

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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**SENATE BILL 1925
Finance Committee Substitute Adopted 6/10/08
House Committee Substitute Favorable 6/30/08**

Short Title: UNC Nonapp. Cap. Projects/Airport Authority.

(Public)

Sponsors:

Referred to:

May 22, 2008

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING,
2 WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN
3 CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT
4 INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA; TO REVISE
5 UNIVERSITY GENERAL OBLIGATION INDEBTEDNESS; TO ALLOW THE
6 UNIVERSITY OF NORTH CAROLINA TO CREATE AIRPORT AUTHORITIES
7 TO SUPPORT THE MISSION OF THE UNIVERSITY, ITS CONSTITUENT
8 INSTITUTIONS, OR THE UNIVERSITY OF NORTH CAROLINA HEALTH
9 CARE SYSTEM; TO AUTHORIZE THE STATE EDUCATION ASSISTANCE
10 AUTHORITY TO SET THE INTEREST RATE FOR THREE SCHOLARSHIP
11 LOAN PROGRAMS AT A RATE NOT TO EXCEED TEN PERCENT PER
12 ANNUM; AND TO MODIFY THE RESPONSIBILITIES OF THE NORTH
13 CAROLINA FEDERAL TAX REFORM ALLOCATION COMMITTEE.

14 The General Assembly of North Carolina enacts:

15
16
17 **PART I. SELF-LIQUIDATING PROJECTS**

18 **SECTION 1.1.** The purpose of this act is: (i) to authorize the construction by
19 certain constituent institutions of The University of North Carolina of the capital
20 improvements projects listed in the act for the respective institutions, and (ii) to
21 authorize the financing of these projects with funds available to the institutions from
22 gifts, grants, receipts, liquidating indebtedness, Medicare reimbursements for education
23 costs, or other funds, or any combination of these funds, but not including funds
24 received for tuition or appropriated from the General Fund of the State.

25 **SECTION 1.2.** The capital improvements projects, and their respective
26 costs, authorized by this act to be constructed and financed as provided in Section 1.1 of
27 this act, including by revenue bonds, by special obligation bonds as authorized in
28 Section 1.5 of this act, or by both, are as follows:

1		
2	Appalachian State University	
3	Kidd Brewer Stadium Improvements	\$8,300,000
4		
5	East Carolina University	
6	Athletic Facilities Expansion and Improvements	30,000,000
7	Dining Facilities Improvements	9,700,000
8	Residence Halls Improvements and Expansion	28,500,000
9	Dowdy-Ficklen Stadium Improvements	24,000,000
10		
11	North Carolina Central University	
12	Student Facilities Improvements	11,500,000
13		
14	North Carolina State University	
15	Student Health Center Expansion	10,900,000
16	Avent Ferry Administration Center Renovation	5,200,000
17	Centennial Campus Tenant Space Renovations	10,000,000
18	Collaborative Research Building I	35,000,000
19		
20	The University of North Carolina at Chapel Hill	
21	Athletic Facilities Renovation and Expansion	7,023,000
22	Carmichael Auditorium – Supplement	9,500,000
23	Carmichael Residence Hall – Supplement	1,300,000
24	Dental Sciences Teaching and Learning Building	26,000,000
25	Fetzer Gymnasium Expansion	2,500,000
26	Kenan Stadium Expansion, Phase I	50,000,000
27	Mary Ellen Jones Animal Facility Renovation	10,000,000
28	Medical Research Building D Renovation and Expansion	5,000,000
29	Old East and Old West Residence Halls Improvements –	
30	Supplement	3,200,000
31	Research Resource Facility – Phase III	8,600,000
32	Robertson Scholars Site Preparation	1,900,000
33	Woollen Gymnasium (Sports Medicine) – Supplement	1,500,000
34	Chilled Water Infrastructure	6,000,000
35	Cogeneration and Steam Infrastructure Improvements	
36	and Expansion	17,700,000
37	Electrical Infrastructure Improvements	13,500,000
38		
39	The University of North Carolina at Charlotte	
40	Residence Hall Fire Suppression Sprinkler System Installation	16,200,000
41		
42	The University of North Carolina at Greensboro	
43	Cone Residence Hall Fire Alarm System Replacement	948,000
44	North and South Spencer Residence Hall Improvements	5,978,000

