

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1999

HOUSE BILL 1629  
RATIFIED BILL

AN ACT TO AUTHORIZE THE ISSUANCE OF STATE REVENUE BONDS TO  
FINANCE IMPROVEMENTS TO THE WATER AND SEWER SYSTEM FOR  
THE COMMUNITY OF BUTNER AND THE CAMP BUTNER RESERVATION.

The General Assembly of North Carolina enacts:

Section 1. Findings and purpose. The General Assembly finds and determines as follows:

- (1) The Community of Butner and the Camp Butner reservation constitute a unique State resource administered by the State of North Carolina through the Secretary of the North Carolina Department of Health and Human Services and regulated by Parts 1 through 1B of Article 6 of Chapter 122C of the General Statutes.
- (2) Pursuant to G.S. 122C-407, the Department is authorized to acquire, construct, establish, enlarge, maintain, operate, and contract for the operation of a water supply and distribution system and a sewage collection and disposal system for the Camp Butner reservation. Acting pursuant to this authority, the Department has so established a water and sewer system for the Camp Butner reservation. While historically the Department has been able to construct, acquire, maintain, and operate the water and sewer system from funds appropriated to the Department by the General Assembly, from rates, fees, and charges collected from the users of the system, and from other funds available to the Department, significant capital outlay is now required for the improvement and maintenance of the water and sewer system and at present there are not sufficient resources available for that purpose.
- (3) The Secretary of Health and Human Services has proposed that the State finance improvements to the Camp Butner reservation through the issuance of revenue bonds issued by the State pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes. G.S. 159-88(c) mandates that prior to the adoption of a bond order authorizing the issuance of revenue bonds of the State under The State and Local Government Revenue Bond Act, the General Assembly must enact legislation authorizing the undertaking of the revenue bond project to be financed and fixing the maximum aggregate principal amount of revenue bonds that will be issued for that purpose.
- (4) It is the intent of the General Assembly to enact the legislation necessary so that the State may issue revenue bonds for the purpose of paying (i) the costs of acquisition, construction, reconstruction, improvement, enlargement, betterment, and extension of the water supply and distribution system and sewage collection and disposal system for the Community of Butner and the Camp Butner reservation and (ii) certain costs of issuance of the revenue bonds.

Section 2. Definitions. The following definitions apply in this act:

- (1) " Department" means the North Carolina Department of Health and Human Services.
- (2) " Secretary" means the Secretary of the North Carolina Department of Health and Human Services, or any successor office.
- (3) " Project" means the water supply and distribution system and sewer collection and disposal system serving an area including, but not limited to, the Community of Butner and the Camp Butner reservation pursuant to G.S. 122C-407.

Section 3. General grant of powers. The State of North Carolina, acting through the Secretary, is authorized, subject to the provisions of this act, to issue revenue bonds pursuant to The State and Local Government Revenue Bond Act to pay the costs of the project and associated costs. The project is a "revenue bond project" within the meaning of The State and Local Government Revenue Bond Act. Except as otherwise provided in this act, these revenue bonds shall be issued in compliance with The State and Local Government Revenue Bond Act, and in administering the project the provisions of The State and Local Revenue Bond Act shall be in full force and effect.

Section 4. Issuance of revenue bonds. The total amount of bonds to be issued pursuant to this act shall not exceed forty million dollars (\$40,000,000). These bonds may be issued at one time or from time to time as the Secretary considers necessary. Bonds issued pursuant to this act shall be issued pursuant to an order adopted by the Council of State under G.S. 159-88 of The State and Local Government Revenue Bond Act. Bonds issued pursuant to this act shall be sold by the Local Government Commission pursuant to the provisions of Article 7 of Chapter 159 of the General Statutes.

Section 5. Negotiable instruments. Notwithstanding any of the foregoing provisions of this act or any recitals in any bonds issued under the provisions of this act, all these bonds are negotiable instruments under the laws of this State, subject only to any applicable provisions for registration.

Section 6. Tax exemptions. Bonds issued under this act shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of the securities, and franchise taxes. The interest on the bonds is not subject to taxation as income.

Section 7. Interpretation of act. (a) Additional method. This act provides an additional and alternative method for the doing of the things authorized by the act and is supplemental and additional to powers conferred by other laws, and, except as expressly provided, does not derogate any powers now existing.

Section 7.(b) Statutory references. References in this act to specific sections or Chapters of the General Statutes are intended to be references to these sections or Chapters as they may be amended from time to time by the General Assembly.

Section 7.(c) Liberal construction. This act, being necessary for the health and welfare of the people of the State, shall be liberally construed to effect its purposes.

Section 7.(d) Severability. If any provision of this act or its application to any person or circumstance is held invalid, that invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 8. Effective date. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2000.

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Marc Basnight  
President Pro Tempore of the Senate

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James B. Black  
Speaker of the House of Representatives

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James B. Hunt, Jr.  
Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of \_\_\_\_\_ , 2000