

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 928  
Appropriations Committee Substitute Adopted 7/9/92  
Third Edition Engrossed 7/13/92

Short Title: Education Bond Act.

(Public)

Sponsors:

Referred to:

May 13, 1991

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF THREE HUNDRED NINETY-  
2 EIGHT MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE  
3 STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE  
4 STATE, TO PROVIDE FUNDS, WITH ANY OTHER AVAILABLE FUNDS,  
5 FOR CAPITAL IMPROVEMENTS FOR CERTAIN OF THE CONSTITUENT OR  
6 AFFILIATED INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA  
7 AND FOR CAPITAL IMPROVEMENTS FOR COMMUNITY COLLEGES.  
8

9 The General Assembly of North Carolina enacts:

10 Section 1. Short title. This act shall be known and may be cited as the  
11 "Education Bond Act."

12 Sec. 2. Findings and determinations. It is the intent and purpose of the  
13 General Assembly by this act to provide for the issuance of general obligation bonds of  
14 the State in order to:

- 15 (1) Facilitate the providing of capital improvements for certain of the  
16 constituent or affiliated institutions of The University of North  
17 Carolina; and  
18 (2) Make grants to particular community colleges for specified capital  
19 improvements as provided in this act.

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

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

1 (2) " Cost" means, without intending thereby to limit or restrict any proper  
2 definition of such word in financing the cost of facilities or purposes  
3 authorized by this act:

- 4 a. The cost of constructing, reconstructing, enlarging, acquiring,  
5 and improving facilities, and acquiring equipment and land  
6 therefor,  
7 b. The cost of engineering, architectural, and other consulting  
8 services as may be required,  
9 c. Administrative expenses and charges,  
10 d. The cost of bond insurance, investment contracts, credit  
11 enhancement and liquidity facilities, interest-rate swap  
12 agreements, financial and legal consultants, and related costs of  
13 bond and note issuance, to the extent and as determined by the  
14 State Treasurer, and  
15 e. Any other costs and expenses necessary or incidental to the  
16 purposes of this act.

17 Allocations in this act of proceeds of bonds to the costs of a project or  
18 undertaking in each case may include allocations to pay the costs set  
19 forth in items c., d., and e. in connection with the issuance of bonds for  
20 such project or undertaking.

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

35 (4) " Notes" means notes issued under this act.

36 (5) " Par formula" means any provision or formula adopted by the State to  
37 provide for the adjustment, from time to time, of the interest rate or  
38 rates borne by any bonds or notes, including:

- 39 a. A provision providing for such adjustment so that the purchase  
40 price of such bonds or notes in the open market would be as  
41 close to par as possible,  
42 b. A provision providing for such adjustment based upon a  
43 percentage or percentages of a prime rate or base rate, which

1 percentage or percentages may vary or be applied for different  
2 periods of time, or

- 3 c. Such other provision as the State Treasurer may determine to be  
4 consistent with this act and will not materially and adversely  
5 affect the financial position of the State and the marketing of  
6 bonds or notes at a reasonable interest cost to the State.

7 Sec. 4. Authorization of bonds and notes. (a) University Improvement Bonds.  
8 Subject to a favorable vote of a majority of the qualified voters of the State who vote on  
9 the question of issuing University Improvement bonds in the election called and held as  
10 provided in this act, the State Treasurer is authorized, by and with the consent of the  
11 Council of State, to issue and sell, at one time or from time to time, general obligation  
12 bonds of the State to be designated "State of North Carolina University Improvement  
13 Bonds," with any additional designations as may be determined to indicate the issuance  
14 of bonds from time to time, or notes of the State as provided in this act, in an aggregate  
15 principal amount not exceeding two hundred seventy-one million dollars  
16 (\$271,000,000) for the purposes authorized in this act.

