priority lists of
9 needed projects for the entire park system, one priority list for renovations, repairs, and
10 new construction, and one priority list for land acquisition. The priority lists shall be
11 based on objective criteria and shall include the costs of each project and the basis for
12 calculating the costs. The Department of Environment, Health, and Natural Resources
13 shall report its recommendations to the General Assembly on or before May 1, 1994, by
14 delivering copies to the President Pro Tempore of the Senate, the Speaker of the House
15 of Representatives, and the Fiscal Research Division.

16 Sec. 12. Interpretation of act. (a) Additional Method. The foregoing sections of
17 this act shall be deemed to provide an additional and alternative method for the doing of
18 the things authorized thereby and shall be regarded as supplemental and additional to
19 powers conferred by other laws, and shall not be regarded as in derogation of any
20 powers now existing.

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

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

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

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

33 Sec. 13. Effective date. This act is effective upon ratification.