

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 436
HOUSE BILL 97

AN ACT TO PERMIT LOCAL SCHOOL BOARDS TO ENTER INTO CERTAIN
LEASE PURCHASE CONTRACTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-47 is amended by adding a new subdivision to read:

"(28) To enter lease purchase contracts for automobiles. Local boards may purchase automobiles by installment contracts that create in the property purchased a security interest to secure payment of the purchase money. A contract entered into under this subdivision is subject to the provisions of Article 8 of Chapter 159 of the General Statutes, except for G.S. 159- 148(a)(4) and (b)(2). The lease purchase contract shall provide that there be no recourse for default in payments under the contract other than return of the automobile. The taxing power of any tax levying authority is not and may not be pledged directly or indirectly to secure any moneys due the seller."

Sec. 2. The second sentence of G.S. 115C-522(a) is amended by rewriting the proviso to read: "Provided, that no contracts shall be made by any local school administrative unit for purchases unless provision has been made in the budget of the unit to pay for the purchases, unless surplus funds are on hand to pay for the purchases, or unless the contracts are made pursuant to G.S. 115C-47(28) and adequate funds are available to pay in the current fiscal year the sums obligated for the current fiscal year, and in order to protect the State purchase contractor, it is made the duty of the governing authorities of the local units to pay for these purchases promptly and in accordance with the terms of the contract of purchase."

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 21st day of June, 1985.