

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 37

Short Title: Infrastructure Bond Bill.

(Public)

Sponsors: Senators Carpenter, Cochrane, Conder, Odom; Carter, Forrester, Hartsell, and Marvin.

Referred to: Finance.

February 7, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF TWO HUNDRED SEVENTY-FIVE MILLION DOLLARS IN GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO PROVIDE FUNDS, WITH ANY OTHER AVAILABLE FUNDS, FOR GENERAL STATE PURPOSES.

The General Assembly of North Carolina enacts:

Section 1. Short title. This act shall be known and may be cited as the "State General Purposes Bond Act".

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

- (1) " Bonds" means bonds issued under this act.
- (2) " Clean Water Revolving Loan and Grant Fund" means the Clean Water Revolving Loan and Grant Fund as defined in the Clean Water Revolving Loan and Grant Fund Act.
- (3) " Clean Water Revolving Loan and Grant Fund Act" means Chapter 796 of the 1987 Session Laws, as the same may be amended from time to time, which, as codified appears as Chapter 159G of the General Statutes, as amended.
- (4) " Cost" means, without intending thereby to limit or restrict any proper definition of such word in financing the cost of facilities or purposes authorized by this act:

- 1 a. The cost of constructing, reconstructing, enlarging, acquiring
2 and improving facilities, and acquiring equipment and land
3 therefor,
4 b. The cost of engineering, architectural and other consulting
5 services as may be required,
6 c. Administrative expenses and charges,
7 d. The cost of bond insurance, investment contracts, credit
8 enhancement and liquidity facilities, interest-rate swap
9 agreements, financial and legal consultants and related costs of
10 bond and note issuance, to the extent and as determined by the
11 State Treasurer, and
12 e. Any other costs and expenses necessary or incidental to the
13 purposes of this act.
- 14 (5) " Credit facility" means an agreement entered into by the State
15 Treasurer on behalf of the State with a bank, savings and loan
16 association or other banking institution, an insurance company,
17 reinsurance company, surety company or other insurance institution, a
18 corporation, investment banking firm or other investment institution,
19 or any financial institution or other similar provider of a credit facility,
20 which provider may be located within or without the United States of
21 America, such agreement providing for prompt payment of all or any
22 part of the principal or purchase price (whether at maturity,
23 presentment or tender for purchase, redemption or acceleration),
24 redemption premium, if any, and interest on any bonds or notes
25 payable on demand or tender by the owner, in consideration of the
26 State agreeing to repay the provider of the credit facility in accordance
27 with the terms and provisions of such agreement.
- 28 (6) " Notes" means notes issued under this act.
- 29 (7) " Par formula" means any provision or formula adopted by the State to
30 provide for the adjustment, from time to time, of the interest rate or
31 rates borne by any bonds or notes, including:
- 32 a. A provision providing for such adjustment so that the purchase
33 price of such bonds or notes in the open market would be as
34 close to par as possible,
35 b. A provision providing for such adjustment based upon a
36 percentage or percentages of a prime rate or base rate, which
37 percentage or percentages may vary or be applied for different
38 periods of time, or
39 c. Such other provision as the State Treasurer may determine to be
40 consistent with this act and will not materially and adversely
41 affect the financial position of the State and the marketing of
42 bonds or notes at a reasonable interest cost to the State.
- 43 (8) " Water supply systems" means water supply systems as defined in the
44 Clean Water Revolving Loan and Grant Act.

1 (9) " Wastewater collection systems" means wastewater collection systems
2 as defined in the Clean Water Revolving Loan and Grant Act.

3 (10) " Wastewater treatment works" means wastewater treatment works as
4 defined in the Clean Water Revolving Loan and Grant Act.

5 Sec. 3. Clean water bonds. (a) Findings and determinations. It is the intent
6 and purpose of the General Assembly by this act to provide for the issuance of general
7 obligation bonds of the State in order to provide additional low-interest funding for the
8 Clean Water Revolving Loan and Grant Fund and to assist in the financing of new water
9 supply systems, wastewater collection systems and wastewater treatment works and
10 necessary capital improvements to existing systems.

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

21 (c) Use of bond and note proceeds. The proceeds of clean water bonds and notes
22 shall be used for the purpose of making deposits to the Clean Water Revolving Loan
23 and Grant Fund to provide funds to be used to make revolving loans and grants to local
24 government units to construct wastewater collection systems, wastewater treatment
25 works and water supply systems and to assist such units in obtaining financing for
26 projects to provide wastewater collection systems, wastewater treatment works and
27 water supply systems, including providing reserve funds to secure obligations issued by
28 local government units to finance such projects, to provide interest subsidies on
29 obligations issued by local government units to finance such projects and to provide
30 funds for securing credit enhancement for obligations issued to finance such projects.

31 Proceeds of clean water bonds and notes shall be paid to the Clean Water
32 Revolving Loan and Grant Fund and the accounts thereof as hereinafter provided and
33 shall be disbursed in the manner set forth in the Clean Water Revolving Loan and Grant
34 Act.

35 (d) Allocation of proceeds of bonds and notes. The proceeds of clean water
36 bonds and notes, including premium, if any, except the proceeds of bonds the issuance
37 of which has been anticipated by bond anticipation notes or the proceeds of refunding
38 bonds or notes shall be placed by the State Treasurer in a special account to be
39 designated "Clean Water Bonds Account" to be established in the "State General
40 Purpose Bond Fund" hereafter mentioned. Moneys in the Clean Water Bonds Account
41 shall be used for the purposes set forth in this section, and the particular deposits to the
42 Clean Water Revolving Loan and Grant Fund to be made from the proceeds shall be
43 determined from time to time in accordance with the procedures established by this
44 section.