1 Baseball Locker Room and Training Facility 2,800,000

2
3 **The University of North Carolina at Wilmington**

4 Student Recreation Center Expansion 35,000,000

5
6 **Winston-Salem State University**

7 Student Activities Center 3,750,000

8
9 **SECTION 1.3.** Pursuant to G.S. 143C-8-12, the following projects are
10 authorized for planning only and, for that purpose, are to be funded entirely with
11 non-General Fund money:

12
13 **Appalachian State University**

14 Student Residential, Learning and Activity Development –
15 Advance Planning \$6,400,000

16
17 **Fayetteville State University**

18 Student Residence Hall and Fitness Center – Advance Planning 5,900,000

19
20 **The University of North Carolina at Charlotte**

21 Partnership, Outreach, and Research for Accelerated Learning
22 (PORTAL) Building – Advance Planning 5,000,000

23 Motorsports Building II – Advance Planning 800,000

24
25 **UNC Health Care System**

26 Inpatient Bed Tower and Operating Room Facility 16,275,000

27
28 **SECTION 1.4.** At the request of the Board of Governors of The University
29 of North Carolina and upon determining that it is in the best interest of the State to do
30 so, the Director of the Budget may authorize an increase or decrease in the cost of, or a
31 change in the method of, funding the projects authorized by this act. In determining
32 whether to authorize a change in cost or funding, the Director of the Budget shall
33 consult with the Joint Legislative Commission on Governmental Operations.

34 **SECTION 1.5.** Pursuant to G.S. 116D-26, the Board of Governors may
35 issue, subject to the approval of the Director of the Budget, at one time or from time to
36 time, special obligation bonds of the Board of Governors for the purpose of paying all
37 or any part of the cost of acquiring, constructing, or providing for the projects
38 authorized by Section 1.2 of this act. The maximum principal amount of bonds to be
39 issued shall not exceed the specified project costs in Section 1.2 of this act plus
40 twenty-five million dollars (\$25,000,000) for related additional costs, such as issuance
41 expenses, funding of reserve funds, and capitalized interest.

42 **SECTION 1.6.** With respect to the University of North Carolina at Chapel
43 Hill's Research Resource Facility – Phase III capital project, East Carolina University's
44 Athletic Facilities Expansion and Improvements capital project, and North Carolina

1 State University's Avent Ferry Administration Center Renovation capital project, the
2 institution may accomplish construction and financing notwithstanding the requirement
3 in G.S. 116D-22(5) as to location at the institution.

4 **SECTION 1.7.** With respect to the University of North Carolina at Chapel
5 Hill's Kenan Stadium – Expansion, Phase I, capital project, the institution may
6 accomplish construction and financing through lease arrangements to and from the
7 Educational Foundation, Inc., or any other special purpose entity created for that
8 purpose. After the completion of the renovation and improvement and acquisition of the
9 project by the institution, and notwithstanding any provision of the General Statutes
10 governing the negotiation and execution of contracts or leases for the operation and
11 management of a facility, the institution may provide for the operation and management
12 of all or part of the renovated and improved portion of Kenan Stadium by contracting
13 with the Educational Foundation, Inc., or by leasing that portion of Kenan Stadium to
14 the Educational Foundation, Inc., or by contracting with or leasing to any other special
15 purpose entity created for that purpose.

16 **SECTION 1.8.** With respect to Appalachian State University's Kidd Brewer
17 Stadium Improvements capital project, the institution may accomplish construction and
18 financing through lease arrangements to and from the Appalachian State University
19 Foundation, Inc.

20 **SECTION 1.9.** With respect to the University of North Carolina at Chapel
21 Hill's Cogeneration and Steam Infrastructure Improvements and Expansion capital
22 project, the institution may accomplish the construction and financing of the Landfill
23 Gas Utilization portion thereof notwithstanding the requirement in G.S. 116D-22(5) as
24 to location of the special obligation project at the institution. The University of North
25 Carolina at Chapel Hill may enter into any other required agreements as necessary for
26 the completion of the improvements, notwithstanding any other provisions of the
27 General Statutes governing such acquisition, negotiation, and execution of such
28 rights-of-way, easements, leases, or other required agreements therefor.