17 (b) Community College Bonds. Subject to a favorable vote of a majority of the  
18 qualified voters of the State who vote on the question of issuing Community College  
19 bonds in the election called and held as provided in this act, the State Treasurer is  
20 authorized, by and with the consent of the Council of State, to issue and sell, at one time  
21 or from time to time, general obligation bonds of the State to be designated "State of  
22 North Carolina Community College Bonds," with any additional designations as may be  
23 determined to indicate the issuance of bonds from time to time, or notes of the State as  
24 provided in this act, in an aggregate principal amount not exceeding one hundred  
25 twenty-seven million dollars (\$127,000,000) for the purposes authorized in this act.

26 Sec. 5. Uses of bond and note proceeds. (a) University Improvement Bonds. The  
27 proceeds of University Improvement bonds and notes shall be used for the purpose of  
28 paying (i) the cost of improvements to the facilities of the constituent or affiliated  
29 institutions of The University of North Carolina, under the supervision of the Board of  
30 Governors of The University of North Carolina, including, without limitation,  
31 construction and renovation of classroom buildings, laboratory buildings, research  
32 facilities, libraries, physical education facilities, continuing education centers, student  
33 cafeteria and activity facilities, including sports facilities, administrative office  
34 buildings, and land acquisition and (ii) the cost of improvements to the North Carolina  
35 Center for Public Television under the Board of Governors of The University of North  
36 Carolina.

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

43 The proceeds of University Improvement bonds and notes may be used with  
44 any other moneys made available by the General Assembly for the making of university

1 improvements, including the proceeds of any other State bond issues, whether  
2 heretofore made available or which may be made available at the session of the General  
3 Assembly at which this act is ratified or any subsequent sessions. The proceeds of  
4 University Improvement bonds and notes shall be expended and disbursed under the  
5 direction and supervision of the Director of the Budget. The funds provided by this act  
6 for university improvements shall be disbursed for the purposes provided in this act  
7 upon warrants drawn on the State Treasurer by the State Controller, which warrants  
8 shall not be drawn until requisition has been approved by the Director of the Budget and  
9 which requisition shall be approved only after full compliance with the Executive  
10 Budget Act, Article 1 of Chapter 143 of the General Statutes.

11           The Board of Governors of The University of North Carolina shall provide  
12 quarterly reports to the Joint Legislative Commission on Governmental Operations, the  
13 chairs of the Senate and House of Representatives Appropriations Committees, and the  
14 Fiscal Research Division on the expenditure of moneys from the University  
15 Improvement Bonds Fund.

16       (b) Community College Bonds. The proceeds of community college bonds and  
17 notes shall be used for the purpose of making grants to community or technical colleges,  
18 as defined in Chapter 115D of the General Statutes, the proceeds of the grants to be  
19 allocated and expended for paying the cost of community college capital improvements,  
20 including, without limitation, construction and renovation of classroom buildings,  
21 laboratory buildings, research facilities, libraries, physical education facilities,  
22 continuing education centers, student cafeteria and activity facilities including sports  
23 facilities, administrative office buildings, and land acquisition.

24           The proceeds of Community College bonds and notes, including premium  
25 thereon, if any, except the proceeds of bonds the issuance of which has been anticipated  
26 by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed  
27 by the State Treasurer in a special fund to be designated "Community College Bonds  
28 Fund" and shall be disbursed as provided in this act.

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

35           The proceeds of Community College bonds and notes may be used with any  
36 other moneys made available by the General Assembly for the making of community  
37 college grants, including the proceeds of any other State bond issues, whether heretofore  
38 made available or which may be made available at the session of the General Assembly  
39 at which this act is ratified or any subsequent sessions. The proceeds of community  
40 college bonds and notes shall be expended and disbursed under the direction and  
41 supervision of the Director of the Budget. The funds provided by this act for  
42 community college improvements shall be disbursed for the purposes provided in this  
43 act upon warrants drawn on the State Treasurer by the State Controller, which warrants  
44 shall not be drawn until requisition has been approved by the Director of the Budget and

1 which requisition shall be approved only after full compliance with the Executive  
2 Budget Act, Article 1 of Chapter 143 of the General Statutes.

3 The State Board of Community Colleges shall provide quarterly reports to the  
4 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and  
5 House of Representatives Appropriations Committees, and the Fiscal Research Division  
6 on the expenditure of moneys from the Community Colleges Bonds Fund.

