

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 928
Appropriations Committee Substitute Adopted 7/9/92

Short Title: Education Bond Act.

(Public)

Sponsors:

Referred to:

May 13, 1991

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF THREE HUNDRED NINETY-
2 EIGHT MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE
3 STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE
4 STATE, TO PROVIDE FUNDS, WITH ANY OTHER AVAILABLE FUNDS,
5 FOR CAPITAL IMPROVEMENTS FOR CERTAIN OF THE CONSTITUENT OR
6 AFFILIATED INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA
7 AND FOR CAPITAL IMPROVEMENTS FOR COMMUNITY COLLEGES.

9 The General Assembly of North Carolina enacts:

10 Section 1. Short title. This act shall be known and may be cited as the
11 "Education Bond Act."

12 Sec. 2. Findings and determinations. It is the intent and purpose of the
13 General Assembly by this act to provide for the issuance of general obligation bonds of
14 the State in order to:

- 15 (1) Facilitate the providing of capital improvements for certain of the
16 constituent or affiliated institutions of The University of North
17 Carolina; and
18 (2) Make grants to particular community colleges for specified capital
19 improvements as provided in this act.

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

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

1 (2) " Cost"means, without intending thereby to limit or restrict any proper
2 definition of such word in financing the cost of facilities or purposes
3 authorized by this act:

- 4 a. The cost of constructing, reconstructing, enlarging, acquiring,
5 and improving facilities, and acquiring equipment and land
6 therefor,
7 b. The cost of engineering, architectural, and other consulting
8 services as may be required,
9 c. Administrative expenses and charges,
10 d. The cost of bond insurance, investment contracts, credit
11 enhancement and liquidity facilities, interest-rate swap
12 agreements, financial and legal consultants, and related costs of
13 bond and note issuance, to the extent and as determined by the
14 State Treasurer, and
15 e. Any other costs and expenses necessary or incidental to the
16 purposes of this act.

17 Allocations in this act of proceeds of bonds to the costs of a project or
18 undertaking in each case may include allocations to pay the costs set
19 forth in items c., d., and e. in connection with the issuance of bonds for
20 such project or undertaking.

21 (3) " Credit facility"means an agreement entered into by the State
22 Treasurer on behalf of the State with a bank, savings and loan
23 association or other banking institution, an insurance company,
24 reinsurance company, surety company, or other insurance institution, a
25 corporation, investment banking firm, or other investment institution,
26 or any financial institution or other similar provider of a credit facility,
27 which provider may be located within or without the United States of
28 America, such agreement providing for prompt payment of all or any
29 part of the principal or purchase price (whether at maturity,
30 presentment or tender for purchase, redemption or acceleration),
31 redemption premium, if any, and interest on any bonds or notes
32 payable on demand or tender by the owner, in consideration of the
33 State agreeing to repay the provider of the credit facility in accordance
34 with the terms and provisions of such agreement.

35 (4) " Notes"means notes issued under this act.

36 (5) " Par formula"means any provision or formula adopted by the State to
37 provide for the adjustment, from time to time, of the interest rate or
38 rates borne by any bonds or notes, including:

- 39 a. A provision providing for such adjustment so that the purchase
40 price of such bonds or notes in the open market would be as
41 close to par as possible,
42 b. A provision providing for such adjustment based upon a
43 percentage or percentages of a prime rate or base rate, which

1 percentage or percentages may vary or be applied for different
2 periods of time, or

- 3 c. Such other provision as the State Treasurer may determine to be
4 consistent with this act and will not materially and adversely
5 affect the financial position of the State and the marketing of
6 bonds or notes at a reasonable interest cost to the State.

7 Sec. 4. Authorization of bonds and notes. (a) University Improvement Bonds.
8 Subject to a favorable vote of a majority of the qualified voters of the State who vote on
9 the question of issuing University Improvement bonds in the election called and held as
10 provided in this act, the State Treasurer is authorized, by and with the consent of the
11 Council of State, to issue and sell, at one time or from time to time, general obligation
12 bonds of the State to be designated "State of North Carolina University Improvement
13 Bonds," with any additional designations as may be determined to indicate the issuance
14 of bonds from time to time, or notes of the State as provided in this act, in an aggregate
15 principal amount not exceeding two hundred seventy-one million dollars
16 (\$271,000,000) for the purposes authorized in this act.