29 30 **PART II. REVISE UNIVERSITY GENERAL OBLIGATION INDEBTEDNESS**

31 **SECTION 2.** Pursuant to Section 2(b) of S.L. 2000-3, the General Assembly
32 finds that it is in the best interest of the State to respond to current educational and
33 research program requirements at the University of North Carolina at Chapel Hill by
34 reducing the scope of "Berryhill Laboratory Building – Comprehensive Renovation."
35 The unused funds from "Berryhill Laboratory Building – Comprehensive Renovation"
36 should be transferred to a new capital project "Division of Laboratory Animal Medicine
37 Upfits." Section 2(a) of S.L. 2000-3 is therefore amended in the portion under the
38 University of North Carolina at Chapel Hill by:

- 39 (1) Reducing the portion to "Berryhill Laboratory Building –
40 Comprehensive Renovation" by eight million six hundred thousand
41 dollars (\$8,600,000) so that it reads two million one hundred thousand
42 dollars (\$2,100,000); and

- 1 (2) Adding a new project entitled "Division of Laboratory Animal
2 Medicine – Upfits" with an amount of eight million six hundred
3 thousand dollars (\$8,600,000).
4

5 **PART III. ALLOW THE UNIVERSITY OF NORTH CAROLINA TO CREATE**
6 **AN AIRPORT AUTHORITY**

7 **SECTION 3.1.** G.S. 116-11 is amended by adding a new subdivision to
8 read:

9 "(12c) The Board of Governors may create airport authorities to support the
10 missions of The University of North Carolina, its constituent
11 institutions, or the University of North Carolina Health Care System.
12 An authority so created shall be a political subdivision of the State.
13 The territorial jurisdiction of the authority shall be a county or counties
14 in which the authority operates, or proposes to operate, an airport.
15 Article 33 of this Chapter provides for such authorities."

16 **SECTION 3.2.** Chapter 116 of the General Statutes is amended by adding a
17 new Article to read:

18 "Article 33.

19 "Airport Authorities.

20 **"§ 116-271. General provisions.**

21 (a) As provided by G.S. 116-11(12c), the Board of Governors may create airport
22 authorities to support the missions of The University of North Carolina, its constituent
23 institutions, or the University of North Carolina Health Care System. An authority so
24 created shall be a political subdivision of the State. The territorial jurisdiction of the
25 authority shall be one or two listed counties in which the authority operates, or proposes
26 to operate, an airport.

27 (b) To create an airport authority under this Article, the Board of Governors by
28 resolution shall:

29 (1) Name the authority.

30 (2) List the county or counties in which the airport authority is proposed to
31 operate an airport. If a resolution names two counties, it may later be
32 amended to reduce the number of counties to one.

33 (3) Describe the input from affected local jurisdictions.

34 (4) Consider eligibility for State and federal funding.

35 (5) Find that the authority is essential to support the missions of The
36 University of North Carolina.

37 **"§ 116-272. Systemwide authority membership.**

38 (a) Where an airport authority is created to support the mission of The University
39 of North Carolina System, it shall consist of 15 members appointed as follows:

40 (1) One member shall be appointed by the General Assembly for a
41 three-year term upon the recommendation of the Speaker of the House
42 of Representatives in accordance with G.S. 120-121;

- 1 (2) One member shall be appointed by the General Assembly for a
2 three-year term upon the recommendation of the President Pro
3 Tempore of the Senate in accordance with G.S. 120-121;
4 (3) Eight members shall be appointed to three-year terms by the Board of
5 Governors upon recommendation of the President, provided that four
6 of the initial members so appointed shall serve terms of three years and
7 four shall serve terms of two years;
8 (4) Three members shall be appointed by the board of commissioners of
9 the county or counties having territorial jurisdiction over the authority
10 as provided by subsections (b) through (d) of this section; and
11 (5) Two members shall be appointed by the municipalities within that
12 county or counties as provided by subsections (e) through (g) of this
13 section.

14 (b) Where there is a single county with territorial jurisdiction over the authority,
15 the board of commissioners shall appoint three members. One of the initial members
16 shall be appointed for a one-year term, one for a two-year term, and one for a three-year
17 term. Successors shall be appointed for three-year terms.

18 (c) When there are two counties with territorial jurisdiction over the authority,
19 the Board of Governors shall designate one county to appoint two members and the
20 other county to appoint one member. The county with two members shall appoint one
21 initial member for a two-year term and one initial member for a one-year term. The
22 county with one member shall appoint one initial member for a three-year term.

23 (d) If the Board of Governors has initially designated two counties having
24 territorial jurisdiction over the authority and later reduces it by resolution to one county,
25 the seat of the member or members of the county or counties no longer having territorial
26 jurisdiction over the authority is vacated on the date specified by the resolution, and the
27 remaining county shall appoint a person or persons to fill the remainder of the unexpired
28 term or terms.