7 Sec. 6. Allocation of proceeds. (a) University Improvement Bonds. The proceeds  
8 of university improvement bonds and notes, including premium thereon, if any, except  
9 the proceeds of bonds the issuance of which has been anticipated by bond anticipation  
10 notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
11 in a special Fund to be designated "University Improvement Bonds Fund." Moneys in  
12 the University Improvement Bonds Fund shall be used for the purposes set forth in this  
13 act. The proceeds of university improvement bonds and notes shall be allocated and  
14 expended for paying the cost of university capital improvements, to the extent and as  
15 provided in this act and subject to change as provided in this act, as follows:

<u>Constituent</u> <u>Institution or Board</u> <u>of Governors</u>	<u>Capital Improvement</u>	<u>Projected</u> <u>Allocation</u>
Appalachian State University	Academic Support Services Building	\$
8,506,500	Renovation-Academic	Bldgs
	3,883,055	
	East Carolina University	Addition to Joyner
	Library 25,963,900	
	Land	Acquisition
	5,000,000	
Elizabeth City State University	Fine Arts and Mass Communications	Building
	6,536,200	
Fayetteville State University	Indoor Health, Physical Education, Intramural	Facility
	8,677,800	
North Carolina A & T State University	School of Technology Classroom/ Laboratory	Building
	7,702,100	
	Renovation of Bluford Library Building	
	4,621,200	
North Carolina Central		

1	University	Chidley	Hall	Complex
2		8,799,400		
3		Conversion of Women's		
4		Gymnasium in Support		
5		of	Academic	Programs
6		1,841,600		
7	North Carolina School of			
8	the Arts	Film		School
9		5,000,000		
10	North Carolina State University			
11	at Raleigh	Engineering Graduate Research		
12		Center		
13		32,464,000		
14		Hazardous Waste Facility		
15		and	Waste Site	Study
16		3,322,300		
17		Agricultural Programs - Laboratory		
18		Animal		Facilities
19		3,509,600		
20	Pembroke State University	New Administrative Office		
21		Building		
22		5,832,800		
23	The University of North Carolina			
24	at Asheville	Physical Education Building		
25		(Health		Promotion)
26		5,186,000		
27		Ramsey	Library	Renovation
28		3,311,700		
29	The University of North Carolina			
30	at Chapel Hill	New Building, School of		
31		Social		Work
32		9,759,700		
33		New Building, School of		
34		Business		Administration
35		14,852,900		
36		Addition to Lineberger Cancer		
37		Research		Center
38		7,547,300		
39		Carolina Living and Learning		
40		Center		
41		1,120,700		
42		Area Health Education		
43		Centers - Construction		

1		Grants		
2		2,000,000		
3		Addition to the School of		
4		Dentistry		
5		8,676,600		
6	The University of North Carolina			
7	at Charlotte	Classroom and Academic		
8		Support		Facility
9		22,136,800		
10	The University of North Carolina			
11	at Greensboro	New	Music	Building
12		21,868,700		
13	The University of North Carolina			
14	at Wilmington	Physical Sciences Building and		
15		Renovation of DeLoach Hall	16,861,800	
16	Western Carolina University	Completion of Belk Building		
17		and	Asbestos	Removal
18		3,248,600		
19		Renovate	Camp	Lab
20		3,879,100		School
21		Renovate	Moore	Hall
22		1,360,300		
23	Winston-Salem State			
24	University	Student Services/Cafeteria/		
25		Student	Union	Complex
26		5,959,100		
27		Renovation-O'Kelly		Library
28		993,900		
29	UNC Center for Public			
30	Television	Improvements	to	Facilities
31		5,100,000		
32				
33	The Board of Governors	Repairs/Renovations - Various		
34		Constituent		Institutions
35		431,454		
36				
37	North Carolina School of			
38	Science and Mathematics	Educational Technologies		
39		Center	and	Auditorium
40		<u>5,044,891</u>		
41		TOTAL		
42		\$271,000,000.		
43				

1           The particular capital improvements and the amount of the allocation for the  
2 improvements set out above may be changed from time to time as the General  
3 Assembly may decide.

