

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 540  
Committee Substitute Favorable 5/24/95  
Committee Substitute #2 Favorable 6/8/95  
Committee Substitute #3 Favorable 6/15/95

Short Title: Highway Bond Act of 1995.

(Public)

Sponsors:

Referred to:

March 23, 1995

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF EIGHT HUNDRED MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, FOR THE CONSTRUCTION OF HIGHWAYS AND TO AMEND THE HIGHWAY TRUST FUND.

The General Assembly of North Carolina enacts:

Section 1. Short title. This act shall be known and may be cited as the "State Highway Bond Act of 1995".

Sec. 2. Purpose and findings and determinations. (a) Purpose. – It is the intent and purpose of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of eight hundred million dollars (\$800,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities constituting at the time of the construction, improvement, and relocation, urban loops or a part of the State secondary highway system, as referenced or defined in this act.

1 (b) Findings and determinations. – The General Assembly finds that:

2 (1) Pursuant to Chapter 692 of the 1989 Session Laws, the General  
3 Assembly created the Highway Trust Fund, provided for revenues to be  
4 deposited to the Highway Trust Fund, and designated how the revenues  
5 may be expended.

6 (2) As contemplated by Chapter 692, highway construction to be funded  
7 from the Highway Trust Fund is funded on a "pay-as-you-go" basis,  
8 with highway construction proceeding based upon the amount of funds  
9 to be available to pay the costs of the construction on a current basis,  
10 and this highway construction is expected to be completed and funded  
11 by December 31, 2013.

12 (3) Providing funds from the proceeds of bonds as authorized in this act  
13 will expedite the completion of construction of urban loops and  
14 necessary improvements to the State secondary road highway system  
15 that otherwise would be constructed only when sufficient revenues were  
16 generated to fund this construction.

17 (4) The State could issue the bonds authorized by this act, expediting this  
18 construction, and could provide sufficient funds to pay debt service on  
19 the bonds from the moneys otherwise to be deposited to the Highway  
20 Trust Fund to fund highway construction.

21 (5) Sufficient moneys are expected to be deposited to the Highway Trust  
22 Fund to pay anticipated debt service on the bonds authorized by this act.

23 (6) Although the bonds authorized by this act will constitute general  
24 obligation bonds, secured by the faith and credit and taxing power of the  
25 State, and although the funds deposited to the Highway Trust Fund are  
26 not specifically pledged to pay debt service on the bonds, it is the intent  
27 of the General Assembly that the debt service on the bonds authorized  
28 by this act will be provided from amounts deposited to the Highway  
29 Trust Fund, and certain amendments to Chapter 692 of the 1989 Session  
30 Laws are necessary to facilitate this funding of payments.

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

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

33 (2) " Cost" means the capital cost of providing any highway facilities under  
34 this act, including, but not limited to, the following:

35 a. The cost of doing any or all of the following:

36 1. Acquire, construct, erect, provide, develop, install,  
37 furnish, and equip.

38 2. Reconstruct, remodel, alter, renovate, replace, refurnish,  
39 and reequip.

40 3. Enlarge, expand, and extend.

41 4. Demolish, relocate, improve, grade, drain, landscape,  
42 pave, widen, and resurface.

- 1           b.     The cost of all property, both real and personal and both  
2           improved and unimproved, appurtenances, structures, facilities,  
3           machinery, equipment, easements, rights, rights-of-way,  
4           franchises, and licenses used or useful in connection with the  
5           purpose authorized.  
6           c.     The cost of demolishing or moving structures from land acquired  
7           and acquiring any lands to which the structures are to be moved.  
8           d.     The cost of plans, specifications, studies and reports, surveys,  
9           and estimates of costs and revenues.  
10          e.     The cost of engineering, architectural, and other consulting  
11          services as may be required.  
12          f.     Administrative expenses and charges directly related to bond-  
13          financed projects.  
14          g.     Finance charges and interest prior to and during construction and,  
15          if deemed advisable by the State Treasurer, for a period not  
16          exceeding two years after the estimated date of completion of  
17          construction.  
18          h.     The cost of bond insurance, investment contracts, credit  
19          enhancement and liquidity facilities and interest rate swap  
20          agreements, and financial and legal consultants, and related costs  
21          of bond and note issuance, to the extent and as determined by the  
22          State Treasurer.  
23          i.     The cost of reimbursing the State for any payments made for any  
24          cost described above.  
25          j.     Any other costs and expenses necessary or incidental to the  
26          purposes of this act. The allocations may be increased to reflect  
27          the availability of other funds, including, but not limited to,  
28          income earned on the investment of bond and note proceeds, and  
29          the proceeds of any grants.