1 Amounts placed by the State Treasurer in the Clean Water Revolving Loan
2 and Grant Fund shall be allocated among the various accounts in said fund in the
3 amounts determined by the Director of the Office of State Budget and Management,
4 provided that sixty-five percent (65%) of the amount deposited shall be deposited to the
5 wastewater accounts and thirty-five percent (35%) of the amount deposited shall be
6 deposited to the water supply accounts. The Director of the Office of State Budget and
7 Management shall endeavor to allocate the amounts to the water supply accounts or
8 wastewater accounts of the Clean Water Revolving Loan and Grant Fund so as to best
9 effectuate the purposes of this act to provide revolving loans and grants for clean water
10 projects, taking into account the historical and projected requirements for clean water
11 projects in the State.

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

18 The proceeds of clean water bonds and notes may be used with any other
19 moneys made available by the General Assembly for making deposits to the Clean
20 Water Revolving Loan and Grant Fund, including the proceeds of any other State bond
21 issues, whether heretofore made available or which may be made available at the
22 session of the General Assembly at which this act is ratified or any subsequent sessions.
23 The proceeds of clean water bonds and notes shall be expended and disbursed under the
24 direction and supervision of the Director of the Budget. The funds provided by this act
25 for making deposits to the Clean Water Revolving Loan and Grant Fund shall be
26 disbursed for the purposes provided in this act upon warrants drawn on the State
27 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition
28 has been approved by the Director of the Budget and which requisition shall be
29 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
30 143 of the General Statutes, as it may be amended from time to time.

31 (e) Amendments to the North Carolina Clean Water Revolving Loan and
32 Grant Act.

33 (1) G.S. 159G-3 is amended by adding the following definitions, in the
34 appropriate alphabetical order, to read:

35 "(4a) 'Financing assistance' means monetary assistance to a local
36 government unit to assist the unit in obtaining financing of the cost of
37 a wastewater collection system, wastewater treatment works, or a
38 water supply system, including assistance to provide a deposit to a
39 debt service reserve fund or to provide credit enhancement such as
40 bond insurance, a letter of credit, or interest rate subsidies.

41 (14a) 'Revolving financing assistance loan' means a sum of money loaned
42 by the State to a local government unit to provide financing assistance,
43 with an obligation on the part of the unit to repay the sum."

44 (2) G.S. 159G-3(5) and (15) read as rewritten:

1 "(5) 'Grant' means a sum of money given by the State to a local
2 government unit to subsidize the construction costs of a project
3 authorized by this ~~Chapter~~, Chapter or to provide financing assistance
4 to a local government unit, without any obligation on the part of ~~such~~
5 the unit to repay such the sum.

6 (15) 'Revolving loan' includes a revolving construction loan ~~and an~~
7 ~~emergency loan~~, loan, a revolving emergency loan, and a revolving
8 financing assistance loan."

9 (3) G.S. 159G-4(c) reads as rewritten:

10 "(c) All payments of interest and repayments of principal resulting from revolving
11 ~~loans~~ loans, other than those made to provide financing assistance, shall be credited to
12 the respective accounts from which the revolving loan funds were disbursed. Payments
13 and repayments resulting from revolving loans to provide financing assistance shall be
14 credited to the account from which a transfer to the Wastewater Financing Assistance
15 Account or Water Supply Financing Assistance Account was made. Terms and
16 conditions for repayment of revolving loans shall be established by the Office of State
17 Budget and Management, with the assistance of the Local Government Commission,
18 consistent with the requirements of the Federal Water Pollution Control Act and this
19 Chapter. ~~Provided, the~~ The interest rate for all revolving loans authorized by this Chapter
20 shall be fixed at the same percent per annum as the interest rate fixed under the Federal Water
21 Pollution Control Act for Chapter, other than for loans from the Water Pollution Control
22 Revolving Fund, is seven percent (7%) per year. The interest rate for all revolving
23 loans from the Water Pollution Control Revolving Fund established by G.S. 159G-5(c),
24 ~~not to 159G-5(c)~~ shall not exceed the lesser of four percent (4%) or one half (1/2) the
25 prevailing national market rate for tax exempt general obligation debt of similar
26 maturities derived from a published indicator. ~~Provided further, the interest rate may be~~
27 fixed at indicator, unless a lower rate per annum if year is authorized by the Federal
28 Water Pollution Control Act Regulations. It is the intent of the General Assembly to
29 provide uniform interest payments for all loans made to units of local government
30 irrespective of the account from which loans are made for either wastewater or water
31 supply projects."

32 (4) G.S. 159G-6 reads as rewritten:

33 "**§ 159G-6. Distribution of funds.**

34 (a) Revolving loans and grants.

35 (1) All funds appropriated or accruing to the Clean Water Revolving Loan
36 and Grant Fund, other than funds set aside for administrative expenses,
37 shall be used for revolving loans and grants to local government units
38 for construction costs or assistance in financing the construction costs
39 of wastewater treatment works, wastewater collection systems and
40 water supply systems and other assistance as provided in this Chapter.

41 (2) The maximum principal amount of a revolving loan or a grant ~~may be~~
42 to be used for construction costs of wastewater treatment works,
43 wastewater collection systems, and water supply systems is one
44 hundred percent (100%) of the nonfederal share of the construction

1 costs of any eligible project. The maximum principal amount of
2 revolving loans made to any one local government unit during any
3 fiscal year shall be ~~three-five million dollars (\$3,000,000)-(\$5,000,000).~~
4 The maximum principal amount of grants made to any one local
5 government unit during any fiscal year shall be ~~five hundred thousand~~
6 ~~dollars (\$500,000)-seven hundred fifty thousand dollars (\$750,000).~~

- 7 (3) The State Treasurer shall be responsible for investing and distributing
8 all funds appropriated or accruing to the Clean Water Revolving Loan
9 and Grant Fund for revolving loans and grants under this Chapter. In
10 fulfilling his responsibilities under this section, the State Treasurer
11 shall make a written request to the Office of State Budget and
12 Management to arrange for the appropriated funds to be (i) transferred
13 from the appropriate accounts to a local government unit to provide
14 funds for one or more revolving loans or grants or (ii) invested as
15 authorized by this Chapter with the interest on and the principal of
16 such investments to be transferred to the local government unit to
17 provide funds for one or more revolving loans or grants.

