

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 248  
Committee Substitute Favorable 4/17/13

Short Title: Taxpayer Debt Information Act.

(Public)

Sponsors:

Referred to:

March 7, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE DISCLOSURE ON THE BALLOT THAT AUTHORIZATION OF  
3 INDEBTEDNESS INCLUDES INTEREST AND THAT TAXES MAY BE LEVIED TO  
4 REPAY THE INDEBTEDNESS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 159-55 reads as rewritten:

7 "**§ 159-55. Sworn statement of debt; ~~debt limitation.~~limitation; statement of estimated**  
8 **interest on the bonds.**

9 ...

10 (d) At the time the bond order is introduced, the finance officer (or some other officer  
11 designated by the governing board for this purpose) shall file with the clerk a statement of the  
12 finance officer estimating the total amount of interest that will be paid on the bonds over the  
13 expected term of the bonds, if issued, and a summary of the assumptions upon which the  
14 estimate is based. The statement shall include a statement to the effect that the amount  
15 estimated is preliminary and is for general informational purposes only, that there is no  
16 assurance that the assumptions upon which the estimate is based will occur, that the occurrence  
17 of certain of the assumptions is beyond the control of the unit, and that differences between the  
18 actual circumstances at the time the bonds are issued from the assumptions included in the  
19 estimate could result in significant differences between the estimated interest and the actual  
20 interest on the bonds. The statement may include other qualifications as the finance officer  
21 deems appropriate. The validity of the bonds authorized by the order is not subject to challenge  
22 on the grounds that the actual interest cost of the bonds when issued is different than the  
23 amount set forth in the statement. The statement shall be filed with the Local Government  
24 Commission and maintained by the Clerk."

25 SECTION 2. G.S. 159-56 reads as rewritten:

26 "**§ 159-56. Publication of bond order as introduced.**

27 After the introduction of the bond order, the clerk shall publish it once with the following  
28 statement appended:

29 "The foregoing order has been introduced and a sworn statement of debt has been filed  
30 under the Local Government Bond Act showing the appraised value of the [issuing unit] to be \$  
31 \_\_\_\_\_ and the net debt thereof, including the proposed bonds, to be \$ \_\_\_\_\_.  
32 The finance officer of the [issuing unit] has filed a statement estimating that the total amount of  
33 interest that will be paid on the bonds over the expected term of the bonds, if issued, is  
34 \$ \_\_\_\_\_. The estimate is preliminary, is for general informational purposes only, and  
35 may differ from the actual interest paid on the bonds. A tax will [may] be levied to pay the  
36 principal of and interest on the bonds if they are issued. Anyone who wishes to be heard on the



1 questions of the validity of the bond order and the advisability of issuing the bonds may appear  
2 at a public hearing or an adjournment thereof to be held at \_\_\_\_\_

3 \_\_\_\_\_  
4 Clerk"

5 The publication may include a summary of the assumptions upon which the estimate of the  
6 total amount of interest that will be paid on the bonds over the expected term of the bonds, if  
7 issued, is based, and may further state that there is no assurance that the circumstances included  
8 in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the  
9 control of the issuing unit, and that differences between the actual circumstances at the time the  
10 bonds are issued from the assumptions included in the estimate could result in significant  
11 differences between the estimated interest and the actual interest on the bonds. The statement  
12 may include additional qualifications as the unit deems appropriate. The validity of bonds  
13 authorized to be issued pursuant to this act is not subject to challenge on the grounds that the  
14 actual interest cost of the bonds when issued is different than the amount set forth in the  
15 estimate referenced in the publication of the bond order as introduced."

16 **SECTION 3.** G.S. 159-58 reads as rewritten:

17 "**§ 159-58. Publication of bond order as adopted.**

18 After adoption, the clerk shall publish the bond order once, with the following statement  
19 appended:

20 "The foregoing order was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
21 and is hereby published this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. Any action or  
22 proceeding questioning the validity of the order must be begun within 30 days after the date of  
23 publication of this notice. The finance officer of the [issuing unit] has filed a statement  
24 estimating that the total amount of interest that will be paid on the bonds over the expected  
25 term of the bonds, if issued, is \$ \_\_\_\_\_. The estimate is preliminary, is for general  
26 informational purposes only, and may differ from the actual interest paid on the bonds.

27 \_\_\_\_\_  
28 Clerk"

29 The publication may include a summary of the assumptions upon which the estimate of the  
30 total amount of interest that will be paid on the bonds over the expected term of the bonds, if  
31 issued, is based, and may further state that there is no assurance that the circumstances included  
32 in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the  
33 control of the issuing unit, and that differences between the actual circumstances at the time the  
34 bonds are issued from the assumptions included in the estimate could result in significant  
35 differences between the estimated interest and the actual interest on the bonds. The statement  
36 may include such additional qualifications as the unit deems appropriate. The validity of bonds  
37 authorized to be issued pursuant to this act is not subject to challenge on the grounds that the  
38 actual interest cost of the bonds when issued is different than the amount set forth in the  
39 estimate referenced in the publication of the bond order as adopted."

40 **SECTION 4.** G.S. 159-61(d) reads as rewritten:

41 "(d) The form of the question as stated on the ballot shall be in substantially the  
42 following words: "Shall the order authorizing \$ \_\_\_\_\_ bonds plus interest for (briefly stating  
43 the purpose) and providing that additional taxes may be levied in an amount sufficient to pay  
44 the principal of and interest on the bonds be approved?"

45 [ ] YES

46 [ ] NO""

47 **SECTION 5.** This act is effective when it becomes law and applies to bonds for  
48 which a bond order authorizing the issuance of such bonds is introduced on or after that date.  
49 This act does not affect the validity of any bonds that are issued under bond orders introduced  
50 prior to the effective date of this act.