

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 265
SENATE BILL 134

AN ACT TO AMEND G.S. 159-90 OF THE STATE AND LOCAL GOVERNMENT
REVENUE BOND ACT AND G.S. 159-163 RELATING TO REVENUE BOND
ANTICIPATION NOTES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-90, the same being a part of The State and Local Government Revenue Bond Act, is hereby amended (a) by inserting the "a" in parentheses immediately prior to the words "in fixing" at the beginning of said section and (b) by adding the following new subsection:

"(b) In addition to the foregoing provisions of this section, in fixing the details of revenue bonds the State or the issuing municipality, as the case may be, may provide that bonds

- (1) may be made payable from time to time on demand or tender for purchase by the owner provided a Credit Facility supports such bonds, unless the Commission specifically determines that a Credit Facility is not required upon a finding and determination by the Commission that the proposed bonds will satisfy the conditions set forth in G.S. 159-86(b);
- (2) may be additionally supported by a Credit Facility;
- (3) may be made subject to redemption prior to maturity, with or without premium, on such notice and at such time or times and with such redemption provisions as may be stated in the bond order or trust agreement or with such variations as may be permitted in connection with a Par Formula provided in such bond order or trust agreement;
- (4) may bear interest, notwithstanding the provisions of G.S. 159-125(a), at a rate or rates that may vary as permitted pursuant to a Par Formula and for such period or periods of time, all as may be provided in the bond order or trust agreement; and
- (5) may be made the subject of a remarketing agreement whereby an attempt is made to remarket the bonds to new purchasers prior to their presentment for payment to the provider of the Credit Facility or to the issuing municipality or the State.

No Credit Facility, repayment agreement, Par Formula or remarketing agreement shall become effective without the approval of the Commission.

As used in this subsection, the following terms shall have the following meanings:

'Credit Facility' means an agreement entered into by an issuing municipality or by the State Treasurer on behalf of the State with a bank, savings and loan association or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banker or other investment institution, or any financial institution providing for prompt payment of all or any part of the principal (whether at maturity, presentment for purchase, redemption or acceleration), redemption premium, if any, and interest on any bonds payable on demand or tender by the owner issued in accordance with this section, in consideration of the issuing municipality or the State agreeing to repay the provider of such Credit Facility in accordance with the terms and provisions of such repayment agreement, provided, that any such repayment agreement shall provide that the obligation of the issuing municipality or the State thereunder shall have only such sources of payment as are permitted for the payment of bonds issued under this Article.

'Par Formula' shall mean any provision or formula adopted by the issuing municipality or the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any such bonds so that the purchase price of such bonds in the open market would be as close to par as possible."

Sec. 2. G.S. 159-163 is hereby amended by deleting the last sentence thereof and inserting in lieu thereof the following sentence:

"The provisions of G.S. 159-90(b) shall apply to revenue bond anticipation notes as well as to revenue bonds."

Sec. 3. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

Sec. 4. Nothing in this act shall be construed to impair the obligation of any bond, note or coupon outstanding on the effective date of this act.

Sec. 5. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 6. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 28th day of May, 1985.