18 (b) Wastewater Accounts. – The sums allocated in G.S. 159G-4 and accruing to
19 the various Wastewater Accounts in each fiscal year shall be used to make revolving
20 loans and grants to local government units as provided below. The Office of the State
21 Budget and Management shall disburse no funds from the Wastewater Accounts except
22 upon receipt of written approval of the disbursement from the Environmental
23 Management Commission.

- 24 (1) General Wastewater Revolving Loan and Grant Account. – The funds
25 in the General Wastewater Revolving Loan and Grant Account shall
26 be used exclusively for the purpose of providing for revolving
27 construction loans or grants in connection with approved wastewater
28 treatment work or wastewater collection system projects.
- 29 (2) High-Unit Cost Wastewater Account. – The funds in the High-Unit
30 Cost Wastewater Account shall be available for grants to applicants for
31 high-unit cost wastewater projects. Eligibility of an applicant for such
32 a grant shall be determined by comparing estimated average household
33 user fees for water and sewer service, for debt service and operation
34 and maintenance costs, to one and one-half percent (1.5%) of the
35 median household income in the county in which the project is located.
36 The projects which would require estimated average household water
37 and sewer user fees greater than one and one-half percent (1.5%) of the
38 median household income are defined as high-unit cost wastewater
39 projects and will be eligible for a grant equal to the excess cost, subject
40 to the limitations in subsection (a)(2) of this section.
- 41 (3) Emergency Wastewater Revolving Loan Account. – The funds in the
42 Emergency Wastewater Revolving Loan Account shall be available for
43 revolving emergency loans to applicants in the event the
44 Environmental Management Commission certifies that a serious public

1 health hazard, related to the inadequacy of existing wastewater
2 facilities, is present or imminent in a community.

- 3 (4) Financing Assistance Wastewater Revolving Loan and Grant
4 Account.– The funds in this account shall be used for revolving
5 financing assistance loans or grants to provide financing assistance in
6 connection with the financing by local government units of approved
7 wastewater treatment works or wastewater collection system projects.
8 To obtain revenue in this account for an approved project, the Office
9 of State Budget and Management shall transfer the amount needed
10 from the General Wastewater Revolving Loan and Grant Account, the
11 High-Unit Cost Wastewater Account, or the Emergency Wastewater
12 Revolving Loan Account. The account from which the transfer is
13 made shall be determined by the type of project.

14 (c) Water Supply Accounts. – The sums allocated in G.S. 159G-4 and accruing
15 to the various Water Supply Accounts in each fiscal year shall be used to provide
16 revolving loans and grants to local government units as provided below. The Office of
17 State Budget and Management shall disburse no funds from the Water Supply Accounts
18 except upon receipt of written approval of the disbursement from the Division of
19 Environmental Health.

- 20 (1) General Water Supply Revolving Loan and Grant Account. – The
21 funds in the General Water Supply Revolving Loan and Grant Account
22 shall be used exclusively for the purpose of providing for revolving
23 construction loans and grants in connection with water supply systems
24 generally and not upon a county allotment basis.
- 25 (2) High-Unit Cost Water Supply Account. – The funds in the High-Unit
26 Cost Water Supply Account shall be available for grants to applicants
27 for high-unit cost water supply systems, on the same basis as provided
28 in G.S. 159G-6(b)(2) for high-unit cost wastewater projects.
- 29 (3) Emergency Water Supply Revolving Loan Account. – The funds in the
30 Emergency Water Supply Revolving Loan Account shall be available
31 for revolving emergency loans to applicants in the event the Division
32 of Environmental Health certifies that a serious public health hazard,
33 related to the water supply system, is present or imminent in a
34 community.
- 35 (4) Financing Assistance Water Supply Revolving Loan and Grant
36 Account.– The funds in this account shall be used for revolving
37 financing assistance loans or grants to provide financing assistance in
38 connection with the financing by local government units of approved
39 water supply system projects. To obtain revenue in this account for an
40 approved project, the Office of State Budget and Management shall
41 transfer the amount needed from the General Water Supply Revolving
42 Loan and Grant Account, the High-Unit Cost Water Supply Account,
43 or the Emergency Water Supply Revolving Loan Account. The

1 account from which the transfer is made shall be determined by the
2 type of project.

3 (d) Administrative Account. – The Office of State Budget and Management,
4 from time to time, may allocate funds from the Administrative Account to meet the
5 expenses of the Office of State Budget and Management, Local Government
6 Commission, Division of Environmental Health and Environmental Management
7 Commission incurred in the administration of this Chapter in excess of normal operating
8 expenses.

9 Each agency entitled to receive administrative expense funds from the
10 Administrative Account shall prepare an itemized estimate of administrative funds
11 required for the succeeding fiscal year, and the Division of Environmental Health, the
12 Local Government Commission and the Environmental Management Commission shall
13 deliver their estimates to the Office of State Budget and Management at least 45 days
14 prior to the beginning of the fiscal year for which the funds are required. The Office of
15 State Budget and Management shall determine the administrative expense funds
16 available and, along with its recommendations, shall deliver the estimates of the
17 Division of Environmental Health, the Local Government Commission and of the
18 Environmental Management Commission and its own estimate, if any, to the Advisory
19 Budget Commission at least 30 days prior to the beginning of the fiscal year for which
20 the funds are required. Any administrative expense funds shall be disbursed by the
21 Office of State Budget and Management to the appropriate agency. If the administrative
22 expense funds disbursed to any agency shall prove insufficient, it may apply at any time
23 during the fiscal year for additional funds in the manner above provided.

24 (e) Notwithstanding any other provision of this Chapter, funds in the Water
25 Pollution Control Revolving Fund shall not be available as grants except to the extent
26 permitted by Title VI of the Federal Water Quality Act of 1987 and the regulations
27 thereunder."