29 (e) Where there is a single county with territorial jurisdiction over the authority,
30 the municipality with the largest population within that county based on the most recent
31 decennial federal census shall appoint one member for a two-year term. The
32 municipalities with the second and third largest populations within that county based on
33 the most recent decennial federal census shall alternately appoint one member for a
34 two-year term, with the second largest municipality making the initial appointment.

35 (f) Where there are two counties with territorial jurisdiction over the authority,
36 the municipality with the largest population within those counties based on the most
37 recent decennial federal census shall appoint one member for a two-year term. The
38 municipalities with the second and third largest populations within those counties based
39 on the most recent decennial federal census shall alternately appoint one member for a
40 two-year term, with the second largest municipality making the initial appointment.

41 (g) If the Board of Governors has initially designated two counties having
42 territorial jurisdiction over the authority and later reduces it by resolution to one county,
43 all municipally appointed seats on the authority are vacated and new appointments made
44 in accordance with subsection (e) of this section.

1 (h) All vacancies on the authority shall be filled by the governing board
2 authorized to make the initial appointment, and the appointment is for the remainder of
3 the unexpired term, except that vacancies in appointments made by the General
4 Assembly shall be filled in accordance with G.S. 120-122.

5 **"§ 116-273. Single or multi-institution authority membership.**

6 (a) Where an airport authority is created to support the mission of a particular
7 constituent institution of The University of North Carolina, it shall consist of 15
8 members appointed as follows:

- 9 (1) One member shall be appointed by the General Assembly for a
10 three-year term upon the recommendation of the Speaker of the House
11 of Representatives in accordance with G.S. 120-121;
12 (2) One member shall be appointed by the General Assembly for a
13 three-year term upon the recommendation of the President Pro
14 Tempore of the Senate in accordance with G.S. 120-121;
15 (3) Eight members shall be appointed to three-year terms by the Board of
16 Governors upon recommendation of the Board of Trustees of that
17 constituent institution, provided that four of the initial members so
18 appointed shall serve terms of three years and four shall serve terms of
19 two years;
20 (4) Three members shall be appointed by the board of commissioners of
21 the county or counties having territorial jurisdiction over the authority
22 as provided by subsections (b) through (d) of this section; and
23 (5) Two members shall be appointed by the municipalities within that
24 county or counties as provided by subsections (e) through (g) of this
25 section.

26 An airport authority may also be created to support the mission of two constituent
27 institutions or the mission of one constituent institution and the University of North
28 Carolina Health Care System. If the airport authority is created to support the mission of
29 two constituent institutions, then the eight members appointed by the Board of
30 Governors shall include an equal number of representatives of each such constituent
31 institution. If the airport authority is created to support the mission of one constituent
32 institution and the University of North Carolina Health Care System, then the eight
33 members appointed by the Board of Governors shall include an equal number of
34 representatives of the constituent institution and the University of North Carolina Health
35 Care System. If it is impossible to appoint an equal number from each, then the Board
36 of Governors shall determine a fair representation on the airport authority from each
37 such entity.

38 (b) Where there is a single county with territorial jurisdiction over the authority,
39 the board of commissioners shall appoint three members. One of the initial members
40 shall be appointed for a one-year term, one for a two-year term, and one for a three-year
41 term. Successors shall be appointed for three-year terms.

42 (c) When there are two counties with territorial jurisdiction over the authority,
43 the Board of Governors shall designate one county to appoint two members and the
44 other county to appoint one member. The county with two members shall appoint one

1 initial member for a two-year term and one initial member for a one-year term. The
2 county with one member shall appoint one initial member for a three-year term.

3 (d) If the Board of Governors has initially designated two counties having
4 territorial jurisdiction over the authority and later reduces it by resolution to one county,
5 the seat of the member or members of the county or counties no longer having territorial
6 jurisdiction over the authority is vacated on the date specified by the resolution, and the
7 remaining county shall appoint a person or persons to fill the remainder of the unexpired
8 term or terms.

9 (e) Where there is a single county with territorial jurisdiction over the authority,
10 the municipality with the largest population within that county based on the most recent
11 decennial federal census shall appoint one member for a two-year term. The
12 municipalities with the second and third largest populations within that county based on
13 the most recent decennial federal census shall alternately appoint one member for a
14 two-year term, with the second largest municipality making the initial appointment.

15 (f) Where there are two counties with territorial jurisdiction over the authority,
16 the municipality with the largest population within those counties based on the most
17 recent decennial federal census shall appoint one member for a two-year term. The
18 municipalities with the second and third largest populations within those counties based
19 on the most recent decennial federal census shall alternately appoint one member for a
20 two-year term, with the second largest municipality making the initial appointment.