30           Allocations made pursuant to this act of proceeds of bonds to the costs  
31           of highway facilities in each case may include allocations to pay the  
32           costs set forth in subparagraphs f., g., i., and j. of this subdivision in  
33           connection with the issuance of bonds for the facilities.

- 34       (3)   " Credit facility" means an agreement entered into by the State  
35           Treasurer on behalf of the State with a bank, savings and loan  
36           association, or other banking institution; an insurance company,  
37           reinsurance company, surety company, or other insurance institution; a  
38           corporation, investment banking firm, or other investment institution; or  
39           any financial institution or other similar provider of a credit facility,  
40           which provider may be located within or without the United States of  
41           America; and providing for prompt payment of all or any part of the  
42           principal or purchase price (whether at maturity, presentment or tender  
43           for purchase, redemption, or acceleration), redemption premium, if any,

1 and interest on any bonds or notes payable on demand or tender by the  
2 owner, in consideration of the State agreeing to repay the provider of the  
3 credit facility in accordance with the terms and provisions of the  
4 agreement.

5 (4) " Department of Transportation" means the Department of  
6 Transportation established by Article 8 of Chapter 143B of the General  
7 Statutes, and any successor of that Department.

8 (5) " Highway facilities" means the State highway facilities authorized to be  
9 funded, with any other available funds, with the proceeds of bonds or  
10 notes.

11 (6) " Notes" means notes authorized to be issued under this act.

12 (7) " Par formula" means any provision or formula adopted by the State to  
13 provide for the adjustment, from time to time, of the interest rate or rates  
14 borne or provided for by any bonds or notes, including any of the  
15 following:

16 a. A provision providing for adjustment so that the purchase price  
17 of the bonds or notes in the open market would be as close to par  
18 as possible.

19 b. A provision providing for adjustment based upon a percentage or  
20 percentages of a prime rate or base rate, which percentage or  
21 percentages may vary or be applied for different periods of time.

22 c. Any other provision that the State Treasurer may determine to be  
23 consistent with this act and to not materially and adversely affect  
24 the financial position of the State and the marketing of bonds or  
25 notes at a reasonable interest cost to the State.

26 (8) " State secondary highway system" includes all of the State highway  
27 system located outside municipal corporate limits which are not  
28 designated by N.C., U.S., or Interstate numbers.

29 (9) " Urban loops" means the urban loops set out in G.S. 136-180, including  
30 any changes as may be made from time to time by the General  
31 Assembly.

32 (10) " State" means the State of North Carolina.

33 Sec. 4. Authorization of bonds and notes. Subject to a favorable vote of a  
34 majority of the qualified voters of the State who vote on the question of issuing Highway  
35 Bonds in the election called and held as provided in this act, the State Treasurer is  
36 authorized, by and with the consent of the Council of State, to issue and sell, at one time  
37 or from time to time, general obligation bonds of the State to be designated "State of  
38 North Carolina Highway Bonds", with any additional designations as may be determined  
39 to indicate the issuance of bonds from time to time, or notes of the State as provided in  
40 this act, in an aggregate principal amount not exceeding eight hundred million dollars  
41 (\$800,000,000) for the purpose of providing funds, with any other available funds, for the  
42 purposes authorized in this act.

1       Sec. 5. Appropriation and use of bond and note proceeds. (a)     The proceeds of the  
2 bonds and notes are appropriated to the Department of Transportation, which  
3 appropriation shall be in addition to all other appropriations heretofore made or which  
4 may be made at the session of the General Assembly at which this act is ratified or at any  
5 subsequent sessions.

6               (b) The proceeds of six hundred million dollars (\$600,000,000) of the bonds  
7 and notes shall be used by the Department of Transportation for the purpose of paying,  
8 with any other available funds, a portion of the costs of all or some of the urban loops as  
9 shall be determined from time to time by the Department of Transportation.