28 (5) G.S. 159G-8(a) reads as rewritten:

29 "(a) Application. – All applications for revolving loans and grants for water
30 supply systems or for financing assistance in connection with the financing of water
31 supply systems shall be filed with the Division of Environmental ~~Health and all~~ Health.
32 All applications for revolving loans and grants for wastewater treatment works or
33 wastewater collection systems and all applications for financing assistance in
34 connection with the financing of wastewater treatment works or wastewater collection
35 systems shall be filed with the Environmental Management Commission. Every
36 applicant shall also file with the Office of State Budget and Management such
37 information concerning the application as the Office of State Budget and Management
38 may require by rules adopted pursuant to this Chapter. Any application may be filed in
39 as many categories as it is eligible for consideration under this Chapter. Applications
40 for revolving construction loans or grants for wastewater treatment works and
41 wastewater collection systems, except applications for emergency wastewater loans,
42 shall first be submitted for a loan or grant from the Water Pollution Control Revolving
43 Fund established by G.S. 159G-5(c). If the application is denied, the application shall

1 then be considered for a revolving loan or a grant from the General Wastewater
2 Revolving Loan and Grant account established under G.S. ~~159-6(b)(1)~~-159G-6(b)(1).

3 The Office of State Budget and Management, the Division of Environmental Health
4 and the Environmental Management Commission may develop jointly and adopt a
5 standard form of application under this Chapter. Any application for construction
6 grants under the Federal Water Pollution Control Act may be considered as an
7 application for revolving construction loans or grants under G.S. 159G-5(c) and G.S.
8 159G-6(b)(1). The information required to be set forth in the application shall be
9 sufficient to permit the respective agencies to determine the eligibility of the applicant
10 and to establish the priority of the application, as set forth in this Chapter.

11 Any applicant shall furnish information in addition or supplemental to the
12 information contained in its application upon request by the receiving agency."

13 (6) G.S. 159G-8 is amended by adding a new subsection to read:

14 "(d) Financing Assistance Loans and Grants.— Both the receiving agency and the
15 Local Government Commission must approve an application for financing assistance
16 loans or grants. When the receiving agency approves an application for financing
17 assistance, it shall notify the Local Government Commission of its approval."

18 (7) G.S. 159G-9 reads as rewritten:

19 "**§ 159G-9. Eligibility.**

20 No application shall be eligible for a revolving loan or grant under this Chapter
21 unless it shall demonstrate to the satisfaction of the receiving agency that:

22 (1) The applicant is a local government unit.

23 (2) The applicant has the financial capacity to pay the principal of and the
24 interest on its proposed obligations and ~~loans~~-loans, if the application
25 is for a revolving loan.

26 (3) The applicant has substantially complied or will substantially comply
27 with all applicable laws, rules, regulations and ordinances, federal,
28 State and local.

29 (4) The applicant has agreed by official resolution to adopt and place into
30 effect on or before completion of the project a schedule of fees and
31 charges which will provide adequate funds for proper operation,
32 maintenance and administration of the ~~project, and project, and if the~~
33 application is for a revolving loan, repayment of all principal of and
34 interest on loans."

35 (8) G.S. 159G-18(a) reads as rewritten:

36 "(a) Local government units may execute debt instruments payable to the State in
37 order to obtain revolving loans provided for in this Chapter. Local government units
38 shall pledge one or more of the following as security for ~~such obligations the a debt~~
39 instrument:

40 (1) The user fee revenues derived from operation of the benefited facilities
41 or systems only, or their faith and credit, or both systems.

42 (2) The faith and credit of the local government unit.

43 (3) Any available source of revenue of the local government unit.

1 The faith and credit of such local government units shall not be pledged or be
2 deemed to have been pledged unless the requirements of Article 4, Chapter 159 of the
3 General Statutes have been met. A local government unit that pledges a nontax source
4 of revenue may, to the extent the unit has control over generating the pledged revenue,
5 agree to act to generate the revenue.

6 The Office of State Budget and Management and the State Treasurer, with the
7 assistance of the Local Government Commission, shall develop and adopt appropriate
8 debt instruments for use under this Chapter. The Local Government Commission shall
9 develop and adopt appropriate procedures for the delivery of debt instruments to the
10 State without any public bidding therefor."

11 Sec. 4. State parks bonds. (a) Findings and determination. It is the intent and
12 purpose of the General Assembly by this act to provide for the issuance of general
13 obligation bonds of the State in order to facilitate the payment of the capital costs
14 required in providing and improving existing State parks and recreation areas.

15 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority
16 of the qualified voters of the State who vote on the question of issuing State parks bonds
17 in the election called and held as hereinafter provided, the State Treasurer is hereby
18 authorized, by and with the consent of the Council of State, to issue and sell, at one time
19 or from time to time, general obligation bonds of the State to be designated "State of
20 North Carolina State Parks Bonds", with such additional designations as may be
21 determined to indicate the issuance of bonds from time to time, or notes of the State as
22 herein provided, in an aggregate principal amount not exceeding forty-five million
23 dollars (\$45,000,000) for the purpose of providing funds, with any other available
24 funds, for the purposes authorized in this act.

25 (c) Uses of bond and note proceeds. The proceeds of State parks bonds and
26 notes shall be used for the purposes of financing the cost of capital facilities in State
27 parks and recreation areas including, without limitation, visitors' centers, parking lots
28 and access roads, dams, picnic areas, ranger residences, tent and trailer campsites, boat
29 and canoe launching areas, rental cabins, boathouses, swimming facilities, trails,
30 exhibits, storage buildings, water and wastewater systems, electrical systems and
31 underground fuel tanks.