4           No University Improvement bonds or notes shall be issued and no proceeds  
5 of University Improvement bonds and notes shall be allocated for the purposes provided  
6 in this act, however, until the General Assembly authorizes issuance of some or all of  
7 University Improvements bonds and notes and appropriates the proceeds of the bonds  
8 and notes for specific projects within these purposes by legislative action at the 1992  
9 session or any subsequent session. Nothing in this act or as a result of the approval of  
10 the bonds at the election provided for in this act restricts the right of the General  
11 Assembly at the 1992 session or at a subsequent session to:

- 12           (1) Establish a procedure whereby projected allocations set forth in  
13 subsequent legislation may be increased or decreased to reflect the  
14 availability of other funds, including, without limitation, contingency  
15 funds, income earned on the investment of bond and notes proceeds,  
16 and the proceeds of grants.
- 17           (2) Establish a contingency account and provide for an allocation of bond  
18 proceeds thereto. The funds in the contingency account may be used  
19 to pay the cost of projects, the costs of issuance of bonds and notes,  
20 and increased project costs resulting from construction costs exceeding  
21 projections, inflationary factors and changes in projects and  
22 allocations. The funds allocated to the contingency account shall be  
23 placed by the State Treasurer in a separate account in the University  
24 Improvement Bonds Fund and shall be disbursed in accordance with  
25 the procedures herein established for disbursements from the  
26 University Improvement Bonds Fund.
- 27           (3) Empower the Director of the Budget, when the Director of the Budget  
28 determines it is in the best interest of the State and The University of  
29 North Carolina to do so, and if the cost of a particular project is less  
30 than the projected allocation, to use the excess funds to increase the  
31 size of that project or increase the size of any other project itemized by  
32 the General Assembly, or to increase the amount allocated to a  
33 particular institution or the Board of Governors within the aggregate  
34 amount of funds available under this section; the Director of the  
35 Budget having the right to consult with the Advisory Budget  
36 Commission and the Joint Legislative Commission on Governmental  
37 Operations.
- 38           (4) Provide that the provisions of G.S. 116-9 with respect to  
39 appropriations to the Board of Governors of The University of North  
40 Carolina shall not apply to proceeds of University Improvement bonds  
41 and notes issued pursuant to the provisions of this act.

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

(b) Community College Bonds. Moneys in the Community College Bonds Fund shall be used for the purposes provided in this act. The proceeds of Community College bonds and notes shall be used for making grants to community or technical colleges, as set forth in this act, the proceeds of the grants to be allocated and expended for paying the cost of community college capital improvements, to the extent and as provided in this act and subject to change as provided in this act, as follows:

	COLLEGE	CAPITAL IMPROVEMENT	ALLOCATION	PROJECTED
1		Science Labs, Classrooms,		
2		Indiv.		Trg.
3		2,300,000		
4	Anson CC	Science	Lab/Class	Building
5		1,500,024		
6	Asheville-Buncombe TCC	LRC		Expansion
7		2,300,000		
8	Beaufort County CC	Student	Services	Center
9		2,300,000		
10	Bladen CC	Allied	Health	Building
11		480,000		
12	Blue Ridge CC	Allied	Health	Building
13		2,300,000		
14		Tech. & Voc. Trade Bldg -		
15		Transylvania		County
16		2,002,226		
17	Brunswick CC	Recreational	Grounds	Mgmt.
18		800,000		
19	Caldwell CC & TI	Classrooms/Laboratories		
20		2,300,000		
21		Classroom/Lab	-	Watauga Co.
22		2,265,000		
23	Cape Fear CC	Health	Sciences	Building
24		2,300,000		
25		Classroom	Building	-
26		690,213		Pender Co.
27	Carteret CC	Student		Center/Classroom
28		1,900,000		
29	Catawba Valley CC	Classroom/Lab		Building
30		2,300,000		
31	Central Carolina CC	Classroom/Lab		Building
32		2,000,000		
33	Central Piedmont CC	Law	Enforcement	Center
34		2,300,000		
35	Cleveland CC	Adv. Technology Ctr/		

