

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

**H**

**3**

HOUSE BILL 664  
Committee Substitute Favorable 6/23/93  
Committee Substitute #2 Favorable 7/15/93

Short Title: Education and Clean Water Bond Act.

(Public)

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Sponsors:

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Referred to:

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March 29, 1993

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF SEVEN HUNDRED FORTY-SIX  
2 MILLION TWO HUNDRED THOUSAND DOLLARS IN GENERAL  
3 OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE  
4 QUALIFIED VOTERS OF THE STATE, TO PROVIDE FUNDS FOR (1)  
5 CAPITAL IMPROVEMENTS FOR THE UNIVERSITY OF NORTH CAROLINA,  
6 (2) GRANTS TO COMMUNITY COLLEGES FOR CAPITAL IMPROVEMENTS,  
7 AND (3) LOANS, REVOLVING LOANS, AND GRANTS TO LOCAL  
8 GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER  
9 COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND  
10 WATER CONSERVATION PROJECTS.  
11

12 The General Assembly of North Carolina enacts:

13 Section 1. Short title. This act shall be known as the "North Carolina  
14 Education and Clean Water Bond Act of 1993".

15 Sec. 2. Purpose. It is the intent of the General Assembly by this act to  
16 provide for the issuance of seven hundred forty-six million two hundred thousand  
17 dollars (\$746,200,000) in general obligation bonds of the State, and to provide that the  
18 proceeds realized from the sale of the bonds shall be allocated as follows:

- 19 (1) Three hundred fifteen million dollars (\$315,000,000) to provide capital  
20 improvements for certain of the constituent or affiliated institutions or  
21 the Board of Governors of The University of North Carolina.

1           (2) Three hundred eleven million two hundred thousand dollars  
2           (\$311,200,000) to provide grants to individual community colleges to  
3           finance all or a portion of the costs of community college capital  
4           improvements.

5           (3) Twenty million dollars (\$20,000,000) to provide State matching funds  
6           required to receive federal wastewater or water supply assistance funds  
7           and to provide additional funding for the Clean Water Revolving Loan  
8           and Grant Fund established in Chapter 159G of the General Statutes  
9           and one hundred million dollars (\$100,000,000) to provide loans to  
10          local government units to finance all or a portion of the cost of  
11          construction, improvements, enlargements, extensions, and  
12          reconstruction of water supply systems, wastewater collection systems,  
13          wastewater treatment works, and water conservation projects.

14                 The funds to be derived from the sale of the Clean Water bonds  
15                 authorized by this act are sufficient to meet no more than a fraction of  
16                 the needs which now exist and will arise in the immediate future. For  
17                 this reason, although public necessity and the criteria established by  
18                 Chapter 159G of the General Statutes shall be the primary  
19                 consideration in granting and loaning funds, great emphasis shall also  
20                 be placed on the creation of efficient systems of regional wastewater  
21                 disposal and regional water supply, and on the willingness and ability  
22                 of local government units to meet their responsibilities through sound  
23                 fiscal policies, creative planning, and efficient operation and  
24                 management.

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

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

28           (2) " Clean Water Revolving Loan and Grant Act" means Chapter 796 of  
29           the 1987 Session Laws, as the same may be amended from time to  
30           time, codified as Chapter 159G of the General Statutes.

31           (3) " Clean Water Revolving Loan and Grant Fund" means the Clean  
32           Water Revolving Loan and Grant Fund as defined in the Clean Water  
33           Revolving Loan and Grant Act.

34           (4) " Cost" means, without intending thereby to limit or restrict any proper  
35           definition of this term in financing the cost of facilities or purposes  
36           authorized by this act:

37           a. The cost of constructing, reconstructing, enlarging, acquiring,  
38           and improving facilities, and acquiring equipment and land  
39           therefor,

40           b. The cost of engineering, architectural, and other consulting  
41           services as may be required,

42           c. Administrative expenses and charges,

43           d. Finance charges and interest prior to and during construction  
44           and, if deemed advisable by the State Treasurer, for a period not

1 exceeding two years after the estimated date of completion of  
2 construction,

3 e. The cost of bond insurance, investment contracts, credit  
4 enhancement and liquidity facilities, interest-rate swap  
5 agreements or other derivative products, financial and legal  
6 consultants, and related costs of bond and note issuance, to the  
7 extent and as determined by the State Treasurer,

8 f. The cost of reimbursing the State for any payments made for  
9 any cost described above, and

10 g. Any other costs and expenses necessary or incidental to the  
11 purposes of this act.

12 Allocations in this act of proceeds of bonds to the costs of a project or  
13 undertaking in each case may include allocations to pay the costs set  
14 forth in items c., d., e., f., and g. in connection with the issuance of  
15 bonds for the project or undertaking.

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

30 (6) "Local government units" means local government units as defined in  
31 the Clean Water Revolving Loan and Grant Act.

32 (7) "Notes" means notes issued under this act.

33 (8) "Par formula" means any provision or formula adopted by the State to  
34 provide for the adjustment, from time to time, of the interest rate or  
35 rates borne by any bonds or notes, including:

36 a. A provision providing for such adjustment so that the purchase  
37 price of such bonds or notes in the open market would be as  
38 close to par as possible,

39 b. A provision providing for such adjustment based upon a  
40 percentage or percentages of a prime rate or base rate, which  
41 percentage or percentages may vary or be applied for different  
42 periods of time, or

43 c. Such other provision as the State Treasurer may determine to be  
44 consistent with this act and will not materially and adversely

1 affect the financial position of the State and the marketing of  
2 bonds or notes at a reasonable interest cost to the State.

3 (9) " State" means the State of North Carolina.

4 (10) " Wastewater collection systems" means wastewater collection  
5 systems as defined in the Clean Water Revolving Loan and Grant Act.

6 (11) " Wastewater treatment works" means wastewater treatment works as  
7 defined in the Clean Water Revolving Loan and Grant Act.

8 (12) " Water conservation projects" include but are not limited to any  
9 construction, repair, renovation, expansion, replacement of  
10 components, or other capital improvement, including related  
11 equipment and land acquisition, designed to:

12 a. Eliminate the wasteful or unnecessary use or loss of water in the  
13 operations of a wastewater collection system, wastewater  
14 treatment works, or water supply system; or

15 b. Enhance the operation of a wastewater collection system,  
16 wastewater treatment works, or water supply system to provide  
17 a more efficient use of water.

18 (13) " Water Pollution Control Revolving Fund" means the fund described  
19 by G.S. 159G-4(a) and G.S. 159G-5(c).

20 (14) " Water supply systems" means water supply systems as defined in the  
21 Clean Water Revolving Loan and Grant Act.

22 Sec. 4. Authorization of bonds and notes. (a) University Improvement Bonds.  
23 Subject to a favorable vote of a majority of the qualified voters of the State who vote on  
24 the question of issuing University Improvement Bonds in the election held as provided  
25 in this act, the State Treasurer is authorized, by and with the consent of the Council of  
26 State, to issue and sell, at one time or from time to time, general obligation bonds of the  
27 State to be designated "State of North Carolina University Improvement Bonds", with  
28 any additional designations as may be determined to indicate the issuance of bonds from  
29 time to time, or notes of the State as provided in this act, in the aggregate principal  
30 amount not exceeding three hundred fifteen million dollars (\$315,000,000) for the  
31 purposes authorized in this act.

32 (b) Community College Bonds. Subject to a favorable vote of a majority of the  
33 qualified voters of the State who vote on the question of issuing Community College  
34 Bonds in the election held as provided in this act, the State Treasurer is authorized, by  
35 and with the consent of the Council of State, to issue and sell, at one time or from time  
36 to time, general obligation bonds of the State to be designated "State of North Carolina  
37 Community College Bonds", with any additional designations as may be determined to  
38 indicate the issuance of bonds from time to time, or notes of the State as provided in this  
39 act, in the aggregate principal amount not exceeding three hundred eleven million two  
40 hundred thousand dollars (\$311,200,000) for the purposes authorized in this act.