32 (d) Allocation of proceeds. The proceeds of State parks bonds and notes,
33 including premium thereon, if any, except the proceeds of bonds the issuance of which
34 has been anticipated by bond anticipation notes or the proceeds of refunding bonds or
35 notes, shall be placed by the State Treasurer in a special account to be designated "State
36 Parks Bonds Account" to be established in the "State General Purpose Bond
37 Fund" hereinafter mentioned. Moneys in the State Parks Bonds Account shall be used
38 for the purposes set forth in this section, and the particular projects within such purposes
39 to be financed in whole or in part from the proceeds shall be determined from time to
40 time by the Department of Environment, Health, and Natural Resources. In determining
41 the particular projects to be financed, the Secretary of the Department of Environment,
42 Health, and Natural Resources shall develop criteria to establish a priority system under
43 which State parks projects shall be financed with the proceeds of State parks bonds and
44 notes. The criteria shall include such factors as the Secretary of the Department of

1 Environment, Health, and Natural Resources shall deem appropriate in order to forward
2 the purposes of this act to provide safe recreational facilities throughout North Carolina.
3 Such criteria shall include the impact of the proposed project on the public health and
4 safety, the impact of the proposed project on the environment, the cost of the proposed
5 project and the amount of financing from other sources available therefor, the extent the
6 proposed project improves or preserves existing park and recreational facilities and the
7 access to the proposed project of special populations within the general public.

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

14 The proceeds of State parks bonds and notes may be used with any other
15 moneys made available by the General Assembly for the cost of State parks facilities,
16 including the proceeds of any other State bond issues, whether heretofore made
17 available or which may be made available at the session of the General Assembly at
18 which this act is ratified or any subsequent sessions. The proceeds of State parks bonds
19 and notes shall be expended and disbursed under the direction and supervision of the
20 Director of the Budget. The funds provided by this act for State parks facilities shall be
21 disbursed for the purposes provided in this act upon warrants drawn on the State
22 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition
23 has been approved by the Director of the Budget and which requisition shall be
24 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
25 143 of the General Statutes, as it may be amended from time to time.

26 Sec. 5. Area Mental Health Facilities Bonds. (a) Findings and determinations. It
27 is the intent and purpose of the General Assembly by this act to provide for the issuance
28 of general obligation bonds of the State in order to facilitate the payment of the capital
29 costs required in providing facilities offering mental health, developmental disabilities,
30 and substance abuse treatment services by Area Mental Health, Developmental
31 Disabilities, and Substance Abuse Authorities.

32 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority
33 of the qualified voters of the State who vote on the question of issuing area mental
34 health facilities bonds in the election called and held as hereinafter provided, the State
35 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue
36 and sell, at one time or from time to time, general obligation bonds of the State to be
37 designated "State of North Carolina Area Mental Health Facilities Bonds", with such
38 additional designations as may be determined to indicate the issuance of bonds from
39 time to time, or notes of the State as herein provided, in an aggregate principal amount
40 not exceeding twenty-five million dollars (\$25,000,000) for the purposes authorized in
41 this act.

42 (c) Uses of bond and note proceeds. The proceeds of area mental health facilities
43 bonds and notes shall be used for the purpose of making grants to counties or to Area
44 Mental Health, Developmental Disabilities, and Substance Abuse Authorities to pay the

1 capital cost of land and buildings to be owned by such counties or Area Mental Health,
2 Developmental Disabilities, and Substance Abuse Authorities or for reconstruction or
3 improvements of existing buildings owned by counties or Area Mental Health,
4 Developmental Disabilities, and Substance Abuse Authorities, in either case to provide
5 primary centers, satellite centers or group homes to be used by Area Mental Health,
6 Developmental Disabilities, and Substance Abuse Authorities to provide mental health,
7 developmental disabilities, and substance abuse treatment services pursuant to G.S.
8 122C-115, as amended.

9 Grants shall be made only for the purposes authorized by this section. The
10 funds provided by this act for the making of grants to counties or Area Mental Health,
11 Developmental Disabilities, and Substance Abuse Authorities, when received from the
12 State Treasurer as herein provided, shall be deposited by the Department of Human
13 Resources in a special fund established with the Department of Human Resources and
14 to be designated "Area Mental Health Facilities Grant Fund".

15 Grants shall be made by the Secretary of the Department of Human
16 Resources upon recommendation of the North Carolina Medical Care Commission. In
17 determining to recommend to the Secretary that a grant be awarded, the North Carolina
18 Medical Care Commission shall consider:

- 19 (1) The need for the proposed capital improvement;
- 20 (2) The ability of the applicant to pay the cost of the capital improvement
21 from other sources available to the applicant; and
- 22 (3) The ability of the applicant to pay the cost of operating the proposed
23 capital improvement to be paid from the grant.

24 The Secretary of the Department of Human Resources may approve the
25 recommendation of the North Carolina Medical Care Commission and the grant shall be
26 approved if the Secretary finds and determines, which finding and determination shall
27 be binding and conclusive, that:

- 28 (1) The applicant has demonstrated a need for the proposed capital
29 improvement and that no other practicable source of payment is
30 available;
- 31 (2) It is reasonably expected that sufficient funding will be available to
32 pay the cost of operating the proposed capital improvement; and
- 33 (3) The awarding of the grant to pay the cost of the proposed capital
34 improvement will further the mental health, developmental disability,
35 or substance abuse treatment needs of the State of North Carolina.

36 (d) Allocation of proceeds. The proceeds of area mental health facilities bonds
37 and notes, including premium thereon, if any, except the proceeds of bonds the issuance
38 of which has been anticipated by bond anticipation notes or the proceeds of refunding
39 bonds or notes, shall be placed by the State Treasurer in a special account to be
40 designated "Area Mental Health Facilities Bonds Account" to be established in the
41 "State General Purpose Bond Fund" hereinafter mentioned. Moneys in the Area Mental
42 Health Facilities Bonds Account shall be used for the purposes set forth in this section,
43 and the particular grants within such purposes to be made in whole or in part from the

1 proceeds shall be determined from time to time by the Secretary of Human Resources as
2 provided in this section.

3 Any additional moneys which may be received by means of a grant or grants
4 from the United States of America or any agency or department thereof or from any
5 other source to aid in financing the cost of any Area Mental Health Facilities grants
6 authorized by this act may be placed by the State Treasurer in the Area Mental Health
7 Facilities Bonds Account or in a separate account or fund and shall be disbursed, to the
8 extent permitted by the terms of such grant or grants, without regard to any limitations
9 imposed by this act.