17 (b) Community College Bonds. Subject to a favorable vote of a majority of the
18 qualified voters of the State who vote on the question of issuing Community College
19 bonds in the election called and held as provided in this act, the State Treasurer is
20 authorized, by and with the consent of the Council of State, to issue and sell, at one time
21 or from time to time, general obligation bonds of the State to be designated "State of
22 North Carolina Community College Bonds," with any additional designations as may be
23 determined to indicate the issuance of bonds from time to time, or notes of the State as
24 provided in this act, in an aggregate principal amount not exceeding one hundred
25 twenty-seven million dollars (\$127,000,000) for the purposes authorized in this act.

26 Sec. 5. Uses of bond and note proceeds. (a) University Improvement Bonds. The
27 proceeds of University Improvement bonds and notes shall be used for the purpose of
28 paying (i) the cost of improvements to the facilities of the constituent or affiliated
29 institutions of The University of North Carolina, under the supervision of the Board of
30 Governors of The University of North Carolina, including, without limitation,
31 construction and renovation of classroom buildings, laboratory buildings, research
32 facilities, libraries, physical education facilities, continuing education centers, student
33 cafeteria and activity facilities, including sports facilities, administrative office
34 buildings, and land acquisition and (ii) the cost of improvements to the North Carolina
35 Center for Public Television under the Board of Governors of The University of North
36 Carolina.

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

43 The proceeds of University Improvement bonds and notes may be used with
44 any other moneys made available by the General Assembly for the making of university

1 improvements, including the proceeds of any other State bond issues, whether
2 heretofore made available or which may be made available at the session of the General
3 Assembly at which this act is ratified or any subsequent sessions. The proceeds of
4 University Improvement bonds and notes shall be expended and disbursed under the
5 direction and supervision of the Director of the Budget. The funds provided by this act
6 for university improvements shall be disbursed for the purposes provided in this act
7 upon warrants drawn on the State Treasurer by the State Controller, which warrants
8 shall not be drawn until requisition has been approved by the Director of the Budget and
9 which requisition shall be approved only after full compliance with the Executive
10 Budget Act, Article 1 of Chapter 143 of the General Statutes.

11 The Board of Governors of The University of North Carolina shall provide
12 quarterly reports to the Joint Legislative Commission on Governmental Operations, the
13 chairs of the Senate and House of Representatives Appropriations Committees, and the
14 Fiscal Research Division on the expenditure of moneys from the University
15 Improvement Bonds Fund.

16 (b) Community College Bonds. The proceeds of community college bonds and
17 notes shall be used for the purpose of making grants to community or technical colleges,
18 as defined in Chapter 115D of the General Statutes, the proceeds of the grants to be
19 allocated and expended for paying the cost of community college capital improvements,
20 including, without limitation, construction and renovation of classroom buildings,
21 laboratory buildings, research facilities, libraries, physical education facilities,
22 continuing education centers, student cafeteria and activity facilities including sports
23 facilities, administrative office buildings, and land acquisition.

24 The proceeds of Community College bonds and notes, including premium
25 thereon, if any, except the proceeds of bonds the issuance of which has been anticipated
26 by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed
27 by the State Treasurer in a special fund to be designated "Community College Bonds
28 Fund" and shall be disbursed as provided in this act.

29 Any additional moneys which may be received by means of a grant or grants
30 from the United States of America or any agency or department thereof or from any
31 other source to aid in financing the cost of any community college grants authorized by
32 this act may be placed by the State Treasurer in the Community College Bonds Fund or
33 in a separate account or fund and shall be disbursed, to the extent permitted by the terms
34 of the grant or grants, without regard to any limitations imposed by this act.

35 The proceeds of Community College bonds and notes may be used with any
36 other moneys made available by the General Assembly for the making of community
37 college grants, including the proceeds of any other State bond issues, whether heretofore
38 made available or which may be made available at the session of the General Assembly
39 at which this act is ratified or any subsequent sessions. The proceeds of community
40 college bonds and notes shall be expended and disbursed under the direction and
41 supervision of the Director of the Budget. The funds provided by this act for
42 community college improvements shall be disbursed for the purposes provided in this
43 act upon warrants drawn on the State Treasurer by the State Controller, which warrants
44 shall not be drawn until requisition has been approved by the Director of the Budget and

1 which requisition shall be approved only after full compliance with the Executive
2 Budget Act, Article 1 of Chapter 143 of the General Statutes.