41 (c) Clean Water Bonds. Subject to a favorable vote of a majority of the qualified  
42 voters of the State who vote on the question of issuing Clean Water Bonds in the  
43 election called and held as provided in this act, the State Treasurer is hereby authorized,  
44 by and with the consent of the Council of State, to issue and sell, at one time or from

1 time to time, general obligation bonds of the State to be designated "State of North  
2 Carolina Clean Water Bonds", with any additional designations as may be determined to  
3 indicate the issuance of bonds from time to time, or notes of the State as provided in this  
4 act, in an aggregate principal amount not exceeding one hundred twenty million dollars  
5 (\$120,000,000) for the purpose of providing funds, with any other available funds, for  
6 the purposes authorized in this act.

7 Sec. 5. Uses of bond and note proceeds. (a) University Improvement Bonds. The  
8 proceeds of University Improvement Bonds and notes shall be used for the purpose of  
9 (i) paying the cost of capital improvements for certain of the constituent or affiliated  
10 institutions of The University of North Carolina, under the supervision of the Board of  
11 Governors of The University of North Carolina, including, without limitation,  
12 construction and renovation of classroom buildings, laboratory buildings, research  
13 facilities, libraries, physical education facilities, continuing education centers, student  
14 cafeteria and activity facilities, including sports facilities, administrative office  
15 buildings, and land acquisition, (ii) paying the cost of capital improvements for the  
16 North Carolina Center for Public Television under the Board of Governors of The  
17 University of North Carolina, and (iii) making grants to nonprofit corporations and  
18 public agencies to provide capital improvements for Area Health Education Centers.  
19 Grants made to provide capital improvements for Area Health Education Centers shall  
20 be made only to nonprofit corporations and public agencies. The rules and regulations  
21 and agreements governing the Area Health Education Center Program shall contain  
22 provisions necessary to assure that the proceeds of the bonds or notes are applied for the  
23 accomplishment of public purposes only within the meaning of Article V, Section 7 of  
24 the North Carolina Constitution, including, without limitation, provisions to assure that  
25 the grant moneys are applied to the payment of cost of capital improvements used in  
26 connection with the Area Health Education Center Program and further shall contain  
27 provisions to assure compliance with G.S. 143-6.1. The buildings constructed using the  
28 proceeds of the bonds, other than any buildings constructed with Area Health Education  
29 Centers Construction Grants, may be constructed only after consideration of the energy  
30 design guidelines developed by the Energy Division of the Department of Commerce.

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

37 The proceeds of University Improvement Bonds and notes may be used with  
38 any other moneys made available by the General Assembly for the making of university  
39 improvements, including the proceeds of any other State bond issues, whether  
40 heretofore made available or which may be made available at the session of the General  
41 Assembly at which this act is ratified or any subsequent sessions. The proceeds of  
42 University Improvement Bonds and notes shall be expended and disbursed under the  
43 direction and supervision of the Director of the Budget. The funds provided by this act  
44 for university improvements shall be disbursed for the purposes provided in this act

1 upon warrants drawn on the State Treasurer by the State Controller, which warrants  
2 shall not be drawn until requisition has been approved by the Director of the Budget and  
3 which requisition shall be approved only after full compliance with the Executive  
4 Budget Act, Article 1 of Chapter 143 of the General Statutes.

5 The Board of Governors of The University of North Carolina shall provide  
6 quarterly reports to the Joint Legislative Commission on Governmental Operations, the  
7 chairs of the Senate and House of Representatives Appropriations Committees, and the  
8 Fiscal Research Division on the expenditure of moneys from the University  
9 Improvement Bonds Fund.

10 (b) Community College Bonds. The proceeds of Community College Bonds and  
11 notes shall be used for the purpose of making grants to community colleges, as defined  
12 in Chapter 115D of the General Statutes, for paying the cost of capital improvements,  
13 including, without limitation, construction and renovation of classroom buildings,  
14 laboratory buildings, research facilities, libraries, physical education facilities,  
15 continuing education centers, student cafeteria and activity facilities, including sports  
16 facilities, administrative office buildings, and land and equipment acquisition. The  
17 buildings constructed using the proceeds of the bonds may be constructed only after  
18 consideration of the energy design guidelines developed by the Energy Division of the  
19 Department of Commerce.

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

26 The proceeds of Community College Bonds and notes may be used with any  
27 other moneys made available by the General Assembly for the making of community  
28 college grants, including the proceeds of any other State bond issues, whether heretofore  
29 made available or which may be made available at the session of the General Assembly  
30 at which this act is ratified or any subsequent sessions. The proceeds of Community  
31 College Bonds and notes shall be expended and disbursed under the direction and  
32 supervision of the Director of the Budget. The funds provided by this act for  
33 community college improvements shall be disbursed for the purposes provided in this  
34 act upon warrants drawn on the State Treasurer by the State Controller, which warrants  
35 shall not be drawn until requisition has been approved by the Director of the Budget and  
36 which requisition shall be approved only after full compliance with the Executive  
37 Budget Act, Article 1 of Chapter 143 of the General Statutes.

38 The State Board of Community Colleges shall provide quarterly reports to the  
39 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and  
40 House of Representatives Appropriations Committees, and the Fiscal Research Division  
41 on the expenditure of moneys from the Community College Bonds Fund.

42 (c) Clean Water Bonds. The proceeds of Clean Water Bonds and notes shall be  
43 used for the purpose of making loans and grants to local governments as follows:

1           (1)    The proceeds of twenty million dollars (\$20,000,000) of Clean Water  
2                Bonds shall be used and allocated for the same purposes for which  
3                funds in the Clean Water Revolving Loan and Grant Fund may be used  
4                including, without limitation, to provide funds to be used to make  
5                revolving loans and grants to local government units. The revolving  
6                loans and grants shall be made for the purpose of paying the cost of  
7                water supply systems, wastewater collection systems, and wastewater  
8                treatment works.

9                The first priority for use of these proceeds shall be to provide State  
10              funds necessary for the 1993-95 fiscal biennium to match the federal  
11              wastewater or water supply assistance funds, deposited in the Clean  
12              Water Pollution Control Revolving Fund or another fund, that are  
13              available from year to year, unless the General Assembly has provided  
14              other funds for this purpose, in which event this priority shall cease to  
15              exist to the extent of the availability of those other funds. For the  
16              purpose of implementing this priority, the Department of Environment,  
17              Health, and Natural Resources shall certify to the State Treasurer the  
18              amount of funds required for the State match for each of the fiscal  
19              years ending June 30, 1994, and June 30, 1995, and the extent to which  
20              the General Assembly has provided other funds for this purpose.  
21              Upon certification to the State Treasurer of the amount of funds  
22              required for the State match for the fiscal year ending June 30, 1994,  
23              the State may issue up to ten million dollars (\$10,000,000) Clean  
24              Water Bonds authorized by this subdivision for the purpose of funding  
25              the State match for that fiscal year and for any other purposes  
26              authorized by this subdivision. Upon certification to the State  
27              Treasurer of the amount of funds required for the State match for the  
28              fiscal year ending June 30, 1995, the State may issue the remaining  
29              balance of Clean Water Bonds authorized by this subdivision for the  
30              purpose of funding the State match for that fiscal year and for any  
31              other purposes authorized by this subdivision. The proceeds of the  
32              bonds necessary for the State match for each fiscal year shall be  
33              deposited in the Clean Water Pollution Control Revolving Fund or any  
34              other fund or account determined by the State Treasurer.