10              (c) The proceeds of two hundred million dollars (\$200,000,000) of the bonds  
11 and notes shall be used by the Department of Transportation for the purpose of paying,  
12 with any other available funds, a portion of the costs of projects constituting a part of the  
13 State secondary highway system. The Department of Transportation shall use these  
14 funds for projects that result in the paving of unpaved roads. Each county shall receive a  
15 percentage of these funds, the percentage to be determined as a factor of the number of  
16 miles of unpaved State-maintained secondary roads in the county divided by the total  
17 number of miles of unpaved State-maintained secondary roads in the State. The  
18 particular projects to constitute parts of the State secondary highway system and to be  
19 financed from the proceeds of the two hundred million dollars (\$200,000,000) bonds and  
20 notes shall be determined from time to time by the Department of Transportation.

21              (d) The funds appropriated in this section are supplemental to the funds  
22 appropriated pursuant to G.S. 136-176(b) and may not be used, directly or indirectly, for  
23 any purpose other than the purposes provided in this section. It is the intent of the  
24 General Assembly that the allocations pursuant to G.S. 136-176(b) shall not be  
25 supplanted or diminished due to the appropriations of the proceeds of the bonds or notes  
26 pursuant to this section.

27       Sec. 6. Priority of Highway Trust Fund use. G.S. 136-176(b) reads as  
28 rewritten:

29       "(b) Funds in the Trust Fund are annually appropriated to the Department of  
30 Transportation to be allocated and used as provided in this subsection. A sum, not to  
31 exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust  
32 Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year  
33 by the Department for expenses to administer the Trust Fund. The rest of the funds in the  
34 Trust Fund shall be allocated and used as follows:

35              (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,  
36 and construct the projects of the Intrastate System described in G.S.  
37 136-179.

38              (2) Twenty-five and five hundredths percent (25.05%) (i) to pay debt  
39 service on six hundred million dollars (\$600,000,000) of highway bonds  
40 and notes issued pursuant to the State Highway Bond Act of 1995 and  
41 applied to urban loops and (ii) to plan, design, and construct the urban  
42 loops described in G.S. 136-180. These funds shall be administered so

1           as to assure that sufficient funds shall be available to pay this debt  
2           service as it becomes due.

3           (3) Six and one-half percent (6.5%) to supplement the appropriation to  
4           cities for city streets under G.S. 136-181.

5           (4) Six and one-half percent (6.5%) (i) to pay debt service on two hundred  
6           million dollars (\$200,000,000) of highway bonds and notes issued  
7           pursuant to the State Highway Bond Act of 1995 and applied to  
8           secondary road construction and (ii) for secondary road construction as  
9           provided in G.S. 136-182. These funds shall be administered so as to  
10           assure that sufficient funds shall be available to pay this debt service as  
11           it becomes due."

12           Sec. 7. Highway Trust Fund effective date. The first paragraph of Section 8.4  
13 of Chapter 692 of the 1989 Session Laws reads as rewritten:

14           "Sec. 8.4. When contracts for all projects specified in Article 14 of Chapter 136 of the  
15 General Statutes have been let and sufficient revenue has been accumulated to pay the  
16 contracts, the Secretary of Transportation shall certify this occurrence by letter to the  
17 Speaker of the House of Representatives, the President Pro Tempore of the Senate, and  
18 the Secretary of State. The proceeds of bonds and notes issued pursuant to the State  
19 Highway Bond Act of 1995 shall not be included as revenues accumulated to pay the  
20 contracts for the projects specified in Article 14 of Chapter 136 of the General Statutes.  
21 The~~Except~~ as otherwise provided in this section, the changes below shall become  
22 effective on the first day of the calendar quarter following the date the Secretary sends  
23 the letter, unless there is less than 30 days between the date the letter is sent and the first  
24 day of the following quarter. In that circumstance, the changes shall become effective on  
25 the first day of the second calendar quarter following the date the Secretary sends the  
26 letter. The changes below shall not become effective, however, until the State Treasurer  
27 certifies by letter to the Speaker of the House of Representatives, the President Pro  
28 Tempore of the Senate, and the Secretary of State, that all of the bonds and notes issued  
29 pursuant to the State Highway Bond Act of 1995 have been retired or provision for their  
30 retirement has been made."

31           Sec. 8. Use of moneys in State Highway Fund and North Carolina Highway  
32 Trust Fund. Until all of the bonds and notes issued and outstanding under this act and the  
33 interest and any redemption premium thereon have been fully paid or sufficient funds for  
34 this purpose have been provided and set aside or provision has been made for this setting  
35 aside, and in the absence of specific legislative direction to the contrary expressly  
36 amending this section, moneys in the State Highway Fund and moneys in the North  
37 Carolina Highway Trust Fund shall not be diverted to any purposes other than those  
38 purposes for which appropriations are made from those Funds as of December 31, 1995.