3 The State Board of Community Colleges shall provide quarterly reports to the
4 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and
5 House of Representatives Appropriations Committees, and the Fiscal Research Division
6 on the expenditure of moneys from the Community Colleges Bonds Fund.

7 Sec. 6. Allocation of proceeds. (a) University Improvement Bonds. The proceeds
8 of university improvement bonds and notes, including premium thereon, if any, except
9 the proceeds of bonds the issuance of which has been anticipated by bond anticipation
10 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer
11 in a special Fund to be designated "University Improvement Bonds Fund." Moneys in
12 the University Improvement Bonds Fund shall be used for the purposes set forth in this
13 act. The proceeds of university improvement bonds and notes shall be allocated and
14 expended for paying the cost of university capital improvements, to the extent and as
15 provided in this act and subject to change as provided in this act, as follows:

<u>Constituent Institution or Board of Governors</u>	<u>Capital Improvement</u>	<u>Projected Allocation</u>
Appalachian State University 8,506,500	Academic Support Services Building	\$
	Renovation-Academic 3,883,055	Bldgs
	East Carolina University Library 25,963,900	Addition to Joyner
	Land 5,000,000	Acquisition
Elizabeth City State University	Fine Arts and Mass Communications 6,536,200	Building
Fayetteville State University	Indoor Health, Physical Education, Intramural 8,677,800	Facility
North Carolina A & T State University	School of Technology Classroom/ Laboratory 7,702,100	Building
	Renovation of Bluford Library Building 4,621,200	
North Carolina Central		

1	University	Chidley	Hall	Complex
2		8,799,400		
3		Conversion of Women's		
4		Gymnasium in Support		
5		of	Academic	Programs
6		1,841,600		
7	North Carolina School of			
8	the Arts	Film		School
9		5,000,000		
10	North Carolina State University			
11	at Raleigh	Engineering Graduate Research		
12		Center		
13		32,464,000		
14		Hazardous Waste Facility		
15		and	Waste Site	Study
16		3,322,300		
17		Agricultural Programs - Laboratory		
18		Animal		Facilities
19		3,509,600		
20	Pembroke State University	New Administrative Office		
21		Building		
22		5,832,800		
23	The University of North Carolina			
24	at Asheville	Physical Education Building		
25		(Health		Promotion)
26		5,186,000		
27		Ramsey	Library	Renovation
28		3,311,700		
29	The University of North Carolina			
30	at Chapel Hill	New Building, School of		
31		Social		Work
32		9,759,700		
33		New Building, School of		
34		Business		Administration
35		14,852,900		
36		Addition to Lineberger Cancer		
37		Research		Center
38		7,547,300		
39		Carolina Living and Learning		
40		Center		
41		1,120,700		
42		Area Health Education		
43		Centers - Construction		

1		Grants		
2		2,000,000		
3		Addition to the School of		
4		Dentistry		
5		8,676,600		
6	The University of North Carolina			
7	at Charlotte	Classroom and Academic		
8		Support		Facility
9		22,136,800		
10	The University of North Carolina			
11	at Greensboro	New Music		Building
12		21,868,700		
13	The University of North Carolina			
14	at Wilmington	Physical Sciences Building and		
15		Renovation of DeLoach Hall	16,861,800	
16	Western Carolina University	Completion of Belk Building		
17		and Asbestos		Removal
18		3,248,600		
19		Renovate Camp	Lab	School
20		3,879,100		
21		Renovate Moore		Hall
22		1,360,300		
23	Winston-Salem State			
24	University	Student Services/Cafeteria/		
25		Student Union		Complex
26		5,959,100		
27		Renovation-O'Kelly		Library
28		993,900		
29	UNC Center for Public			
30	Television	Improvements to		Facilities
31		5,100,000		
32				
33	The Board of Governors	Repairs/Renovations - Various		
34		Constituent		Institutions
35		431,454		
36				
37	North Carolina School of			
38	Science and Mathematics	Educational Technologies		
39		Center and		Auditorium
40		<u>5,044,891</u>		
41		TOTAL		
42		\$271,000,000.		
43				

1 The particular capital improvements and the amount of the allocation for the
2 improvements set out above may be changed from time to time as the General
3 Assembly may decide.