35              The proceeds may be (i) transferred directly to the Clean Water  
36              Revolving Loan and Grant Fund to make revolving loans or grants, (ii)  
37              used to make revolving loans or grants directly to the appropriate local  
38              government unit qualifying for a revolving loan or grant from the  
39              Clean Water Revolving Loan and Grant Fund, (iii) used for any  
40              combination of (i) and (ii), or (iv) used in such other manner as shall  
41              effectuate the purposes of this act. Loans and grants made from bond  
42              proceeds transferred from the Clean Water Bond Fund to the Clean  
43              Water Revolving Loan and Grant Fund shall be made and  
44              administered in accordance with the provisions of the Clean Water

1 Revolving Loan and Grant Act. Loans and grants made from bond  
2 proceeds directly to local government units and any loan repayments  
3 shall, to the extent applicable, be made, administered, and applied in  
4 accordance with the provisions of the Clean Water Revolving Loan  
5 and Grant Act. Repayments of any direct loans may be initially placed  
6 into any fund or account as may be determined by the State Treasurer  
7 for the purpose of determining compliance with the applicable  
8 requirements of the federal tax law and shall be expended and  
9 disbursed therefrom under the direction and supervision of the Director  
10 of the Budget.

- 11 (2) The proceeds of one hundred million dollars (\$100,000,000) of Clean  
12 Water Bonds shall be used and allocated for loans to local government  
13 units for the same purposes for which funds in the Clean Water  
14 Revolving Loan and Grant Fund may be used and for water  
15 conservation projects. The loans shall be made for the purpose of  
16 paying the cost of water supply systems, water conservation projects,  
17 wastewater collection systems, and wastewater treatment works.  
18 Sixty-nine percent (69%) of the proceeds of the bonds and notes shall  
19 be allocated for loans to local government units for wastewater  
20 collection systems and wastewater treatment works, including water  
21 conservation projects. Thirty-one percent (31%) of the proceeds of the  
22 bonds and notes shall be allocated for loans to local government units  
23 for water supply systems, including water conservation projects.

24 The proceeds shall be used to make loans directly to local  
25 government units qualifying for a loan from the Clean Water  
26 Revolving Loan and Grant Fund or loaned in such other manner as  
27 shall effectuate the purposes of this act. To qualify for a loan from the  
28 Clean Water Bonds Fund for the purpose of paying the cost of water  
29 supply systems, a local government must have a water supply facility  
30 plan approved by the Department of Environment, Health, and Natural  
31 Resources. A water supply plan submitted by a local government to  
32 the Department under G.S. 143-355(1) will be sufficient to meet this  
33 requirement. To qualify for a loan from the Clean Water Bonds Fund  
34 for the purpose of paying the cost of wastewater collection systems or  
35 wastewater treatment works, a local government must have a  
36 wastewater facility plan approved by the Department of Environment,  
37 Health, and Natural Resources. A wastewater facility plan must  
38 project future wastewater treatment needs, must present a long-range  
39 plan to meet those needs, and must include plans for system operations  
40 and maintenance of the facilities being built with the bond proceeds.

41 The Department of Environment, Health, and Natural Resources  
42 shall set the priorities and determine the eligibility of local government  
43 units for these loans in accordance with Section 10 of this act. The  
44 form of the loans and the details thereof including, without limitation,



1 the maturity, interest rate, and amortization schedule, shall be  
2 determined, from time to time, by the State Treasurer. In making these  
3 determinations, the State Treasurer shall consider the purpose of the  
4 loans, the ability of local government units to repay the loans, and the  
5 security for the loans. The interest rates on these loans shall reflect the  
6 self-supporting nature of the loan program and shall be sufficient to  
7 cover substantially all payments of debt service on the one hundred  
8 million dollars (\$100,000,000) Clean Water Bonds and the issuance  
9 costs and administrative expenses associated with the issuance of these  
10 bonds and the making of these loans, subject to any applicable  
11 requirements of the federal tax law.

12 Repayments of the loans shall be credited to the General Fund and  
13 may be used to pay, directly or indirectly, debt service on the bonds  
14 and notes issued. Repayments may be initially placed into such fund  
15 or account as may be determined by the State Treasurer for the  
16 purpose of determining compliance with applicable requirements of  
17 the federal tax law and shall be expended and disbursed therefrom  
18 under the direction and supervision of the Director of the Budget.

19 Any additional moneys which may be received by means of a grant or grants  
20 from the United States of America or any agency or department thereof or from any  
21 other source for deposit to the State Clean Water Bonds Fund may be placed in the State  
22 Clean Water Bonds Fund or in a separate account or fund and shall be disbursed, to the  
23 extent permitted by the terms of the grant or grants, without regard to any limitations  
24 imposed by this act.

25 The proceeds of bonds and notes may be used with any other moneys made  
26 available by the General Assembly for making grants and loans authorized by this act,  
27 including the proceeds of any other State bond issues, whether heretofore made  
28 available or which may be made available at the session of the General Assembly at  
29 which this act is ratified or any subsequent sessions. The proceeds of bonds and notes  
30 shall be expended and disbursed under the direction and supervision of the Director of  
31 the Budget. The funds provided by this act shall be disbursed for the purposes provided  
32 in this act upon warrants drawn on the State Treasurer by the State Controller, which  
33 warrants shall not be drawn until requisition has been approved by the Director of the  
34 Budget and which requisition shall be approved only after full compliance with the  
35 Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

36 Sec. 6. Allocation of proceeds. (a) University Improvement Bonds. The proceeds  
37 of University Improvement Bonds and notes, including premium thereon, if any, except  
38 the proceeds of bonds the issuance of which has been anticipated by bond anticipation  
39 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
40 in a special fund to be designated "University Improvement Bonds Fund". Moneys in  
41 the University Improvement Bonds Fund shall be used for the purposes set forth in this  
42 act. The proceeds of University Improvement Bonds and notes shall be allocated and  
43 expended for paying the cost of university capital improvements, to the extent and as  
44 provided in this act and subject to change as provided in this act, as follows:

<u>Constituent or Affiliated Institution or Board Projected</u>	<u>Allocation</u>
1	
2 <u>Constituent or Affiliated Institution or Board Projected</u>	
3 <u>of Governors Capital Improvement</u>	
4 Appalachian State University	
5 Academic Support Services Building	\$
6 8,794,900	
7 Science/Mathematics Complex, Phase	I
8 15,000,000	
9	
10 East Carolina University	
11 Addition to Joyner Library	
12 28,900,000	
13 Land 5,000,000	
14	
15 Elizabeth City State University	
16 Fine Arts and Mass Communications Building	
17 6,432,600	
18	
19 Fayetteville State University	
20 Fine Arts Building	
21 9,479,600	
22	
23 North Carolina A & T State University	
24 School of Technology Classroom/Laboratory Building	
25 7,961,900	
26 Renovation of Bluford Library Building	
27 5,251,400	
28	
29 North Carolina Central University	
30 Conversion of Women's Gymnasium in Support of	
31 Academic Programs	
32 1,970,900	
33 Chidley Hall Complex	
34 9,018,300	
35 Biology and Biomedical Center	
36 4,200,000	
37	
38 North Carolina School of the Arts	
39 School of Filmmaking	
40 6,999,200	
41	
42 North Carolina State University at Raleigh	
43 Engineering Graduate Research Center	
44 34,918,200	