39           Sec. 9. Allocation of bond and note proceeds. The proceeds of the bonds and  
40 notes, including any premium thereon, if any, except the proceeds of bonds the issuance  
41 of which has been anticipated by bond anticipation notes or the proceeds of refunding  
42 bonds or notes, shall be deposited by the State Treasurer in a special fund to be  
43 established in the Department of the State Treasurer and to be designated the "Highway

1 Facilities Bonds Fund", which may include any appropriate special accounts as may be  
2 determined by the State Treasurer.

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 other  
5 source to aid in the financing of highway facilities may be placed by the State Treasurer  
6 in the Highway Facilities Bonds Fund, or in any separate funds or accounts as the State  
7 Treasurer may determine, and shall be disbursed, to the extent permitted by the terms of  
8 the grant or grants, without regard to any limitations imposed by this act.

9 Moneys in the Highway Facilities Bonds Fund or in any separate fund or  
10 account may be invested from time to time by the State Treasurer in the same manner  
11 permitted for investment of moneys belonging to the State or held in the State treasury  
12 except with respect to grant money to the extent otherwise directed by the terms of the  
13 grant, and any investment earnings shall be credited to the Highway Facilities Bonds  
14 Fund or the particular fund or account from which the investment was made.

15 All moneys deposited in, or accruing to, the credit of the Highway Facilities  
16 Bonds Fund, other than moneys set aside for administrative expenses, including expenses  
17 related to determining compliance with applicable requirements of the federal tax law and  
18 costs of issuance, shall be used to pay the cost of highway facilities authorized by this act.

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

30 Sec. 10. Election. The question of the issuance of the bonds authorized by this  
31 act shall be submitted to the qualified voters of the State at the general election in  
32 November 1996. Any other primary, election, or referendum validly called or scheduled  
33 by law at the time the election on the bond question provided for in this section is held  
34 may be held as called or scheduled. Notice of the election shall be given in the manner  
35 and at the times required by G.S. 163-33(8). The election and the registration of voters  
36 for the election shall be held under and in accordance with the general laws of the State.  
37 Absentee ballots shall be authorized in the election.

38 The State Board of Elections shall reimburse the counties of the State for all  
39 necessary expenses incurred in holding the election which are in addition to those which  
40 would have otherwise been incurred, these expenses to be paid out of the Contingency  
41 and Emergency Fund or other funds available to the State Board of Elections.

42 Ballots, voting systems authorized by Article 14 of Chapter 163 of the General  
43 Statutes, or both may be used in accordance with rules prescribed by the State Board of

1 Elections. The bond question to be used in the ballots or voting systems shall be in  
2 substantially the following form:

3  FOR  AGAINST

4 The issuance of eight hundred million dollars (\$800,000,000) State of  
5 North Carolina Highway Bonds constituting general obligation bonds of the  
6 State secured by a pledge of the faith and credit and taxing power of the  
7 State for the purpose of providing funds, with any other available funds,  
8 through the application of not in excess of six hundred million dollars  
9 (\$600,000,000) of the bonds to pay the capital costs of urban loops and  
10 through the application of not in excess of two hundred million dollars  
11 (\$200,000,000) of the bonds to pay the capital costs of projects constituting  
12 a part of the State secondary highway system resulting in the paving of  
13 unpaved roads.

14 If a majority of those voting on the bond question vote in favor of the issuance  
15 of the bonds, the bonds may be issued as provided in this act. If a majority of those  
16 voting on the bond question vote against the issuance of the bonds, the bonds shall not be  
17 issued.

18 The results of the election shall be canvassed and declared as provided by law  
19 for the holding of elections for State officers; the results of the election shall be certified  
20 by the State Board of Elections to the Secretary of State, in the manner and at the time  
21 provided by the general election laws of the State.

22 Sec. 11. Issuance of bonds and notes. (a) Terms and conditions. Bonds or  
23 notes may bear such date or dates, may be serial or term bonds or notes, or any  
24 combination thereof, may mature in such amounts and at such time or times, not later  
25 than December 1, 2013, may be payable at such place or places, either within or without  
26 the United States of America, in such coin or currency of the United States of America as  
27 at the time of payment is legal tender for payment of public and private debts, may bear  
28 interest at such rate or rates, which may vary from time to time, and may be made  
29 redeemable before maturity, at the option of the State or otherwise as may be provided by  
30 the State, at such price or prices, including a price less than the face amount of the bonds  
31 or notes, and under such terms and conditions, all as may be determined by the State  
32 Treasurer, by and with the consent of the Council of State.