4 No University Improvement bonds or notes shall be issued and no proceeds
5 of University Improvement bonds and notes shall be allocated for the purposes provided
6 in this act, however, until the General Assembly authorizes issuance of some or all of
7 University Improvements bonds and notes and appropriates the proceeds of the bonds
8 and notes for specific projects within these purposes by legislative action at the 1992
9 session or any subsequent session. Nothing in this act or as a result of the approval of
10 the bonds at the election provided for in this act restricts the right of the General
11 Assembly at the 1992 session or at a subsequent session to:

- 12 (1) Establish a procedure whereby projected allocations set forth in
13 subsequent legislation may be increased or decreased to reflect the
14 availability of other funds, including, without limitation, contingency
15 funds, income earned on the investment of bond and notes proceeds,
16 and the proceeds of grants.
- 17 (2) Establish a contingency account and provide for an allocation of bond
18 proceeds thereto. The funds in the contingency account may be used
19 to pay the cost of projects, the costs of issuance of bonds and notes,
20 and increased project costs resulting from construction costs exceeding
21 projections, inflationary factors and changes in projects and
22 allocations. The funds allocated to the contingency account shall be
23 placed by the State Treasurer in a separate account in the University
24 Improvement Bonds Fund and shall be disbursed in accordance with
25 the procedures herein established for disbursements from the
26 University Improvement Bonds Fund.
- 27 (3) Empower the Director of the Budget, when the Director of the Budget
28 determines it is in the best interest of the State and The University of
29 North Carolina to do so, and if the cost of a particular project is less
30 than the projected allocation, to use the excess funds to increase the
31 size of that project or increase the size of any other project itemized by
32 the General Assembly, or to increase the amount allocated to a
33 particular institution or the Board of Governors within the aggregate
34 amount of funds available under this section; the Director of the
35 Budget having the right to consult with the Advisory Budget
36 Commission and the Joint Legislative Commission on Governmental
37 Operations.
- 38 (4) Provide that the provisions of G.S. 116-9 with respect to
39 appropriations to the Board of Governors of The University of North
40 Carolina shall not apply to proceeds of University Improvement bonds
41 and notes issued pursuant to the provisions of this act.

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

(b) Community College Bonds. Moneys in the Community College Bonds Fund shall be used for the purposes provided in this act. The proceeds of Community College bonds and notes shall be used for making grants to community or technical colleges, as set forth in this act, the proceeds of the grants to be allocated and expended for paying the cost of community college capital improvements, to the extent and as provided in this act and subject to change as provided in this act, as follows:

	COLLEGE	CAPITAL IMPROVEMENT	ALLOCATION	PROJECTED
7				
8				
9	Alamance CC	Science Labs, Classrooms,		
10		Indiv.		Trg.
11		2,300,000		
12	Anson CC	Science	Lab/Class	Building
13		1,500,024		
14	Asheville-Buncombe TCC	LRC		Expansion
15		2,300,000		
16	Beaufort County CC	Student	Services	Center
17		2,300,000		
18	Bladen CC	Allied	Health	Building
19		480,000		
20	Blue Ridge CC	Allied	Health	Building
21		2,300,000		
22		Tech. & Voc. Trade Bldg -		
23		Transylvania		County
24		2,002,226		
25	Brunswick CC	Recreational	Grounds	Mgmt.
26		800,000		
27	Caldwell CC & TI	Classrooms/Laboratories		
28		2,300,000		
29		Classroom/Lab	-	Watauga Co.
30		2,265,000		
31	Cape Fear CC	Health	Sciences	Building
32		2,300,000		
33		Classroom	Building	-
34		690,213		Pender Co.
35	Carteret CC	Student		Center/Classroom
36		1,900,000		
37	Catawba Valley CC	Classroom/Lab		Building
38		2,300,000		
39	Central Carolina CC	Classroom/Lab		Building
40		2,000,000		
41	Central Piedmont CC	Law	Enforcement	Center
42		2,300,000		
43	Cleveland CC	Adv. Technology Ctr/		