21 (g) If the Board of Governors has initially designated two counties having
22 territorial jurisdiction over the authority and later reduces it by resolution to one county,
23 all municipally appointed seats on the authority are vacated and new appointments made
24 in accordance with subsection (e) of this section.

25 (h) All vacancies on the authority shall be filled by the governing board
26 authorized to make the initial appointment, and the appointment is for the remainder of
27 the unexpired term, except that vacancies in appointments made by the General
28 Assembly shall be filled in accordance with G.S. 120-122.

29 **"§ 116-274. UNC Health Care System authority membership.**

30 (a) Where an airport authority is created to support the mission of the University
31 of North Carolina Health Care System, it shall consist of 15 members appointed as
32 follows:

- 33 (1) One member shall be appointed by the General Assembly for a
34 three-year term upon the recommendation of the Speaker of the House
35 of Representatives in accordance with G.S. 120-121;
- 36 (2) One member shall be appointed by the General Assembly for a
37 three-year term upon the recommendation of the President Pro
38 Tempore of the Senate in accordance with G.S. 120-121;
- 39 (3) Eight members shall be appointed to three-year terms by the Board of
40 Directors, provided that four of the initial members so appointed shall
41 serve terms of three years and three shall serve terms of two years;
- 42 (4) Three members shall be appointed by the board of commissioners of
43 the county or counties having territorial jurisdiction over the authority
44 as provided by subsections (b) through (d) of this section; and

1 (5) Two members shall be appointed by the municipalities within that
2 county or counties as provided by subsections (e) through (g) of this
3 section.

4 (b) Where there is a single county with territorial jurisdiction over the authority,
5 the board of commissioners shall appoint three members. One of the initial members
6 shall be appointed for a one-year term, one for a two-year term, and one for a three-year
7 term. Successors shall be appointed for three-year terms.

8 (c) When there are two counties with territorial jurisdiction over the authority,
9 the Board of Governors shall designate one county to appoint two members and the
10 other county to appoint one member. The county with two members shall appoint one
11 initial member for a two-year term and one initial member for a one-year term. The
12 county with one member shall appoint one initial member for a three-year term.

13 (d) If the Board of Governors has initially designated two counties having
14 territorial jurisdiction over the authority and later reduces it by resolution to one county,
15 the seat of the member or members of the county or counties no longer having territorial
16 jurisdiction over the authority is vacated on the date specified by the resolution, and the
17 remaining county shall appoint a person or persons to fill the remainder of the unexpired
18 term or terms.

19 (e) Where there is a single county with territorial jurisdiction over the authority,
20 the municipality with the largest population within that county based on the most recent
21 decennial federal census shall appoint one member for a two-year term. The
22 municipalities with the second and third largest populations within that county based on
23 the most recent decennial federal census shall alternately appoint one member for a
24 two-year term, with the second largest municipality making the initial appointment.

25 (f) Where there are two counties with territorial jurisdiction over the authority,
26 the municipality with the largest population within those counties based on the most
27 recent decennial federal census shall appoint one member for a two-year term. The
28 municipalities with the second and third largest populations within those counties based
29 on the most recent decennial federal census shall alternately appoint one member for a
30 two-year term, with the second largest municipality making the initial appointment.

31 (g) If the Board of Governors has initially designated two counties having
32 territorial jurisdiction over the authority and later reduces it by resolution to one county,
33 all municipally appointed seats on the authority are vacated and new appointments made
34 in accordance with subsection (e) of this section.

35 (h) All vacancies on the authority shall be filled by the governing board
36 authorized to make the initial appointment, and the appointment is for the remainder of
37 the unexpired term, except vacancies in appointments made by the General Assembly
38 shall be filled in accordance with G.S. 120-122.

39 "**§ 116-275. General powers.**

40 (a) An authority created under this Article has all powers that a city or county has
41 under Articles 1 through 7 of Chapter 63 of the General Statutes and, in regard to
42 financing capital expenditures and operations, shall have such powers as are delegated
43 to or conferred upon the constituent institutions or the University of North Carolina
44 Health Care System. Notwithstanding other provisions of law, both regulations adopted

1 by an authority under this Article and development regulations adopted by a county or
2 municipality under Article 18 of Chapter 153A or Article 19 of Chapter 160A of the
3 General Statutes shall be applicable to land owned by and the approaches to land owned
4 by an authority created under this Article. In the event the regulations conflict, the more
5 restrictive regulation applies.

