

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 723
HOUSE BILL 1201

AN ACT CONCERNING UNIFORM BOND PROCEDURES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-123 is amended by adding the following subsections at the end:

"(e) The issuing unit shall have the authority, subject to approval by the Commission, to select and retain the financial consultants, underwriters and bond attorneys to be associated with the bond issue. If the issuing unit shall affirmatively find that the underwriter, financial consultant or bond attorney selected and retained has adequately provided, in similar financial transactions, services of a nature and sophistication comparable to those required for the issuance and sale of the bonds in question and possesses the expertise necessary to perform the services required, approval of a financial consultant, underwriter or bond attorney shall not be withheld by the Commission solely for the reason that the underwriter, financial consultant or bond attorney has not had prior experience in the issuance and sale of a particular type, class or size of bond issue for which the underwriter, financial consultant or bond attorney is retained.

(f) The Commission shall not reject an application for approval of a bond issue because of the issuing units' selection of financial consultants, underwriters or bond attorneys so long as the selection is made in accordance with G.S. 159-123(e). Nothing herein shall limit or otherwise modify the role or powers of the Commission and its staff to review, approve, sell or participate in the sale of bonds pursuant to this Article."

Sec. 2. G.S. 159-83(14) is amended by deleting the period at the end and by adding the following language:

"and to select and retain subject to approval of the Local Government Commission the financial consultants, underwriters and bond attorneys to be associated with the issuance of any bonds and to pay for services rendered by underwriters, financial consultants or bond attorneys out of the proceeds of any such issue with regard to which the services were performed."

Sec. 3. G.S. 159B-11(19), 159C-5(12), and 159D-5(12), are amended by deleting "; and " and by adding the following language:

"and to select and retain subject to approval of the Local Government Commission the financial consultants, underwriters and bond attorneys to be associated with the issuance of any bonds and to pay for services rendered by underwriters, financial consultants or bond attorneys out of the proceeds of any such issue with regard to which the services were performed; and".

Sec. 4. G.S. 131A-4(10) is amended by inserting before the semicolon the following language:

"and to select and retain subject to approval of the Local Government Commission the financial consultants, underwriters and bond attorneys to be associated with the issuance of any bonds and to pay for services rendered by underwriters, financial consultants or bond attorneys out of the proceeds of any such issue with regard to which the services were performed".

Sec. 5. G.S. 122A-8.1 is amended by changing the period to a semicolon at the end of paragraph 4 after the word "issue" and by adding the following language:

"provided, at least annually, the Treasurer shall seek the written recommendations of the Housing Finance Agency; and, subsequent to each bond issue, the Treasurer shall conduct a formal performance evaluation of the financial consultants, underwriters and bond attorneys which shall be open to public inspection."

Sec. 6. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 12th day of July, 1985.