1 Agricultural Communications Building  
 2 4,484,900  
 3 Agricultural Programs - Laboratory Animal Facilities  
 4 4,484,100  
 5  
 6 Pembroke State University  
 7 New Administrative Office Building  
 8 5,723,300  
 9 Repairs and Renovations to Business Administration Building  
 10 422,700  
 11  
 12 The University of North Carolina at Asheville  
 13 Conference Center  
 14 3,974,400  
 15 Physical Education Building (Health Promotion)  
 16 5,475,600  
 17 The North Carolina Arboretum  
 18 2,500,000  
 19  
 20 The University of North Carolina at Chapel Hill  
 21 New Building, School of Business Administration  
 22 13,490,900  
 23 Addition to Lineberger Cancer Research Center  
 24 8,119,900  
 25 Carolina Living and Learning Center for Autistic Adults, Phase II 1,190,400  
 26 Addition to the School of Dentistry  
 27 8,887,100  
 28 Area Health Education Centers - Construction Grants  
 29 3,370,800  
 30  
 31 The University of North Carolina at Charlotte  
 32 Classroom and Academic Support Facility  
 33 22,610,400  
 34  
 35 The University of North Carolina at Greensboro  
 36 New Music Building  
 37 23,357,000  
 38  
 39 The University of North Carolina at Wilmington  
 40 Physical Sciences Building and Renovation of DeLoach Hall  
 41 18,522,900  
 42 Construct West Wing of Bear Hall and  
 43 Renovate West End of Bear Hall  
 44 992,050

1						
2	Western Carolina University					
3	Completion of Belk Building and Asbestos Removal					
4	3,480,200					
5	Renovate Moore Hall, Phase II					
6	2,193,900					
7	Renovate Camp Lab School					
8	1,996,500					
9	Renovate Reid Gym					
10	2,529,400					
11						
12	Winston-Salem State University					
13	Student Services/Cafeteria/Student Union Complex					
14	6,073,350					
15	Renovations to O'Kelly Library					
16	1,119,500					
17						
18	North Carolina School of Science and Mathematics					
19	Educational Technologies Center and Auditorium					
20	8,073,700					
21						
22	Board of Governors					
23	Other Critical Needs					
24	12,000,000					
25						
26	UNC Center for Public Television					
27	Improvements to Facilities					
28	<u>6,000,000</u>					
29						
30	Total					
31						\$
32	315,000,000					

33 Projected allocations set forth above may be adjusted to reflect the  
 34 availability of other funds.

35 The Director of the Budget is empowered, when the Director of the Budget  
 36 determines it is in the best interest of the State and The University of North Carolina to  
 37 do so, and if the cost of a particular project is less than the projected allocation, to use  
 38 the excess funds to increase the size of that project or increase the size of any other  
 39 project itemized in this section, or to increase the amount allocated to a particular  
 40 institution or the Board of Governors within the aggregate amount of funds available  
 41 under this section. The Director of the Budget may consult with the Advisory Budget  
 42 Commission and the Joint Legislative Commission on Governmental Operations before  
 43 making these changes. The Director of the Budget, in consultation with the Board of  
 44 Governors of The University of North Carolina, shall allocate the funds designated

1 above for other critical needs for specific projects, either projects set out above or other  
 2 projects, within the general purposes authorized for University Improvement Bonds and  
 3 notes by this act, and within the aggregate amount of funds available under this section.  
 4 In addition, the particular capital improvements and the amount of the projected  
 5 allocation therefor set forth above may be changed from time to time as the General  
 6 Assembly may decide. The provisions of G.S. 116-11(9) with respect to appropriations  
 7 to the Board of Governors of The University of North Carolina shall not apply to  
 8 proceeds of University Improvement Bonds and notes issued pursuant to the provisions  
 9 of this act.

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

14 (b) Community College Bonds. The proceeds of Community College Bonds and  
 15 notes, including premium thereon, if any, except the proceeds of bonds the issuance of  
 16 which has been anticipated by bond anticipation notes or the proceeds of refunding  
 17 bonds or notes, shall be placed by the State Treasurer in a special fund to be designated  
 18 "Community College Bonds Fund" and shall be disbursed as provided in this act.  
 19 Moneys in the Community College Bonds Fund shall be used for making grants to  
 20 community colleges, as set forth in this act, the proceeds of the grants to be allocated  
 21 and expended for paying the cost of community college capital improvements, to the  
 22 extent and as provided in this act and subject to change as provided in this act, as  
 23 follows:

			PROJECTED
	COLLEGE	CAPITAL IMPROVEMENT	ALLOCATION
24			
25	Alamance CC	Phase 11B-Science	Labs/Classrooms
26		\$3,059,855	
27		Phase 111-LRC	Expansion
28		2,000,000	
29			
30			
31	Anson CC	Advanced Technology	Center
32		2,998,465	
33		LRC/Student	Center
34		2,500,000	
35	Union Cty.	Advanced Technology	Center
36	2,500,000		
37			
38	Asheville-		
39	Buncombe TCC	Classroom/Lab/Office	Building
40	5,000,000		
41		LRC	Expansion
42		3,350,000	
43			

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**GENERAL ASSEMBLY OF NORTH CAROLINA**

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**1993**

1	Beaufort County CC	Student	Services	Center
2		2,900,000		
3		Science/Fine	Arts	Classroom
4		2,500,000		Bldg.
5				
6	Bladen CC	Allied	Health	Care
7		1,015,472		Center
8		Child	Care	Center
9		447,045		
10				
11	Blue Ridge CC	Allied	Health	Building
12		5,000,000		
13		Center	for	Lifelong
14		2,932,658		Learning
15	Transylvania			Cty.
16	Classroom/Office			Bldg.
17	502,225			
18				
19	Brunswick CC	Allied		Health/Classroom
20		4,000,000		
21		Vocational	Building	Renovations
22		450,000		
23				
24	Caldwell CC & TI	Classroom/Lab		Building
25		6,100,000		
26		Addition & Renov. Class/		
27		Library		Bldg.
28		3,190,290		
29	Watauga Cty.	Classroom/Lab		Bldg.
30	2,261,539			
31				
32	Cape Fear CC	Health	Sciences	Building
33		7,340,485		
34		LRC/Classroom		Building
35		2,500,000		
36	Pender Cty.	Classroom		Building
37	690,212			
38				
39	Carteret CC	Classroom/Student		Center
40		2,437,904		
41		Classroom		Building
42		1,580,188		
43				

1	Catawba Valley CC	Classroom/Lab			Building
2		4,218,275			
3		Physical	Ed/Classroom		Building
4		4,241,014			
5					
6	Central		Carolina		CC
7					
8	Classroom				Building
9					2
10	,000,000				
11		Renovation	of Main Bldg.	& Library	
12		1,120,000			
13	Chatham Cty.	Classroom			Building
14	2,000,000				
15	Harnett Cty.	Classroom			Building
16	1,000,000				
17					
18	Central		Piedmont		CC
19					
20	Science		Labs		Expansion
21					3
22	,950,000				
23		Regional Law Enforcement			
24		Trng.			Ctr.
25		3,620,000			
26					
27	Cleveland CC	Advanced	Technology		Building
28		2,213,022			
29		Allied	Health		Building
30		706,368			
31					
32	Coastal		Carolina		CC
33					
34	Public	Service	Technology		Bldg.
35					3
36	,000,000				
37		Classroom			Building
38		2,500,000			
39					
40	College of the				
41	Albemarle	Classroom/Administration Bldg.	3,215,924		
42	Dare Cty.	Class/Lab/Student Services Bldg.	1,500,000		
43					

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**GENERAL ASSEMBLY OF NORTH CAROLINA**