1		Continuing				Ed.
2		2,208,022				
3	Coastal Carolina CC	Public	Service	Tech.		Building
4		2,300,000				
5	College of The					
6	Albemarle	Classroom				Building
7		2,300,000				
8		Classroom	Building	-	Dare	Co.
9		1,500,000				
10	Craven CC	ACAD		Studies/Basic		Skills
11		2,300,000				
12	Davidson County CC	Advanced		Technology		Building
13		2,300,000				
14		Classroom/Lab		-	Davie	Co.
15		2,000,000				
16	Durham TCC	Northern Durham Center/				
17		New				Construction
18		2,300,000				
19	Edgecombe CC	Rocky	Mount	Campus/New		Building
20		1,850,000				
21	Fayetteville TCC	Literacy	&	Cont.	Educ.	Building
22		2,300,000				
23	Forsyth TCC	FTCC		Northeast		Campus
24		2,300,000				
25	Gaston College	Business/Classroom				Building
26		2,300,000				
27	Guilford TCC	Advanced		Technology		Center
28		2,300,000				
29	Halifax CC	Classroom				Building
30		1,877,145				
31	Haywood CC	Student		Center		Completion
32		584,517				
33	Isothermal CC	Continuing		Ed./Comm.		Center
34		2,300,000				
35	James Sprunt CC	Library/Continuing				Ed.
36		1,800,000				
37	Johnston CC	Classrooms & Health Occup.				
38		Building				
39		2,300,000				
40	Lenoir CC	Renovations		&		Repairs
41		2,300,000				
42		Instruction		Facility/Greene		Co.
43		1,500,000				

1		Vocational	Annex/Jones	Co.
2		100,000		
3	Martin CC	Equine		Arena
4		576,997		
5		New Construction	- Bertie	Co.
6		250,000		
7	Mayland CC	Student Lecture Hall/ Classroom	Shop	Bldg.
8		2,300,000		
9				
10	McDowell TCC	Bookstore, Amphitheatre, & Mezzanine		
11		283,988		
12				
13	Mitchell CC	Main	Building-Renovation	
14		2,200,000		
15	Montgomery CC	LRC		Building
16		2,300,000		
17	Nash CC	LRC/Student Center/ Parking/Renov.		
18		2,300,000		
19				
20	Pamlico CC	Classroom	Multipurpose/Renov.	
21		1,175,348		
22	Piedmont CC	Renovate Buildings	E & F	
23		100,000		
24		Learning Center	- Caswell	Co.
25		1,500,000		
26	Pitt CC	Student		Services
27		2,300,000		
28	Randolph CC	Photographic		Studio
29		1,017,500		
30	Richmond CC	Fine Arts		Ctr/Auditorium
31		2,188,773		
32	Roanoke-Chowan CC	Learning Resource/Student Activity		
33		1,799,088		
34				
35	Robeson CC	Emergency	Training	Grounds
36		702,000		
37	Rockingham CC	Multipurpose		Classroom
38		2,300,000		
39	Rowan-Cabarrus CC	Technology		Building
40		2,300,000		
41		Classroom	Building/Cabarrus	Co.
42		1,085,000		
43	Sampson CC	Multipurpose		Building
44		2,300,000		

1	Sandhills CC	Continuing Ed. Center/ Classrooms			
2					
3		2,300,000			
4	Southeastern CC	New		Construction	
5		2,300,000			
6	Southwestern CC	Classroom		Renovations	
7		470,000			
8		Attendance	Center/Swain		Co.
9		600,000			
10		Parking	Lot/Driving	- Macon	Co.
11		150,000			
12	Stanly CC	Learning	Resource		Center
13		2,140,209			
14		Classroom/Office	Bldg-Union		Co.
15		770,023			
16	Surry CC	Health	- Library		Building
17		2,300,000			
18	Tri-County CC	Student	Services		Center
19		1,124,851			
20	Vance-Granville CC	Allied	Health		Building
21		1,877,007			
22		New	Construction/Franklin		Co.
23		1,547,780			
24		Add	Classrooms	- Granville	Co.
25		454,289			
26		Renovate	Classrooms	- Warren	Co.
27		330,000			
28	Wake TCC	Student	Education		Building
29		2,300,000			
30	Wayne CC	Classroom	& Lab		Building
31		2,300,000			
32	Western Piedmont CC	Business	Tech.		Building
33		2,300,000			
34	Wilkes CC	Library-Student			Services
35		2,300,000			
36		Classrooms	- Ashe		Co.
37		200,000			
38	Wilson TCC	LRC/Auditorium Expansion			
39	<u>1,200,000</u>				
40		TOTAL			
41		\$127,000,000			