33 (b) Signatures; form and denomination; registration. Bonds or notes may be  
34 issued as certificated or uncertificated obligations. If issued as certificated obligations,  
35 bonds or notes shall be signed on behalf of the State by the Governor or shall bear the  
36 Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the  
37 State Treasurer's facsimile signature, and shall bear the Great Seal of the State or a  
38 facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the  
39 facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also  
40 bear a manual signature which may be that of a bond registrar, trustee, paying agent, or  
41 designated assistant of the State Treasurer. Should any officer whose signature or  
42 facsimile signature appears on bonds or notes cease to be such officer before the delivery  
43 of the bonds or notes, the signature or facsimile signature shall nevertheless have the



1 same validity for all purposes as if the officer had remained in office until delivery of the  
2 bonds and notes, and bonds or notes may bear the facsimile signatures of persons who at  
3 the actual time of the execution of the bonds or notes shall be the proper officers to sign  
4 any bond or note although at the date of the bond or note such persons may not have been  
5 such officers. The form and denomination of bonds or notes, including the provisions  
6 with respect to registration of the bonds or notes and any system for their registration,  
7 shall be as the State Treasurer may determine in conformity with this act; provided,  
8 however, that nothing in this act shall prohibit the State Treasurer from proceeding, with  
9 respect to the issuance and form of the bonds or notes, under the provisions of Chapter  
10 159E of the General Statutes, the Registered Public Obligations Act, as well as under this  
11 act.

12 (c) Manner of sale; expenses. Subject to approval by the Council of State as to the  
13 manner in which bonds or notes shall be offered for sale, whether at public or private  
14 sale, whether within or without the United States of America and whether by publishing  
15 notices in certain newspapers and financial journals, mailing notices, inviting bids by  
16 correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is  
17 authorized to sell bonds or notes at one time or from time to time at such rate or rates of  
18 interest, which may vary from time to time, and at such price or prices, including a price  
19 less than the face amount of the bonds or the notes, as the State Treasurer may determine.  
20 All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be  
21 paid by the State Treasurer from the proceeds of bonds or notes or other available  
22 moneys.

23 (d) Notes; repayment. By and with the approval of the Council of State, the State  
24 Treasurer is authorized to borrow money and to execute and issue notes of the State for  
25 the borrowed money, but only in the following circumstances and under the following  
26 conditions:

- 27 (1) For anticipating the sale of bonds the issuance of which the Council of  
28 State shall have approved, if the State Treasurer shall deem it advisable  
29 to postpone the issuance of the bonds;
- 30 (2) For the payment of interest on or any installment of principal of any  
31 bonds then outstanding, if there shall not be sufficient funds in the State  
32 treasury with which to pay the interest or installment of principal as they  
33 respectively become due;
- 34 (3) For the renewal of any loan evidenced by notes;
- 35 (4) For refunding bonds or notes; or
- 36 (5) For the purposes authorized in this act.

37 Funds derived from the sale of bonds or notes may be used in the payment of  
38 any bond anticipation notes issued under this act. Funds provided by the General  
39 Assembly for the payment of interest on or principal of bonds shall be used in paying the  
40 interest on or principal of any notes and any renewals of any notes, the proceeds of which  
41 shall have been used in paying interest on or principal of the bonds.

42 (e) Refunding bonds and notes. By and with the approval of the Council of  
43 State, the State Treasurer is authorized to issue and sell refunding bonds and notes

1 pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding  
2 bonds or notes issued pursuant to this act. The refunding bonds or notes may be  
3 combined with any other issues of State bonds and notes similarly secured.

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

9 (g) Investment eligibility. Bonds and notes are hereby made securities in  
10 which all public officers, agencies, and public bodies of the State and its political  
11 subdivisions, all insurance companies, trust companies, investment companies, banks,  
12 savings banks, savings and loan associations, credit unions, pension or retirement funds,  
13 other financial institutions engaged in business in the State, executors, administrators,  
14 trustees, and other fiduciaries may properly and legally invest funds, including capital in  
15 their control or belonging to them. Bonds and notes are hereby made securities that may  
16 properly and legally be deposited with and received by any officer or agency of the State  
17 or political subdivision of the State for any purpose for which the deposit of bonds, notes,  
18 or obligations of the State or any political subdivision is now or may hereafter be  
19 authorized by law.