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**1993**

1	Craven CC	Academic	Studies/Basic	Skills	Bldg.
2		2,790,276			
3		Classroom/Lab-Havelock			
4		1,280,000			
5					
6	Davidson County CC	Advanced	Technology		Building
7		3,875,000			
8		Campus	Development		Project
9		1,175,000			
10	Davie Cty.	Class/Lab/Instructional		Support	Bldg.
11	1,980,000				
12					
13	Durham TCC	Classroom/Office			Building
14		5,800,000			
15		Classroom/Lab			Building
16		1,435,000			
17					
18	Edgecombe CC	Class/Lab	Addition-Rocky		Mount
19		1,200,000			
20		Shop	Building	Renovation-Tarboro	
21		264,762			
22					
23	Fayetteville TCC	Health	&	Science	Facility
24		7,200,000			
25		Renov.	Two	Classroom	Bldgs.
26		597,411			
27					
28	Forsyth TCC	Class/Lab/Admin.	-	East	Campus
29		7,900,000			
30		Campus			Renovations
31		3,100,000			
32					
33	Gaston College	Work	Force	Preparedness	Center
34		5,860,000			
35		Student/Community			Center
36		2,385,257			
37					
38	Guilford TCC	Applied	Technology		Building
39		7,740,000			
40		Classroom			Building
41		7,260,000			
42					
43	Halifax CC	Literacy	Ed/Science		Building
44		2,008,592			



1		Renovations	Existing	Bldg/Parking	Areas
2		490,000			
3					
4	Haywood CC	High	Tech		Center
5		450,000			
6		Classroom			Building
7		1,100,000			
8					
9	Isothermal CC	Cultural	Arts		Center
10		5,444,444			
11		Campus			Renovations
12		125,000			
13	Polk Cty. Classrooms/Labs Addition 358,686				
14					
15	James Sprunt CC	Library/Cont.	Ed/Business	&	Industry
16		2,600,000			
17		Multi-Purpose			Center
18		2,408,406			
19					
20	Johnston CC	Allied	Health		Building
21		3,000,000			
22		Cafeteria/Student			Lounge
23		1,343,985			
24					
25	Lenoir CC	Renovations/Additions			
26		2,652,697			
27		Classroom/Auditorium			Bldg.
28		2,000,000			
29	Greene Cty.	New	Instructional		Facility
30	1,500,000				
31	Jones Cty.	New	Vocational		Annex
32	100,000				
33					
34	Martin CC	Equine			Arena
35		577,553			
36		Heating	&	Cooling	Renovations
37		350,000			
38	Bertie Cty.	Class/Lab/Office			Building
39	250,000				
40					
41	Mayland CC	Shop/Student	Lecture		Hall
42		4,037,566			
43		Classroom			Building
44		255,000			

1				
2	McDowell TCC	Renov.	Bookstore/Amphitheater/Mezzanine	
3		283,800		
4		Classroom		Building
5		1,900,000		
6				
7	Mitchell CC	Renovate	Main	Building
8		2,200,000		
9		Mooresville	Center	Addition
10		1,000,000		
11				
12	Montgomery CC	LRC		Building
13		2,592,709		
14				
15	Nash CC	LRC/Student		Center
16		4,409,179		
17		Center	for Business &	Industry
18		2,092,223		
19				
20	Pamlico CC	Multi-Purpose	Class/Office	Bldg.
21		1,177,503		
22				
23	Piedmont CC	Classroom/Faculty	Office	Bldg.
24		459,815		
25	Caswell Cty.	Adult	Learning	Center
26	1,300,000			
27				
28	Pitt CC	Student	Services	Building
29		4,500,000		
30		Multi-Purpose	Training	Facility
31		4,500,000		
32				
33	Randolph CC	Photography		Studio
34		1,017,500		
35		Allied	Hlth/Science & Tech	Center
36		2,308,128		
37				
38	Richmond CC	Fine	Arts	Ctr/Auditorium
39		2,251,414		
40		Student	Center/Classroom	Building
41		1,500,000		
42				
43	Roanoke-Chowan CC	Classroom/Student	Support	Center
44		2,549,087		

1		LRC	Expansion	&	Renovations
2		200,000			
3					
4	Robeson CC	Emergency		Training	Grounds
5		855,387			
6		Teaching	Theaters/Allied	Hlth	Classroom
7		1,430,228			
8					
9	Rockingham CC	Multi-Purpose			Building
10		2,700,000			
11		Fire	Service	Training	Center
12		595,250			
13					
14	Rowan-Cabarrus CC	Engineering			Building
15		4,200,000			
16		Business			Building
17		1,790,378			
18	Cabarrus Cty.	Classroom			Building
19	1,573,312				
20					
21	Sampson CC	Multi-Purpose			Building
22		2,500,000			
23		Academic			Building
24		1,276,000			
25					
26	Sandhills CC	Cont.	Ed.		Center/Classrooms
27		4,800,000			
28		Physical		Education	Facility
29		2,011,280			
30	Hoke Cty.	Renovate Classrooms	300,000		
31					
32	Southeastern CC	Nursing/Allied		Health	Building
33		1,309,400			
34		Addition	&	Renovation	of "G"Bldg.
35		896,070			
36					
37	Southwestern CC	Classroom		Renov./Expanded	Parking
38		700,000			
39		General		Classroom	Building
40		1,783,141			
41	Macon Cty.	Region	Law	Enf.	Defensive Dr.
42	300,000				Course
43	Swain Cty.	Class/Lab/Office			Bldg.
44	725,000				

1					
2	Stanly CC	Learning		Resource	Center
3		2,341,210			
4		Classroom			Building
5		600,000			
6					
7	Surry CC	Health/Day		Care/Library	Building
8		4,054,417			
9		Office/Cafeteria/Student		Ctr.	Bldg.
10		1,000,000			
11					
12	Tri-County CC	Student	Services	Ctr.	Classroom
13		1,123,010			Bldg.
14		Childcare		Center/Classroom	Bldg.
15		480,000			
16	Graham Cty.	Class/Lab/Study			Bldg.
17	480,000				
18					
19	Vance-Granville CC	Allied	Health/Day	Care/Classroom	Bldg.
20		2,127,400			
21	Franklin Cty.	Class/Lab/Office			Building
22	1,500,000				
23	Granville Cty.	Additional			Classrooms
24	377,500				
25	Warren Cty.	Campus			Renovations
26	212,500				
27					
28	Wake TCC	Student		Education	Bldg.
29		11,000,000			
30		Site			Acquisition
31		3,000,000			
32					
33	Wayne CC	Classroom/Laboratory			Building
34		3,900,000			
35		Student	&	Telecommunications	Bldg.
36		5,873,230			
37					
38	Western				
39	Piedmont CC	Class/Office		Bldg.	(Bus. Tech.)
40	3,420,168				
41		Class/Office		Bldg.	(Cont. Ed.)
42		1,662,000			
43					

1	Wilkes CC	LRC-Student		Development
2		4,700,000		
3		Beacon	Building	Purchase
4		551,185		
5	Ashe Cty. Classroom Building	200,000		
6				
7	Wilson TCC	Multi-Purpose		Building
8		1,000,000		
9		Building I Renovation		
10	<u>175,000</u>			
11		TOTAL		
12		\$311,200,000		

14 Projected allocations set forth above may be adjusted to reflect the  
15 availability of other funds.

16 The Director of the Budget is empowered, when the Director of the Budget  
17 determines it is in the best interest of the State and the North Carolina Community  
18 Colleges System to do so, and if the cost of a particular project is less than the projected  
19 allocation, to use the excess funds to increase the size of that project or increase the size  
20 of any other project itemized in this section, or to increase the amount allocated to a  
21 particular community college within the aggregate amount of funds available under this  
22 section. The Director of the Budget may consult with the Advisory Budget Commission  
23 and the Joint Legislative Commission on Governmental Operations before making these  
24 changes. In addition, the particular capital improvements and the amount of the  
25 projected allocation therefor set forth above may be changed from time to time as the  
26 General Assembly may decide. The matching requirements of G.S. 115D-31(a)(1)  
27 apply to the proceeds of Community College Bonds and notes used to make grants to  
28 community colleges.