6 (b) In addition to the powers granted by subsection (a) of this section, an
7 authority created under this Article has the following powers:

8 (1) To sue and be sued in the name of the airport authority, and all
9 pleadings served upon the airport authority shall be served on the
10 chairperson or secretary of the airport authority.

11 (2) To expend funds appropriated to it from time to time for airport
12 purposes and to expend funds received by the authority from fees,
13 charges, rents, and dues arising out of the operation of the airport, the
14 facilities, improvements, and concessions located thereat or operated
15 thereon.

16 (3) To establish, construct, control, lease, maintain, improve, operate, and
17 regulate an airport on lands acquired by it with buildings necessary to
18 accommodate all types of business to operate an airport, runways, taxi
19 ramps, parking ramps, and any equipment to operate an airport, to
20 have complete authority for rules and regulations over all airport
21 property for the control of all types of vehicular traffic, mobile or
22 stationary, and pedestrian traffic with respect to areas or roadways not
23 under the control of the Department of Transportation and any rules
24 adopted by the airport authority for property exclusively under its
25 control, and to have conjunctive authority to work with and cooperate
26 with all duly constituted law enforcement agencies to enforce rules
27 established by the State of North Carolina. The penalty for violation of
28 rules established by the airport authority shall be a Class 3
29 misdemeanor and, upon conviction, shall be punishable by a fine not to
30 exceed fifty dollars (\$50.00) or imprisonment not to exceed 30 days.
31 All rules and regulations so adopted by the airport authority shall be
32 recorded by delivering true copies thereof certified by the chairperson
33 and secretary of the authority to the Secretary of the Board of
34 Governors and to the Secretary of State.

35 (4) The authority may acquire by purchase or gift any property for the
36 purpose of establishing, extending, enlarging, or improving an airport.
37 The authority does not possess the power of eminent domain over
38 property held by a tax-exempt Internal Revenue Code section
39 501(c)(3) organization organized for educational purposes. In all other
40 cases, the authority possesses the power of eminent domain and may
41 acquire property by eminent domain for the purpose of establishing,
42 extending, enlarging, or improving an airport. In cases where the
43 authority may exercise the power of eminent domain, the authority is
44 declared to be a local public condemnor under the provisions of

1 Chapter 40A of the General Statutes and in exercising the powers of
2 eminent domain shall follow the procedures of Article 3 of Chapter
3 40A of the General Statutes. Title to the property and the right of
4 immediate possession shall vest pursuant to subsection (a) of
5 G.S. 40A-42. If property acquired by condemnation contains a burial
6 ground or graveyard, then it shall be lawful for the airport authority
7 after 30 days' notice to the surviving spouse, or the next of kin of the
8 deceased buried therein, or the person in control of the graves, if any
9 are known, to remove the body interred therein and reinter the same in
10 some cemetery in the same county. If no surviving spouse or next of
11 kin or person in control can be found, then the airport authority can
12 advertise for four consecutive weeks in a newspaper published in the
13 county of the intended removal of the gravesite, and the removal shall
14 be conducted under the supervision of the clerk of the superior court
15 for that county or his or her representative, and the expense of such
16 removal shall be borne by the airport authority. The airport authority
17 may dispose of any real or personal property belonging to it according
18 to the procedures described in Article 12 of Chapter 160A of the
19 General Statutes.

20 (5) To lease to other entities for a term not to exceed 20 years and for
21 purposes not inconsistent with airport purposes or usage, real or
22 personal property or both, under the supervision of or administered by
23 the airport authority.

24 (6) To contract with persons, firms, or corporations for terms not to
25 exceed 20 years, for the operation of passenger and freight flights,
26 scheduled or nonscheduled, and any other plane or flight activities not
27 inconsistent with airport operations and to charge and collect
28 reasonable fees, charges, and rents for the use of such property and
29 services rendered in the operation thereof.

30 (7) To operate, own, control, regulate, lease, or grant to others the license
31 to operate amusements or concessions for a term not exceeding 20
32 years.

33 (8) To enter into contracts to pledge as security the property of the airport
34 authority.

35 (9) To pledge any lease agreement to which it is a party as security for any
36 loan.

37 (10) To adopt and use a seal.

38 (11) To contract with the Federal Aviation Administration of the United
39 States of America or with the State of North Carolina or with any of
40 the agencies or representatives of either of said governmental bodies
41 relating to the grading, constructing, equipping, improving,
42 maintaining, or operating of an airport or its facilities, or both.

43 (12) To receive refunds of sales and use taxes under G.S. 105-164.14(c).