42 The particular capital improvements and the amount of the allocation for the  
 43 improvements set out above may be changed from time to time as the General  
 44 Assembly may decide. The matching requirements of Chapter 115D of the General

1 Statutes apply to the proceeds of Community College bonds and notes used to make  
2 grants to technical or community colleges.

3 No Community College bonds or notes shall be issued and no proceeds of  
4 Community College bonds and notes shall be allocated for the purposes provided in this  
5 act, however, until the General Assembly authorizes issuance of some or all Community  
6 College bonds and notes and appropriates the proceeds of the bonds and notes for  
7 specific projects within these purposes by legislative action at the 1992 session or any  
8 subsequent session. Nothing in this act or as a result of the approval of the bonds at the  
9 election provided for in this act restricts the right of the General Assembly at the 1992  
10 session or at a subsequent session to:

- 11 (1) Establish a procedure whereby projected allocations set forth in  
12 subsequent legislation may be increased or decreased to reflect the  
13 availability of other funds, including, without limitation, contingency  
14 funds, income earned on the investment of bond and notes proceeds  
15 and the proceeds of grants.
- 16 (2) Establish a contingency account and provide for an allocation of bond  
17 proceeds thereto. The funds in the contingency account may be used  
18 to pay the cost of projects, the costs of issuance of bonds and notes,  
19 and increased project costs resulting from construction costs exceeding  
20 projections, inflationary factors and changes in projects and  
21 allocations. The funds allocated to the contingency account shall be  
22 placed by the State Treasurer in a separate account in the Community  
23 College Bonds Fund and shall be disbursed in accordance with the  
24 procedures herein established for disbursements from the Community  
25 College Bonds Fund.
- 26 (3) Empower the State Board of Community Colleges, when the State  
27 Board of Community Colleges determines it is in the best interest of  
28 the State and the community college system to do so, and if the cost of  
29 a particular project is less than the projected allocation, to use the  
30 excess funds to increase the size of that project or increase the size of  
31 any other project described by the General Assembly, or to increase  
32 the amount allocated to a particular institution within the aggregate  
33 amount of funds available under this section. To the extent that funds  
34 are not required to be expended for the specific projects prescribed by  
35 the General Assembly, the General Assembly may provide that  
36 allocations authorized by it may be used for capital outlay projects at  
37 any community college or colleges, including community colleges not  
38 described by the General Assembly as replacement projects, but none  
39 of the funds may be used for operating expenditures.

40 Sec. 7. Election. The questions of the issuance of the two hundred seventy-  
41 one million dollars (\$271,000,000) North Carolina University Improvement bonds and  
42 the issuance of the one hundred twenty-seven million dollars (\$127,000,000) North  
43 Carolina Community College Bonds authorized by this act shall be submitted to the  
44 qualified voters of the State at an election to be held on a date to be fixed by the

1 Governor by proclamation, but in any event not later than November 3, 1992. Any  
2 other primary, election, or referendum validly called or scheduled by law at the time the  
3 election on the bond questions provided for in this section is held may be held as called  
4 or scheduled. Notice of the election on the bond questions shall be given by publication  
5 twice in a newspaper or newspapers having general circulation in each county in the  
6 State, and the election and the registration of voters therefor shall be held under and in  
7 accordance with the general laws of the State. Absentee ballots shall be authorized in  
8 the election.