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

33 (c) Clean Water Bonds. The proceeds of Clean Water 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 a special fund to be designated "Clean  
37 Water Bonds Fund" and shall be disbursed as provided in this act. Moneys in the Clean  
38 Water Bonds Fund shall be allocated and expended as provided in this act.

39 Sec. 7. Election. The questions of the issuance of the bonds authorized by  
40 this act shall be submitted to the qualified voters of the State at an election to be held on  
41 the first Tuesday after the first Monday of November 1993. Any other primary,  
42 election, or referendum validly called or scheduled by law at the time the election on the  
43 bond questions provided for in this section is held, may be held as called or scheduled.  
44 Notice of the election on the bond questions shall be given by publication twice in a

1 newspaper or newspapers having general circulation in each county in the State, and the  
2 election and the registration of voters therefor shall be held under and in accordance  
3 with the general laws of the State. Absentee ballots shall be authorized in the election.

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

8 Voting machines, ballots, or both may be used in accordance with rules  
9 prescribed by the State Board of Elections. The bond questions to be used in the voting  
10 machines and ballots shall be in substantially the following forms:

11 "[ ] FOR the issuance of three hundred fifteen million dollars  
12 (\$315,000,000) State of North Carolina University Improvement  
13 Bonds constituting general obligation bonds of the State secured by a  
14 pledge of the faith and credit and taxing power of the State for the  
15 purpose of providing funds, together with any other available funds, to  
16 pay the cost of providing capital improvements for the constituent or  
17 affiliated institutions and the Center for Public Television of the  
18 University of North Carolina.

19 [ ] AGAINST the issuance of three hundred fifteen million dollars  
20 (\$315,000,000) State of North Carolina University Improvement  
21 Bonds constituting general obligation bonds of the State secured by a  
22 pledge of the faith and credit and taxing power of the State for the  
23 purpose of providing funds, together with any other available funds, to  
24 pay the cost of providing capital improvements for the constituent or  
25 affiliated institutions and the Center for Public Television of the  
26 University of North Carolina.

27 [ ] FOR the issuance of three hundred eleven million two hundred  
28 thousand dollars (\$311,200,000) State of North Carolina Community  
29 College Bonds constituting general obligation bonds of the State  
30 secured by a pledge of the faith and credit and taxing power of the  
31 State for the purpose of providing funds, together with other available  
32 funds, to make grants to community colleges to pay all or a portion of  
33 the cost of providing capital improvements.

34 [ ] AGAINST the issuance of three hundred eleven million two hundred  
35 thousand dollars (\$311,200,000) State of North Carolina Community  
36 College Bonds constituting general obligation bonds of the State  
37 secured by a pledge of the faith and credit and taxing power of the  
38 State for the purpose of providing funds, together with other available  
39 funds, to make grants to community colleges to pay all or a portion of  
40 the cost of providing capital improvements.

41 [ ] FOR the issuance of one hundred twenty million dollars  
42 (\$120,000,000) State of North Carolina Clean Water Bonds  
43 constituting general obligation bonds of the State secured by a pledge  
44 of the faith and credit and taxing power of the State for the purpose of

1 providing funds, with any other available funds, to make loans,  
2 revolving loans, and grants to local government units to pay all or a  
3 portion of the cost of clean water projects.

4 [ ] AGAINST the issuance of one hundred twenty million dollars  
5 (\$120,000,000) State of North Carolina Clean Water Bonds  
6 constituting general obligation bonds of the State secured by a pledge  
7 of the faith and credit and taxing power of the State for the purpose of  
8 providing funds, with any other available funds, to make loans,  
9 revolving loans, and grants to local government units to pay all or a  
10 portion of the cost of clean water projects."

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

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

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

31 (b) Signatures; form and denomination; registration. Bonds or notes may be  
32 issued as certificated or uncertificated obligations. If issued as certificated obligations,  
33 bonds or notes shall be signed on behalf of the State by the Governor or shall bear his  
34 facsimile signature, shall be signed by the State Treasurer or shall bear his facsimile  
35 signature, and shall bear the Great Seal of the State or a facsimile thereof shall be  
36 impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the  
37 Governor and the State Treasurer, the bonds or notes shall also bear a manual signature  
38 which may be that of a bond registrar, trustee, paying agent, or designated assistant of  
39 the State Treasurer. Should any officer whose signature or facsimile signature appears  
40 on bonds or notes cease to be such officer before the delivery of the bonds or notes, the  
41 signature or facsimile signature shall nevertheless have the same validity for all  
42 purposes as if the officer had remained in office until delivery and bonds or notes may  
43 bear the facsimile signatures of persons who at the actual time of the execution of the  
44 bonds or notes shall be the proper officers to sign any bond or note although at the date

1 of the bond or note such persons may not have been such officers. The form and  
2 denomination of bonds or notes, including the provisions with respect to registration of  
3 the bonds or notes and any system for their registration, shall be as the State Treasurer  
4 may determine in conformity with this act; provided, however, that nothing in this act  
5 shall prohibit the State Treasurer from proceeding, with respect to the issuance and form  
6 of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the  
7 Registered Public Obligations Act, as well as under this act.

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

19 (d) Notes; repayment.

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

- 24 a. For anticipating the sale of bonds to the issuance of which the  
25 Council of State shall have given consent, if the State Treasurer  
26 shall deem it advisable to postpone the issuance of the bonds;
- 27 b. For the payment of interest on or any installment of principal of  
28 any bonds then outstanding, if there shall not be sufficient funds  
29 in the State treasury with which to pay the interest or  
30 installment of principal as they respectively become due;
- 31 c. For the renewal of any loan evidenced by notes herein  
32 authorized;
- 33 d. For the purposes authorized in this act; and
- 34 e. For refunding bonds or notes as herein authorized.

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

41 (e) Refunding bonds and notes. By and with the consent of the Council of  
42 State, the State Treasurer is authorized to issue and sell refunding bonds and notes  
43 pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding



1 bonds or notes issued pursuant to this act. The refunding bonds and notes may be  
2 combined with any other issues of State bonds and notes similarly secured.

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

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

19 (h) Faith and credit. The faith and credit and taxing power of the State are  
20 hereby pledged for the payment of the principal of and the interest on bonds and notes.  
21 In addition to the State's right to amend any provision of this act to the extent it does not  
22 impair any contractual right of a bond owner, the State expressly reserves the right to  
23 amend any provision of this act with respect to the making and repayment of loans, the  
24 disposition of any repayments of loans, and any intercept provisions relating to the  
25 failure of a local government unit to repay a loan, the bonds not being secured in any  
26 respect by loans, any repayments thereof or any intercept provisions with respect  
27 thereto.

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

- 30 (1) Be made payable from time to time on demand or tender for purchase  
31 by the owner thereof provided a credit facility supports the bonds or  
32 notes, unless the State Treasurer specifically determines that a credit  
33 facility is not required upon a finding and determination by the State  
34 Treasurer that the absence of a credit facility will not materially or  
35 adversely affect the financial position of the State and the marketing of  
36 the bonds or notes at a reasonable interest cost to the State;
- 37 (2) Be additionally supported by a credit facility;
- 38 (3) Be made subject to redemption or a mandatory tender for purchase  
39 prior to maturity;
- 40 (4) Bear interest at a rate or rates that may vary for such period or periods  
41 of time, all as may be provided in the proceedings providing for the  
42 issuance of the bonds or notes, including, without limitation, such  
43 variations as may be permitted pursuant to a par formula; and

- 1 (5) Be made the subject of a remarketing agreement whereby an attempt is  
2 made to remarket bonds or notes to new purchasers prior to their  
3 presentment for payment to the provider of the credit facility or to the  
4 State.