10 The proceeds of Area Mental Health Facilities bonds and notes may be used
11 with any other moneys made available by the General Assembly for the making of
12 grants, including the proceeds of any other State bond issues, whether heretofore made
13 available or which may be made available at the session of the General Assembly at
14 which this act is ratified or any subsequent sessions. The proceeds of area mental health
15 facilities bonds and notes shall be expended and disbursed under the direction and
16 supervision of the Director of the Budget. The funds provided by this act for area
17 mental health facilities grants shall be disbursed for the purposes provided in this act
18 upon warrants drawn on the State Treasurer by the State Comptroller, which warrants
19 shall not be drawn until requisition has been approved by the Director of the Budget and
20 which requisition shall be approved only after full compliance with the Executive
21 Budget Act, Article 1 of Chapter 143 of the General Statutes, as it may be amended
22 from time to time.

23 Sec. 6. Community College Equipment Bonds. (a) Findings and determinations. It
24 is the intent and purpose of the General Assembly by this act to provide for the issuance
25 of general obligation bonds of the State in order to facilitate the acquisition of
26 instructional equipment by community colleges by creating and providing for the
27 funding of a Community College Equipment Revolving Loan Fund.

28 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority
29 of the qualified voters of the State who vote on the question of issuing community
30 college equipment bonds in the election called and held as hereinafter provided, the
31 State Treasurer is hereby authorized, by and with the consent of the Council of State, to
32 issue and sell, at one time or from time to time, general obligation bonds of the State to
33 be designated "State of North Carolina Community College Equipment Bonds", with
34 such additional designations as may be determined to indicate the issuance of bonds
35 from time to time, or notes of the State as herein provided, in an aggregate principal
36 amount not exceeding twenty-five million dollars (\$25,000,000) for the purposes
37 authorized in this act.

38 (c) Uses of bond and note proceeds. The proceeds of community college
39 equipment bonds and notes shall be used for the purpose of making revolving loans to
40 community or technical colleges, as defined in Chapter 115D of the General Statutes, as
41 it may be amended from time to time, the proceeds of such loans to be used by
42 community colleges for the acquisition of instructional equipment including, without
43 limitation, computer systems and supporting software programs, learning laboratories,

1 audiovisual equipment, mini- and micro-computers, computer controlled machine tools
2 and computer assisted drafting machines.

3 Loans shall be made by the State Board of Community Colleges to
4 individual community colleges. Loans shall be payable by individual community
5 colleges from the proceeds of appropriations made by the General Assembly and
6 available for such purpose. The funds provided by this act for the making of loans to
7 community colleges, when received from the State Treasurer as herein provided, shall
8 be deposited by the State Board of Community Colleges in a special fund established
9 with the State Board of Community Colleges and to be designated "Community College
10 Equipment Revolving Loan Fund". Payments of principal and interest by individual
11 community colleges on loans shall also be deposited to the Community College
12 Equipment Revolving Loan Fund. Moneys in the Community College Equipment
13 Revolving Loan Fund, whether the proceeds of bonds and notes or the proceeds of
14 payments of principal and interest on loans, shall be used by the State Board of
15 Community Colleges to make loans to community colleges as herein provided.

16 In the making of loans, the State Board of Community Colleges shall
17 consider:

- 18 (1) The need for the equipment proposed to be acquired.
- 19 (2) The amount of the loan requested.
- 20 (3) The availability of local funds.
- 21 (4) The estimated needs of the various community colleges throughout the
22 State.
- 23 (5) Whether or not the applicant has previously received a loan.

24 The State Board of Community Colleges may approve the making of a loan if
25 it finds and determines, which finding and determination shall be binding and
26 conclusive, that

- 27 (1) The community college has demonstrated to the State Board of
28 Community Colleges by appropriate documentation the need for the
29 instructional equipment; and
- 30 (2) The community college has demonstrated to the State Board of
31 Community Colleges by appropriate documentation that the
32 instructional equipment to be provided by the loan funds is needed to
33 offer a curriculum program approved by the State Board of
34 Community Colleges and that a quality program would not be offered
35 if equipment loan funds were not made available.

36 In approving the making of loans, the State Board of Community Colleges
37 shall give priority to loans to community colleges that do not have additional local funds
38 for such purpose.

39 The form of the loans and the details thereof including, without limitation, the
40 maturity, interest rate and amortization schedule, shall be determined, from time to time,
41 by the State Board of Community Colleges.

42 (d) Allocation of proceeds. The proceeds of community college equipment
43 bonds and notes, including premium thereon, if any, except the proceeds of bonds the
44 issuance of which has been anticipated by bond anticipation notes or the proceeds of

1 refunding bonds or notes, shall be placed by the State Treasurer in a special account to
2 be designated "Community College Equipment Bonds Account" to be established in the
3 "State General Purpose Bond Fund" hereinafter mentioned. Moneys in the Community
4 College Equipment Bonds Account shall be used for the purposes set forth in this
5 section, and the particular loans within such purposes to be made in whole or in part
6 from the proceeds shall be determined from time to time by the State Board of
7 Community Colleges.

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

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

28 Sec. 7. Solid waste management. (a) Findings and determinations. It is the intent
29 and purpose of the General Assembly by this act to provide for the issuance of general
30 obligation bonds of the State in order to facilitate the implementation of local and
31 regional solid waste programs by providing funding for the Solid Waste Management
32 Loan Fund established by Chapter 159I of the General Statutes.

33 (b) Authorization of bonds and notes. Subject to a favorable vote of a majority
34 of the qualified voters of the State who vote on the question of issuing solid waste
35 management bonds in the election called and held as hereinafter provided, the State
36 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue
37 and sell, at one time or from time to time, general obligation bonds of the State to be
38 designated "State of North Carolina Solid Waste Management Bonds", with such
39 additional designations as may be determined to indicate the issuance of bonds from
40 time to time, or notes of the State as herein provided, in an aggregate principal amount
41 not exceeding twenty-five million dollars (\$25,000,000) for the purposes authorized in
42 this act.