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

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

- 24 (1) Be made payable from time to time on demand or tender for purchase  
25 by the owner of the bonds or notes provided a credit facility supports the  
26 bonds or notes, unless the State Treasurer specifically determines that a  
27 credit facility is not required upon a finding and determination by the  
28 State Treasurer that the absence of a credit facility will not materially  
29 and adversely affect the financial position of the State and the marketing  
30 of the bonds or notes at a reasonable interest cost to the State;
- 31 (2) Be additionally supported by a credit facility;
- 32 (3) Be made subject to redemption or a mandatory tender for purchase prior  
33 to maturity;
- 34 (4) Bear interest at a rate or rates that may vary for such period or periods  
35 of time, all as may be provided in the proceedings providing for the  
36 issuance of the bonds or notes, including, but not limited to, such  
37 variations as may be permitted pursuant to a par formula; and
- 38 (5) Be made the subject of a remarketing agreement whereby an attempt is  
39 made to remarket bonds or notes to new purchasers prior to their  
40 presentment for payment to the provider of the credit facility or to the  
41 State.

42 If the aggregate principal amount repayable by the State under a credit facility  
43 is in excess of the aggregate principal amount of bonds or notes secured by the credit

1 facility, whether as a result of the inclusion in the credit facility of a provision for the  
2 payment of interest for a limited period of time or the payment of a redemption premium  
3 or for any other reason, then the amount of authorized but unissued bonds or notes during  
4 the term of such credit facility shall not be less than the amount of such excess, unless the  
5 payment of such excess is otherwise provided for by agreement of the State executed by  
6 the State Treasurer.

7       Sec. 13. Other agreements. The State Treasurer may authorize, execute,  
8 obtain, or otherwise provide for bond insurance, investment contracts, credit  
9 enhancement and liquidity facilities, and interest rate swap agreements, and any other  
10 related instruments and matters as the State Treasurer considers desirable in connection  
11 with the issuance of bonds or notes.

12       Sec. 14. Interpretation of act. (a) Additional method. The foregoing sections of  
13 this act shall be deemed to provide an additional and alternative method for the doing of  
14 the things authorized thereby, shall be regarded as supplemental and additional to powers  
15 conferred by other laws, and shall not be regarded as in derogation of any powers now  
16 existing.

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

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

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

26       Sec. 15. Chapter 136 of the General Statutes is amended by adding a new  
27 section to read:

28 **"§ 136-180.1. Notification of property owners within study corridors of proposed**  
29 **urban loops.**

30       The Department of Transportation shall notify the owners of all property that is within  
31 a corridor located in Durham County and is being considered as a possible alignment of  
32 the proposed Durham Northern loop of all informational workshops and public hearings  
33 on that urban loop. These notifications shall be made by first class mail and shall be  
34 made no less than 30 days prior to the scheduled workshop or public hearing."

35       Sec. 15.1. G.S. 136-177 is amended by adding a new subsection to read:

36       "(b1) Notwithstanding any other provision of law, up to ten million dollars  
37 (\$10,000,000) of the funds received under 23 U.S.C. Chapter 1 Federal-Aid Highways  
38 shall be used to construct the Intrastate System projects described in G.S. 136-179 and up  
39 to ten million dollars (\$10,000,000) of the funds received under 23 U.S.C. Chapter 1  
40 Federal-Aid Highways shall be used to construct the urban loops described in G.S. 136-  
41 180. These funds shall be used beginning during the 1996-97 fiscal year and their use  
42 shall continue until the State Treasurer certifies by letter to the Speaker of the House of  
43 Representatives, the President Pro Tempore of the Senate, and the Secretary of State, that

1 all of the bonds and notes issued pursuant to the State Highway Bond Act of 1995 have  
2 been retired or provision for their retirement has been made, but no later than December  
3 31, 2012. These funds shall be in addition to the funds allocated from the Highway Trust  
4 Fund pursuant to subsection (b) of this section and funds available from the sale of bonds  
5 pursuant to the State Highway Bond Act of 1995."

6           Sec. 16. Effective date. This act is effective upon ratification, except that  
7 Sections 6, 7, 8, and 15.1 shall become effective upon the certification of a favorable vote  
8 on the bonds by the State Board of Elections to the Secretary of State as provided in  
9 Section 10 of this act.