5 If the aggregate principal amount repayable by the State under a credit facility  
6 is in excess of the aggregate principal amount of bonds or notes secured by the credit  
7 facility, whether as a result of the inclusion in the credit facility of a provision for the  
8 payment of interest for a limited period of time or the payment of a redemption  
9 premium or for any other reason, then the amount of authorized but unissued bonds or  
10 notes during the term of such credit facility shall not be less than the amount of such  
11 excess, unless the payment of such excess is otherwise provided for by agreement of the  
12 State executed by the State Treasurer.

13 Sec. 10. Special provisions governing clean water loans. (a) Scope. The  
14 provisions of this section shall apply to loans being made from the proceeds of bonds  
15 authorized by this act for clean water projects, other than from funds deposited in the  
16 Clean Water Revolving Loan and Grant Fund.

17 (b) Clean Water Bonds Loan Fund. There is established in the Department of  
18 State Treasurer a fund to be known as the Clean Water Bonds Loan Fund, which may  
19 include any special or segregated accounts the State Treasurer considers appropriate.  
20 There shall be deposited in the Clean Water Bonds Loan Fund proceeds of the Clean  
21 Water Bonds and notes to be used to make loans, other than loans to be made through  
22 the Clean Water Revolving Loan and Grant Fund, to local government units for clean  
23 water projects as provided in this act. Funds in the various accounts may be invested  
24 from time to time by the State Treasurer in the same manner permitted for investments  
25 of funds belonging to the State or held in the State treasury. Any investment earnings  
26 shall be credited to the particular account from which the investment was made.

27 All moneys accruing to the credit of the Clean Water Bonds Loan Fund, other  
28 than funds set aside for administrative expenses, including expenses related to  
29 determining compliance with applicable requirements of the federal tax law and costs of  
30 issuance, shall be used to make loans for the purposes provided in this act. The State  
31 Treasurer shall be responsible for making and administering all loans pursuant to the  
32 provisions of this section.

33 (c) Application for Loans; Hearings.

34 (1) Eligibility/Initial Hearing.

- 35 a. Prior to filing an application for a loan, a local government unit  
36 shall hold a public hearing. A notice of the public hearing shall  
37 be published once at least 10 days before the date fixed for the  
38 hearing.
- 39 b. All applications for loans shall be filed with the Department of  
40 Environment, Health, and Natural Resources. The form of the  
41 application shall be prescribed by the Department and shall  
42 require any information necessary to determine the eligibility  
43 for a loan under the provisions of this section. All applications  
44 approved by the Department of Environment, Health, and

1 Natural Resources shall be filed with the Local Government  
2 Commission. Each applicant shall furnish to the Department of  
3 Environment, Health, and Natural Resources and the Local  
4 Government Commission information in addition or  
5 supplemental to the information contained in its application,  
6 upon request.

7 c. A local government unit shall not be eligible for a loan unless it  
8 demonstrates to the satisfaction of the Department of  
9 Environment, Health, and Natural Resources and the Local  
10 Government Commission that:

- 11 1. The applicant is a local government unit;
- 12 2. The applicant has the financial capacity to pay the  
13 principal of and interest on its proposed loan as  
14 evidenced by the approval of the Local Government  
15 Commission;
- 16 3. The applicant has substantially complied or will  
17 substantially comply with all applicable laws, rules,  
18 regulations, and ordinances, whether federal, State, or  
19 local; and
- 20 4. The applicant has agreed by official resolution to adopt  
21 and place into effect a schedule of fees and charges or  
22 the application of other sources of revenue that will  
23 provide adequate funds for proper operation,  
24 maintenance, and administration of the project and  
25 repayment of all principal and interest on the loan.

26 (2) Assessment. The Department of Environment, Health, and Natural  
27 Resources may require any applicant to file with its application an  
28 assessment of the impact the project for which the funds are sought  
29 will have upon meeting the facility needs of the area within which the  
30 project is to be located.

31 (3) Hearing by the Department of Environment, Health, and Natural  
32 Resources or the Local Government Commission. A public hearing  
33 may be held by the Department of Environment, Health, and Natural  
34 Resources or the Local Government Commission at any time on any  
35 application. Public hearings may also be held by the Department of  
36 Environment, Health, and Natural Resources in its discretion upon  
37 written request from any citizen or taxpayer who is a resident of the  
38 county or counties in which the project is to be located or a resident of  
39 the local government unit that proposes to borrow moneys under this  
40 act, if it appears that the public interest will be served by the hearing.  
41 The written request shall set forth each objection to the proposed  
42 project or other reason for requesting a hearing on the application and  
43 shall contain the name and address of the persons submitting it. The  
44 Department of Environment, Health, and Natural Resources may

1 consider all written objections to the proposed project and other  
2 statements along with the application including any significant  
3 considerations on facility needs and shall determine if the public  
4 interest will be served by a hearing. The determination by the  
5 Department of Environment, Health, and Natural Resources shall be  
6 conclusive and all written requests for a hearing shall be retained as a  
7 permanent part of the records pertaining to the application.

8 (4) Petition for Vote. A petition, demanding that the question of whether  
9 to enter into a loan agreement with the State under this act be  
10 submitted to voters, may be filed with the clerk of the local  
11 government unit applying for the loan within 15 days after the initial  
12 public hearing required by this section. The petition's sufficiency shall  
13 be determined and a referendum, if any, shall be conducted, according  
14 to the standards, procedures, and limitations set out in G.S. 159-60  
15 through G.S. 159-62.

16 (d) Priorities.

17 (1) Determination. Determination of priorities to be assigned each eligible  
18 project shall be made semiannually by the Department of  
19 Environment, Health, and Natural Resources during each fiscal year.  
20 Every eligible project shall be considered by the Department of  
21 Environment, Health, and Natural Resources with every other project  
22 eligible during this same priority period.

23 (2) Priority Factors. All applications for loans under this act shall be  
24 assigned a priority by the Department of Environment, Health, and  
25 Natural Resources. The Department of Environment, Health, and  
26 Natural Resources shall establish by rule the priority factors criteria.

27 (3) Assignment of Priority. A written statement relative to each priority  
28 assigned shall be prepared by the Department of Environment, Health,  
29 and Natural Resources and shall be attached to the application. The  
30 priority assigned shall be conclusive.

31 (4) Failure to Qualify. If an application does not qualify for a loan as of  
32 the prior period in which the application was eligible for consideration  
33 by reason of the priority assigned, the application shall be considered  
34 during the next succeeding priority period upon request of the  
35 applicant. If the application again fails to qualify for a loan during the  
36 second priority period by reason of the priority assigned, the  
37 application shall receive no further consideration. An applicant may  
38 file a new application at any time and may amend any pending  
39 application to include additional data or information.

40 (5) Withdrawal of Commitment. Failure of an applicant within one year  
41 after the date of acceptance of the loan to arrange for necessary  
42 financing of the proposed project or award of the contract of the  
43 construction of the proposed project shall constitute sufficient cause  
44 for withdrawal of the commitment. Prior to withdrawal of a

1           commitment, the Department of Environment, Health, and Natural  
2           Resources shall give due consideration to any extenuating  
3           circumstances presented by the applicant as reasons for failure to  
4           arrange necessary financing or to award a contract, and the  
5           commitment may be extended for an additional period of time if, in the  
6           judgment of the Department of Environment, Health, and Natural  
7           Resources, the extension is justified.

8           (e) Disbursement. No funds shall be disbursed until the Department of  
9           Environment, Health, and Natural Resources gives a certificate of eligibility to the  
10          effect that the applicant meets all eligibility criteria and that all procedural requirements  
11          of this act have been met.