1		Continuing			Ed.
2		2,208,022			
3	Coastal Carolina CC	Public	Service	Tech.	Building
4		2,300,000			
5	College of The				
6	Albemarle	Classroom			Building
7		2,300,000			
8		Classroom	Building	- Dare	Co.
9		1,500,000			
10	Craven CC	ACAD	Studies/Basic		Skills
11		2,300,000			
12	Davidson County CC	Advanced	Technology		Building
13		2,300,000			
14		Classroom/Lab	- Davie		Co.
15		2,000,000			
16	Durham TCC	Northern Durham Center/ New			Construction
17		2,300,000			
18	Edgecombe CC	Rocky	Mount	Campus/New	Building
19		1,850,000			
20	Fayetteville TCC	Literacy	& Cont.	Educ.	Building
21		2,300,000			
22	Forsyth TCC	FTCC	Northeast		Campus
23		2,300,000			
24	Gaston College	Business/Classroom			Building
25		2,300,000			
26	Guilford TCC	Advanced	Technology		Center
27		2,300,000			
28	Halifax CC	Classroom			Building
29		1,877,145			
30	Haywood CC	Student	Center		Completion
31		584,517			
32	Isothermal CC	Continuing	Ed./Comm.		Center
33		2,300,000			
34	James Sprunt CC	Library/Continuing			Ed.
35		1,800,000			
36	Johnston CC	Classrooms & Health Occup.			
37		Building			
38		2,300,000			
39	Lenoir CC	Renovations	&		Repairs
40		2,300,000			
41		Instruction	Facility/Greene		Co.
42		1,500,000			

1		Vocational	Annex/Jones	Co.
2		100,000		
3	Martin CC	Equine		Arena
4		576,997		
5		New Construction	- Bertie	Co.
6		250,000		
7	Mayland CC	Student Lecture Hall/ Classroom	Shop	Bldg.
8		2,300,000		
9				
10	McDowell TCC	Bookstore, Amphitheatre, & Mezzanine		
11		283,988		
12				
13	Mitchell CC	Main	Building-Renovation	
14		2,200,000		
15	Montgomery CC	LRC		Building
16		2,300,000		
17	Nash CC	LRC/Student Center/ Parking/Renov.		
18		2,300,000		
19				
20	Pamlico CC	Classroom	Multipurpose/Renov.	
21		1,175,348		
22	Piedmont CC	Renovate Buildings	E & F	
23		100,000		
24		Learning Center	- Caswell	Co.
25		1,500,000		
26	Pitt CC	Student		Services
27		2,300,000		
28	Randolph CC	Photographic		Studio
29		1,017,500		
30	Richmond CC	Fine Arts		Ctr/Auditorium
31		2,188,773		
32	Roanoke-Chowan CC	Learning Resource/Student Activity		
33		1,799,088		
34				
35	Robeson CC	Emergency	Training	Grounds
36		702,000		
37	Rockingham CC	Multipurpose		Classroom
38		2,300,000		
39	Rowan-Cabarrus CC	Technology		Building
40		2,300,000		
41		Classroom	Building/Cabarrus	Co.
42		1,085,000		
43	Sampson CC	Multipurpose		Building
44		2,300,000		

1	Sandhills CC	Continuing Ed. Center/ Classrooms			
2					
3		2,300,000			
4	Southeastern CC	New		Construction	
5		2,300,000			
6	Southwestern CC	Classroom		Renovations	
7		470,000			
8		Attendance	Center/Swain		Co.
9		600,000			
10		Parking	Lot/Driving	- Macon	Co.
11		150,000			
12	Stanly CC	Learning	Resource		Center
13		2,140,209			
14		Classroom/Office	Bldg-Union		Co.
15		770,023			
16	Surry CC	Health	- Library		Building
17		2,300,000			
18	Tri-County CC	Student	Services		Center
19		1,124,851			
20	Vance-Granville CC	Allied	Health		Building
21		1,877,007			
22		New	Construction/Franklin		Co.
23		1,547,780			
24		Add	Classrooms	- Granville	Co.
25		454,289			
26		Renovate	Classrooms	- Warren	Co.
27		330,000			
28	Wake TCC	Student	Education		Building
29		2,300,000			
30	Wayne CC	Classroom	& Lab		Building
31		2,300,000			
32	Western Piedmont CC	Business	Tech.		Building
33		2,300,000			
34	Wilkes CC	Library-Student			Services
35		2,300,000			
36		Classrooms	- Ashe		Co.
37		200,000			
38	Wilson TCC	LRC/Auditorium Expansion			
39	<u>1,200,000</u>				
40		TOTAL			
41		\$127,000,000			

42 The particular capital improvements and the amount of the allocation for the
43 improvements set out above may be changed from time to time as the General
44 Assembly may decide.