- 1 (13) To accept grants, loans, or contributions from the United States, the
2 State of North Carolina, or any agency or instrumentality of either of
3 them, or from any county or other municipality, and to expend the
4 proceeds for any purposes of the authority.
- 5 (14) To accept grants, loans, or contributions from nonprofit organizations
6 and to expend the proceeds for any purposes of the authority.
- 7 (15) To adopt organizational bylaws that shall include, but not be limited
8 to, provision for election, duties, and terms of a Chair and Secretary.
- 9 (16) To borrow money in accordance with Article V of Chapter 159 of the
10 General Statutes, provided that all powers and duties conferred on the
11 Local Government Commission shall for purposes of this section be
12 held by the Board of Governors.

13 (c) The authority shall enjoy governmental immunity, however, the authority
14 may contract to insure itself and any of its officers, agents, or employees against
15 liability for wrongful death or negligence or intentional damage to persons or property
16 or against absolute liability for damage to persons or property caused by an act or
17 omission of the authority or of any of its officers, agents, or employees when acting
18 within the scope of their authority and the course of their employment. The members of
19 the authority shall determine what liabilities and what officers, agents, and employees
20 shall be covered by any insurance purchased pursuant to this provision.

21 Purchase of insurance pursuant to this provision waives the authority's governmental
22 immunity to the extent of insurance coverage for any act or omission occurring in the
23 exercise of a governmental function. By entering into an insurance contract with the
24 authority, an insurer waives any defense based upon the governmental immunity of the
25 authority.

26 If the authority has waived its governmental immunity pursuant to the foregoing
27 provisions of this section, any person, or if he dies, his personal representative,
28 sustaining damages as a result of an act or omission of the authority or any of its
29 officers, agents, or employees occurring in the exercise of a governmental function, may
30 sue the authority for recovery of damages. To the extent of the coverage of insurance
31 purchased pursuant to this section, governmental immunity may not be a defense to the
32 action. Otherwise, however, the authority has all defenses available to private litigants
33 in any action brought pursuant to these provisions without restriction, limitation, or
34 other effect whether the defense arises from common law or by virtue of a statute.

35 **§ 116-276. Cessation of operation.**

36 In the event of cessation of the operation of an airport established under this Article,
37 or the abandonment of any of the property acquired hereunder for airport purposes, the
38 title to such real or personal property or rights under any existing lease shall vest in The
39 University of North Carolina, and upon the sale of any property after cessation of
40 operations, the proceeds therefrom shall first be distributed pro rata to the constituent
41 university member(s) or to the University of North Carolina Health Care System to
42 reimburse their or their affiliated foundations' investments in the authority and thereafter
43 shall vest in the University."

PART IV. INTEREST RATE FOR SCHOLARSHIP LOAN PROGRAMS

SECTION 4.1. G.S. 90-171.62(a) reads as rewritten:

"(a) All scholarship loans shall be evidenced by notes made payable to the State Education Assistance Authority that bear interest at ~~the rate of~~ a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the nursing education program, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission."

SECTION 4.2. G.S. 90-171.101(a) reads as rewritten:

"(a) All scholarship loans shall be evidenced by notes made payable to the State Education Assistance Authority that bear interest at ~~the rate of~~ a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the nursing education program, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission."

SECTION 4.3. G.S. 116-74.43(a) reads as rewritten:

"(a) All scholarship loans shall be evidenced by notes made payable to the State Education Assistance Authority that bear interest at ~~the rate of~~ a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the school administrator program, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission."

SECTION 4.4. This section becomes effective January 1, 2009, and applies to all scholarship loans issued on and after July 1, 2009.

PART V. MODIFY TRAC RESPONSIBILITIES

SECTION 5.1. G.S. 143-433.6 reads as rewritten:

"§ 143-433.6. Legislative findings.

(a) The General Assembly finds and determines that the Tax Reform Act of 1984 established a federal volume limitation upon the aggregate amount of "private activity bonds" that may be issued by each state; that, pursuant to Section 103(n) of the Internal Revenue Code of 1954, as amended, a previous Governor of North Carolina issued Executive Order 113 proclaiming a formula for allocating the federal volume limitation for North Carolina; that on October 22, 1986, the Tax Reform Act of 1986, hereinafter referred to as the "Tax Reform Act", was enacted; that the Tax Reform Act (i) establishes a new unified limitation for private activity bonds on a state by state basis, (ii) establishes a new definition of the types of private activity bonds to be included under those new limitations, (iii) establishes a new low-income housing credit to induce the construction of and the improvement of housing for low-income people, and (iv) limits the aggregate use of this low-income housing credit on a state by state basis; that the Tax Reform Act provides for federal formulas for the allocation of these "state by