12          (f) Intercept. The governing body of a local government unit shall by  
13          resolution authorize to be included in its loan agreement a provision authorizing the  
14          State Treasurer, upon failure of the local government unit to make a scheduled  
15          repayment of the loan, to withhold from the local government unit any State funds that  
16          would otherwise be distributed to the local government unit in an amount sufficient to  
17          pay all sums then due and payable to the State as a repayment of the loan. In such  
18          event, notwithstanding any other provision of law, the State Treasurer is authorized to  
19          withhold and apply such funds to the repayment of the loan, except that such funds shall  
20          not be withheld if (i) before the execution of the loan agreement, such funds have been  
21          legally pledged to secure special obligation bonds or other obligations of the local  
22          government unit, or (ii) after the execution of the loan agreement, such funds are legally  
23          pledged to secure special obligation bonds or other obligations of the local government  
24          unit as authorized in this subsection. After the execution of a loan agreement, all or any  
25          portion of the State funds specified in the loan agreement to be so withheld may be  
26          pledged to secure special obligation bonds or other obligations of the local government  
27          unit only with the prior written consent of the State Treasurer.

28          The State Treasurer shall notify the Secretary of Revenue and the State  
29          Controller of the amount to be withheld from the local government unit, and the  
30          Secretary of Revenue and the State Controller shall transfer to the State Treasurer the  
31          amount so requested to be applied by the State Treasurer to the repayment of the loan.

32          (g) Inspection. Inspection of a project for which a loan has been made under  
33          this act may be performed by qualified personnel of the Department of Environment,  
34          Health, and Natural Resources or may be performed by qualified engineers registered in  
35          this State approved by the Department of Environment, Health, and Natural Resources.  
36          No person shall be approved to perform inspections who is an officer employed by the  
37          local government unit to which the loan was made or who is an owner, officer,  
38          employer, or agent of a contractor or subcontractor engaged in the construction of the  
39          project for which the loan was made. For the purpose of payment of inspection fees,  
40          inspection services shall be included in the term "cost" as used in this act.

41          (h) Rules. The State Treasurer, the Local Government Commission, and the  
42          Department of Environment, Health, and Natural Resources may adopt, modify, and  
43          repeal rules necessary for the administration of their respective duties under this act.

1 Uniform rules may be jointly adopted where feasible and desirable, and no rule jointly  
2 adopted may be modified or revoked except upon concurrence of all agencies involved.

3 (i) Federal Grants and Loans. In order to carry out the purposes of this act to  
4 secure the greatest possible benefits to the citizens of this State of the funds  
5 appropriated, the State Treasurer, the Local Government Commission, and the  
6 Department of Environment, Health, and Natural Resources shall adopt rules and  
7 criteria, not inconsistent with provisions of this act, as are necessary and appropriate to  
8 conform to regulations for federal grants and loans for any of the purposes set forth in  
9 this act.

10 (j) Reports. The Department of Environment, Health, and Natural Resources  
11 shall prepare and file each year on or before July 31 with the Joint Legislative  
12 Commission on Governmental Operations a report for the preceding fiscal year  
13 concerning the allocation and making of loans authorized by this act. The report shall  
14 set forth for the preceding fiscal year:

- 15 (1) Itemized and total allocations of loans authorized and unallocated  
16 funds for the loan program as of the end of the preceding fiscal year;
- 17 (2) Identification of each loan agreement entered into by the State during  
18 the preceding fiscal year and the total amount of loans authorized by  
19 such loan agreements;
- 20 (3) The amount disbursed to each local government unit pursuant to such  
21 loan agreements during the preceding fiscal year and the total amount  
22 of such disbursements;
- 23 (4) The loan repayments made by each local government unit pursuant to  
24 such loan agreements and the total amount of such loan repayments  
25 during the preceding fiscal year; and
- 26 (5) A summary for all preceding years of the information required by  
27 paragraphs (1) to (4).

28 The report shall be signed by the Secretary of the Department of Environment, Health,  
29 and Natural Resources.

30 (k) Local Government Commission.

31 (1) Local government units may execute debt instruments payable to the  
32 State in order to obtain loans provided for in this act. Local  
33 government units shall pledge or agree to apply as security for such  
34 obligations:

- 35 a. Any available source of revenues of the local government unit,  
36 including revenues from benefitted facilities or systems,  
37 provided that (i) the local government unit has not otherwise  
38 pledged the revenues as security for, or contractually agreed to  
39 apply the revenues to, the payment of any other obligations of  
40 the local government unit, (ii) the use of the revenues is not  
41 otherwise restricted by law, or (iii) the revenues are not derived  
42 from the exercise of the taxing power of local government unit  
43 entering into the loan agreement;
- 44 b. Their faith and credit; or

- 1 c. Any combination of a. or b. above.  
2 The faith and credit of a local government unit shall not be pledged  
3 or be deemed to have been pledged unless the requirements of Article  
4 4 of Chapter 159 of the General Statutes have been met. The State  
5 Treasurer, with the assistance of the Local Government Commission,  
6 shall develop and adopt appropriate debt instruments for use under this  
7 act.
- 8 (2) Nothing contained in this act shall prohibit any local government unit  
9 from applying any funds of the local government unit not otherwise  
10 restricted as to use by law to the payment of any debt instrument  
11 entered into pursuant to this act.
- 12 (3) The Local Government Commission shall review and approve  
13 proposed loans to local government units under this act under the  
14 provisions of Articles 4 and 5 of Chapter 159 of the General Statutes.  
15 The Local Government Commission in considering the ability of a  
16 local government unit to repay a loan may regard as a source of  
17 revenue for repayment of a loan revenue sources that may not be  
18 available other than on an annual discretionary basis and that may not  
19 be subject to a pledge or agreement to apply. Loans under this act  
20 shall be outstanding debts for the purposes of Article 10 of Chapter  
21 159 of the General Statutes.
- 22 (4) The State Treasurer shall annually certify to the General Assembly the  
23 financial condition of the loan program and identify existing  
24 delinquencies.
- 25 Sec. 11. (a) The Legislative Research Commission may study the  
26 programmatic needs and effectiveness of the North Carolina Community Colleges  
27 System, including evaluation of the following:
- 28 (1) The structure, organization, and governance of local community  
29 colleges;
- 30 (2) The findings, conclusions, and recommendations of the State Board of  
31 Community Colleges regarding community colleges program review;
- 32 (3) The recommendations made by the Governmental Performance Audit  
33 Committee to the 1993 General Assembly relating to the North  
34 Carolina Community Colleges System; and
- 35 (4) Any other matters pertaining to the efficiency and effectiveness of the  
36 North Carolina Community Colleges System.
- 37 (b) The Commission may report its findings and recommendations to the 1994  
38 Regular Session of the 1993 General Assembly, or the 1995 General Assembly, or both.
- 39 Sec. 12. Minority business participation. The goals set by G.S. 143-128 for  
40 participation in projects by minority businesses apply to projects funded by the proceeds  
41 of bonds or notes issued under this act. The following State agencies shall monitor  
42 compliance with this requirement and shall report to the General Assembly by January 1  
43 of each year on the participation by minority businesses in these projects. The State  
44 Construction Office, Department of Administration, shall monitor compliance with

1 regard to projects funded by the proceeds of University Improvement Bonds and notes;  
2 the Board of Governors of The University of North Carolina shall provide the State  
3 Construction Office any information required by the State Construction Office to  
4 monitor compliance. The Department of Community Colleges shall monitor  
5 compliance with regard to projects funded by the proceeds of Community College  
6 Bonds and notes. The Department of Environment, Health, and Natural Resources shall  
7 monitor compliance with regard to projects funded by the proceeds of Clean Water  
8 Bonds and Notes.

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

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

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

19       (d)    Inconsistent Provisions. Insofar as the provisions of this act are inconsistent  
20 with the provisions of any general laws, or parts thereof, the provisions of this act shall  
21 be controlling.

22       (e)    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  
24 or 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. 14. Effective date. This act is effective upon ratification.