1 No Community College bonds or notes shall be issued and no proceeds of
2 Community College bonds and notes shall be allocated for the purposes provided in this
3 act, however, until the General Assembly authorizes issuance of some or all Community
4 College bonds and notes and appropriates the proceeds of the bonds and notes for
5 specific projects within these purposes by legislative action at the 1992 session or any
6 subsequent session. Nothing in this act or as a result of the approval of the bonds at the
7 election provided for in this act restricts the right of the General Assembly at the 1992
8 session or at a subsequent session to:

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

38 Sec. 7. Election. The questions of the issuance of the two hundred seventy-
39 one million dollars (\$271,000,000) North Carolina University Improvement bonds and
40 the issuance of the one hundred twenty-seven million dollars (\$127,000,000) North
41 Carolina Community College Bonds authorized by this act shall be submitted to the
42 qualified voters of the State at an election to be held on a date to be fixed by the
43 Governor by proclamation, but in any event not later than November 3, 1992. Any
44 other primary, election, or referendum validly called or scheduled by law at the time the

1 election on the bond questions provided for in this section is held may be held as called
2 or scheduled. Notice of the election on the bond questions shall be given by publication
3 twice in a newspaper or newspapers having general circulation in each county in the
4 State, and the election and the registration of voters therefor shall be held under and in
5 accordance with the general laws of the State. Absentee ballots shall be authorized in
6 the election.

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

11 Voting machines may be used in accordance with rules prescribed by the
12 State Board of Elections. The State Board of Elections may also provide, to the extent
13 necessary, ballots for use in the election. The bond questions to be used in the voting
14 machines and any ballots shall be in substantially the following forms:

15 "[] FOR the issuance of two hundred seventy-one million dollars
16 (\$271,000,000) State of North Carolina University Improvement
17 Bonds secured by a pledge of the faith and credit and taxing power of
18 the State for paying, with any other available funds, the cost of capital
19 improvements at the constituent or affiliated institutions and the Center
20 for Public Television of The University of North Carolina.

21 [] AGAINST the issuance of two hundred seventy-one million dollars
22 (\$271,000,000) State of North Carolina University Improvement
23 Bonds secured by a pledge of the faith and credit and taxing power of
24 the State for paying, with any other available funds, the cost of capital
25 improvements at the constituent or affiliated institutions and the Center
26 for Public Television of The University of North Carolina.

27 [] FOR the issuance of one hundred twenty-seven million dollars
28 (\$127,000,000) State of North Carolina Community College Bonds
29 secured by a pledge of the faith and credit and taxing power of the
30 State for making grants to community and technical colleges to pay,
31 together with other available funds, the cost of capital improvements.

32 [] AGAINST the issuance of one hundred twenty-seven million dollars
33 (\$127,000,000) State of North Carolina Community College Bonds
34 secured by a pledge of the faith and credit and taxing power of the
35 State for making grants to community and technical colleges to pay,
36 together with other available funds, the cost of capital improvements."

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

42 The results of the election shall be canvassed and declared as provided by law
43 for elections for State officers; the results of the election shall be certified by the State

1 Board of Elections to the Secretary of State, in the manner and at the time provided by
2 the general election laws of the State.

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

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

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

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

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

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

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

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

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

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

34 Sec. 10. Interpretation of act. (a) Additional method. The foregoing sections of
35 this act shall be deemed to provide an additional and alternative method for the doing of
36 the things authorized thereby and shall be regarded as supplemental and additional to
37 powers conferred by other laws, and shall not be regarded as in derogation of any
38 powers now existing.

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

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

1 (d) Inconsistent provisions. Insofar as the provisions of this act are inconsistent
2 with the provisions of any general laws, or parts thereof, the provisions of this act shall
3 be controlling.

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

8 Sec. 11. Effective date. This act is effective upon ratification.