43 (c) Uses of bond and note proceeds. The proceeds of solid waste management
44 bonds and notes shall be used for the purposes of making deposits to the Solid Waste

1 Management Loan Fund established by Chapter 159I of the General Statutes, as it may
2 be amended from time to time, as a loan fund for financing the capital expenses of local
3 and regional governmental solid waste management programs.

4 (d) Allocation of proceeds. The proceeds of solid waste management bonds and
5 notes, including premium thereon, if any, except the proceeds of bonds the issuance of
6 which has been anticipated by bond anticipation notes or the proceeds of refunding
7 bonds or notes, shall be placed by the State Treasurer in a special account to be
8 designated "Solid Waste Management Bonds Account" to be established in the "State
9 General Purpose Bond Fund" hereinafter mentioned. Moneys in the Solid Waste
10 Management Bonds Account shall be used for the purposes set forth in this section, and
11 the particular deposits to the Solid Waste Management Loan fund to be made from the
12 proceeds shall be determined from time to time by the Department of Environment,
13 Health, and Natural Resources.

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 Solid Waste Management Loan Fund may be placed by
17 the State Treasurer in the Solid Waste Management Bonds Account or in a separate
18 account or fund and shall be disbursed, to the extent permitted by the terms of such
19 grant or grants, without regard to any limitations imposed by this act.

20 The proceeds of solid waste management bonds and notes may be used with
21 any other moneys made available by the General Assembly for making deposits to the
22 Solid Waste Management Loan Fund, including the proceeds of any other State bond
23 issues, whether heretofore made available or which may be made available at the
24 session of the General Assembly at which this act is ratified or any subsequent sessions.
25 The proceeds of solid waste management bonds and notes shall be expended and
26 disbursed under the direction and supervision of the Director of the Budget. The funds
27 provided by this act for making deposits to the Solid Waste Management Loan Fund
28 shall be disbursed for the purposes provided in this act upon warrants drawn on the
29 State Treasurer by the State Comptroller, which warrants shall not be drawn until
30 requisition has been approved by the Director of the Budget and which requisition shall
31 be approved only after full compliance with the Executive Budget Act, Article 1 of
32 Chapter 143 of the General Statutes, as it may be amended from time to time.

33 Sec. 8. State zoo bonds. (a) Findings and determinations. It is the intent and
34 purpose of the General Assembly by this act to provide for the issuance of general
35 obligation bonds of the State in order to facilitate the payment of the capital costs
36 required in connection with providing additional State zoo facilities.

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

1 herein provided, in an aggregate principal amount not exceeding five million dollars
2 (\$5,000,000) for the purposes authorized in this act.

3 (c) Uses of bond and note proceeds. The proceeds of State zoo bonds and notes
4 shall be used for the purposes of financing the cost of capital facilities for the North
5 American Phase exhibits at the State zoo.

6 (d) Allocation of proceeds. The proceeds of State zoo bonds and notes, including
7 premium thereon, if any, except the proceeds of bonds the issuance of which has been
8 anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall
9 be placed by the State Treasurer in a special account to be designated "State Zoo Bonds
10 Account" to be established in the "State General Purpose Bond Fund" hereinafter
11 mentioned. Moneys in the State Zoo Bonds Account shall be used for the purposes set
12 forth in this section, and the particular projects within such purposes to be financed in
13 whole or in part from the proceeds shall be determined from time to time by the
14 Department of Environment, Health, and Natural Resources.

15 Any additional moneys which may be received by means of a grant or grants
16 from the United States of America or any agency or department thereof or from any
17 other source to aid in financing the cost of any State zoo facilities authorized by this act
18 may be placed by the State Treasurer in the State Zoo Bonds Account or in a separate
19 account or fund and shall be disbursed, to the extent permitted by the terms of such
20 grant or grants, without regard to any limitations imposed by this act.

21 The proceeds of State zoo bonds and notes may be used with any other
22 moneys made available by the General Assembly for the cost of State zoo facilities,
23 including the proceeds of any other State bond issues, whether heretofore made
24 available or which may be made available at the session of the General Assembly at
25 which this act is ratified or any subsequent sessions. The proceeds of State zoo bonds
26 and notes shall be expended and disbursed under the direction and supervision of the
27 Director of the Budget. The funds provided by this act for State zoo facilities shall be
28 disbursed for the purposes provided in this act upon warrants drawn on the State
29 Treasurer by the State Comptroller, which warrants shall not be drawn until requisition
30 has been approved by the Director of the Budget and which requisition shall be
31 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
32 143 of the General Statutes, as it may be amended from time to time.

33 Sec. 9. Uses of bond and note proceeds. The proceeds of bonds and notes,
34 including premium thereon, if any, except the proceeds of bonds the issuance of which
35 has been anticipated by bond anticipation notes or the proceeds of refunding bonds or
36 notes, shall be placed by the State Treasurer in the appropriate special account in a
37 special fund to be designated the "State General Purposes Bond Fund" and shall be
38 disbursed as herein provided.

39 Sec. 10. Election. The questions of the issuance of the following bonds
40 authorized by this act shall each be submitted to the qualified voters of the State at an
41 election to be held on Tuesday, November 5, 1991:

42	\$150,000,000	State of North Carolina Clean Water Bonds,
43	\$45,000,000	State of North Carolina State Park Bonds,