1 state" resources, and also provides for states which cannot use the federal formula for
2 allocation to set allocation procedures and formulas which are more appropriate for the
3 individual states; that the Tax Reform Act gives authority for the legislature of each
4 state to formulate and execute plans for allocation; and that Section 146 of the Internal
5 Revenue Code of 1986, as amended, and Section 42 of the Internal Revenue Code of
6 1986, as amended, will require continued inquiry and study in the ways in which North
7 Carolina can best and most fairly manage and utilize resources provided therein.

8 (b) The General Assembly further finds and determines that the Economic
9 Growth and Tax Relief Reconciliation Act of 2001 added new subsections (a)(13) and
10 (k) to section 142 of the Internal Revenue Code of 1986, as amended, which (i)
11 establish a new type of private activity bond that can be issued to finance "qualified
12 public educational facilities," (ii) establish an annual aggregate limitation on the face
13 amount of qualified public educational facility bonds that may be issued on a
14 state-by-state basis, (iii) provide that each state may allocate the annual aggregate
15 limitation for any calendar year in such manner as each state determines appropriate,
16 and (iv) provide for an elective carryforward by each state of the unused annual
17 aggregate limitation; and that subsections (a)(13) and (k) will require continued inquiry
18 and study in the ways in which North Carolina can best and most fairly manage and
19 utilize the resource provided therein."

20 **SECTION 5.2.** G.S. 143-433.8 reads as rewritten:

21 **"§ 143-433.8. Duties.**

22 The Committee ~~may~~ shall perform the following duties:

- 23 (1) Manage the allocation of ~~tax exempt private activity bonds and~~
24 ~~low income housing credits~~private activity bonds, low-income housing
25 credits, and qualified public educational facility bonds and receive
26 advice from bond issuers, elected officials, and the General Assembly.
- 27 (2) Continue to monitor bond markets, economic development financing
28 trends, school financing trends, housing markets, and tax incentives
29 available to induce events and programs favorable to North Carolina,
30 its cities and counties, and individual citizens.
- 31 (3) Continue to study the ways in which North Carolina can best and most
32 fairly manage and utilize the allocation of ~~private activity bonds and~~
33 ~~low income housing credits~~private activity bonds, low-income
34 housing credits, and qualified public educational facility bonds.
- 35 (4) Report to the Governor, Lieutenant Governor, ~~and the Speaker of the~~
36 House of Representatives-Representatives, the President Pro Tempore
37 of the Senate, and the Revenue Laws Study Committee as requested
38 and on not less than an annual basis. The annual report is due by
39 November 1 of each year."

40 **SECTION 5.3.** G.S. 143-433.9(a) reads as rewritten:

41 "(a) To provide for the orderly and prompt issuance of private activity bonds and
42 qualified public educational facility bonds, there are hereby proclaimed formulas for
43 allocating the following: (i) the unified volume ~~limitation and~~ limitation, (ii) the state
44 housing credit ~~ceiling~~ ceiling, and (iii) the annual aggregate limitation on the face

1 amount of qualified public educational facility bonds. The unified volume limitation for
2 all issues of private activity bonds, other than qualified public educational facility
3 bonds, in North Carolina shall be considered as a single resource to be allocated under
4 this Article. The annual aggregate limitation on the face amount of qualified public
5 educational facility bonds for all issues in North Carolina shall be considered as a single
6 resource to be allocated under this Article. The Committee shall issue the following: (i)
7 allocations of the unified volume ~~limitation and shall issue~~limitation, (ii) allocations of
8 the ~~State Housing Credit Ceiling~~state housing credit ceiling, and (iii) allocations of the
9 aggregate limitation on the face amount of qualified public educational facility bonds.
10 The Committee shall set forth procedures for making such allocations and in the making
11 of such allocations shall take into consideration the best interest of the State of North
12 Carolina with regard to the economic ~~development~~development, school facility needs,
13 and general prosperity of the people of North Carolina. The Committee shall make all
14 elective carryforwards of the unused unified volume limitation and the annual aggregate
15 limitation on the face amount of qualified public educational facility bonds on behalf of
16 the State."

17 **SECTION 5.4.** This section is effective when it becomes law.
18

19 **PART VI. EFFECTIVE DATE**

20 **SECTION 6.** Except as otherwise provided, this act is effective when it
21 becomes law.