- 1
2 "[]" FOR the issuance of forty-five million dollars (\$45,000,000) State of
3 North Carolina State Park Bonds constituting general obligation bonds
4 of the State secured by a pledge of the faith and credit and taxing
5 power of the State for the purpose of providing funds, with any other
6 available funds, for paying the cost of capital facilities in State Parks
7 and recreation areas.
8
- 9 [] AGAINST the issuance of forty-five million dollars (\$45,000,000)
10 State of North Carolina State Park Bonds constituting general
11 obligation bonds of the State secured by a pledge of the faith and credit
12 and taxing power of the state for the purpose of providing funds, with
13 any other available funds, for paying the cost of capital facilities in
14 State Parks and recreation areas."
15
- 16 "[]" FOR the issuance of twenty-five million dollars (\$25,000,000) State of
17 North Carolina Area Mental Health Facilities Bonds constituting
18 general obligation bonds of the State secured by a pledge of the faith
19 and credit and taxing power of the State for the purpose of providing
20 funds, with any other available funds, for making grants to counties or
21 Area Mental Health, Developmental Disabilities, and Substance Abuse
22 Authorities for capital improvements to provide mental health,
23 developmental disabilities, and substance abuse treatment services.
24
- 25 [] AGAINST the issuance of twenty-five million dollars (\$25,000,000)
26 State of North Carolina Area Mental Health Facilities Bonds
27 constituting general obligation bonds of the State secured by a pledge
28 of the faith and credit and taxing power of the State for the purpose of
29 providing funds, with any other available funds, for making grants to
30 counties or Area Mental Health, Developmental Disabilities, and
31 Substance Abuse Authorities for capital improvements to provide
32 mental health, developmental disabilities, and substance abuse
33 treatment services."
34
- 35 "[]" FOR the issuance of twenty-five million dollars (\$25,000,000) State of
36 North Carolina Community College Equipment Bonds constituting
37 general obligation bonds of the State secured by a pledge of the faith
38 and credit and taxing power of the State for the purpose of providing
39 funds, with any other available funds, for making loans to Community
40 Colleges for paying the cost of instructional equipment.
41
- 42 [] AGAINST the issuance of twenty-five million dollars (\$25,000,000)
43 State of North Carolina Community College Equipment Bonds
44 constituting general obligation bonds of the State secured by a pledge

1 of the faith and credit and taxing power of the State for the purpose of
2 providing funds, with any other available funds, for making loans to
3 Community Colleges for paying the cost of instructional equipment."
4

5 "[] FOR the issuance of twenty-five million dollars (\$25,000,000) State of
6 North Carolina Solid Waste Management Bonds constituting general
7 obligation bonds of the State secured by a pledge of the faith and credit
8 and taxing power of the State for the purpose of providing funds, with
9 any other available funds, for making deposits to the Solid Waste
10 Management Loan Fund established by Chapter 159I of the General
11 Statutes as a loan fund for financing the capital expenses of local and
12 regional governmental solid waste management programs.
13

14 [] AGAINST the issuance of twenty-five million dollars (\$25,000,000)
15 State of North Carolina Solid Waste Management Bonds constituting
16 general obligation bonds of the State secured by a pledge of the faith
17 and credit and taxing power of the State for the purpose of providing
18 funds, with any other available funds, for making deposits to the Solid
19 Waste Management Loan Fund established by Chapter 159I of the
20 General Statutes as a loan fund for financing the capital expenses of
21 local and regional governmental solid waste management programs."
22

23 "[] FOR the issuance of five million dollars (\$5,000,000) State of North
24 Carolina State Zoo Bonds constituting general obligation bonds of the
25 State secured by a pledge of the faith and credit and taxing power of
26 the State for the purpose of providing funds, with any other available
27 funds, for paying the cost of capital facilities for the North American
28 Phase exhibits at the State Zoo.
29

30 [] AGAINST the issuance of five million dollars (\$5,000,000) State of
31 North Carolina State Zoo Bonds constituting general obligation bonds
32 of the State secured by a pledge of the faith and credit and taxing
33 power of the State for the purpose of providing funds, with any other
34 available funds, for paying the cost of capital facilities for the North
35 American Phase exhibits at the State Zoo."
36

37 If a majority of those voting on a bond question in the election shall vote in
38 favor of the issuance of the bonds described in the question, such bonds may be issued
39 as herein provided. If a majority of those voting on a bond question in the election shall
40 vote against the issuance of the bonds described in the question, such bonds shall not be
41 issued.

42 The results of the election shall be canvassed and declared as provided by law
43 for the holding of elections for State officers and the results thereof certified by the
44 State Board of Elections to the Secretary of State, in the manner and at the time
provided by the general election laws of the State.

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

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

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

1 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes
2 or other available moneys.

3 (d) Notes; repayment.

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

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

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

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

31 (f) Tax exemption. Bonds and notes and their transfer (including any profit
32 made on the sale thereof) shall be exempt from all State, county and municipal taxation
33 or assessment, direct or indirect, general or special, whether imposed for the purpose of
34 general revenue or otherwise, excluding inheritance and gift taxes. The interest on
35 bonds and notes shall not be subject to taxation as to income, nor shall the bonds and
36 notes be subject to taxation when constituting a part of the surplus of any bank, trust
37 company, or other corporation.

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

1 may properly and legally be deposited with and received by any officer or agency of the
2 State or political subdivision of the State for any purpose for which the deposit of
3 bonds, notes or obligations of the State or any political subdivision is now or may
4 hereafter be authorized by law.

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

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

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

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

35 Sec. 13. Interpretation of act. (a) Additional method. The foregoing sections
36 of this act shall be deemed to provide an additional and alternative method for the doing
37 of the things authorized thereby and shall be regarded as supplemental and additional to
38 powers conferred by other laws, and shall not be regarded as in derogation of any
39 powers now existing.

40 (b) Liberal construction. This act, being necessary for the health and welfare
41 of the people of the State, shall be liberally construed to effect the purposes thereof.

42 (c) Inconsistent provisions. Insofar as the provisions of this act are
43 inconsistent with the provisions of any general laws, or parts thereof, the provisions of
44 this act shall be controlling.

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

5 Sec. 14. This act is effective upon ratification; except that the provisions of
6 Section 3(e) providing for amendments to the North Carolina Clean Water Revolving
7 Loan and Grant Act shall become effective only upon the receipt by the Secretary of
8 State from the State Board of Elections of certification of election results showing that a
9 majority of those voting on the question of the issuance of one hundred fifty million
10 dollars (\$150,000,000) State of North Carolina Clean Water Bonds voted in favor of the
11 issuance of said bonds.