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

13 Voting machines may be used in accordance with rules prescribed by the  
14 State Board of Elections. The State Board of Elections may also provide, to the extent  
15 necessary, ballots for use in the election. The bond questions to be used in the voting  
16 machines and any ballots shall be in substantially the following forms:

17 "[] FOR the issuance of two hundred seventy-one million dollars  
18 (\$271,000,000) State of North Carolina University Improvement  
19 Bonds secured by a pledge of the faith and credit and taxing power of  
20 the State for paying, with any other available funds, the cost of capital  
21 improvements at the constituent or affiliated institutions and the Center  
22 for Public Television of The University of North Carolina.

23 [] AGAINST the issuance of two hundred seventy-one million dollars  
24 (\$271,000,000) State of North Carolina University Improvement  
25 Bonds secured by a pledge of the faith and credit and taxing power of  
26 the State for paying, with any other available funds, the cost of capital  
27 improvements at the constituent or affiliated institutions and the Center  
28 for Public Television of The University of North Carolina.

29 [] FOR the issuance of one hundred twenty-seven million dollars  
30 (\$127,000,000) State of North Carolina Community College Bonds  
31 secured by a pledge of the faith and credit and taxing power of the  
32 State for making grants to community and technical colleges to pay,  
33 together with other available funds, the cost of capital improvements.

34 [] AGAINST the issuance of one hundred twenty-seven million dollars  
35 (\$127,000,000) State of North Carolina Community College Bonds  
36 secured by a pledge of the faith and credit and taxing power of the  
37 State for making grants to community and technical colleges to pay,  
38 together with other available funds, the cost of capital improvements."

39 If a majority of those voting on a bond question in the election vote in favor  
40 of the issuance of the bonds described in the question, those bonds may be issued as  
41 provided in this act. If a majority of those voting on a bond question in the election vote  
42 against the issuance of the bonds described in the question, those bonds shall not be  
43 issued.

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

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

16       (b)   Signatures; form and denomination; registration. Bonds or notes may be  
17 issued as certificated or uncertificated obligations. If issued as certificated obligations,  
18 bonds or notes shall be signed on behalf of the State by the Governor or shall bear his  
19 facsimile signature, shall be signed by the State Treasurer or shall bear his facsimile  
20 signature, and shall bear the Great Seal of the State or a facsimile thereof shall be  
21 impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the  
22 Governor and the State Treasurer, the bonds or notes shall also bear a manual signature  
23 which may be that of a bond registrar, trustee, paying agent, or designated assistant of  
24 the State Treasurer. Should any officer whose signature or facsimile signature appears  
25 on bonds or notes cease to be such officer before the delivery of the bonds or notes, the  
26 signature or facsimile signature shall nevertheless have the same validity for all  
27 purposes as if the officer had remained in office until delivery and bonds or notes may  
28 bear the facsimile signatures of persons who at the actual time of the execution of the  
29 bonds or notes shall be the proper officers to sign any bond or note although at the date  
30 of the bond or note such persons may not have been such officers. The form and  
31 denomination of bonds or notes, including the provisions with respect to registration of  
32 the bonds or notes and any system for their registration, shall be as the State Treasurer  
33 may determine in conformity with this act; provided, however, that nothing in this act  
34 shall prohibit the State Treasurer from proceeding, with respect to the issuance and form  
35 of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the  
36 Registered Public Obligations Act, as well as under this act.

37       (c)   Manner of sale; expenses. Subject to determination by the Council of State as  
38 to the manner in which bonds or notes shall be offered for sale, whether at public or  
39 private sale, whether within or without the United States of America and whether by  
40 publishing notices in certain newspapers and financial journals, mailing notices, inviting  
41 bids by correspondence, negotiating contracts of purchase or otherwise, the State  
42 Treasurer is authorized to sell bonds or notes at one time or from time to time at such  
43 rate or rates of interest, which may vary from time to time, and at such price or prices,  
44 including a price less than the face amount of the bonds or the notes, as the State

1 Treasurer may determine. All expenses incurred in preparation, sale and issuance of  
2 bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes  
3 or other available moneys.

4 (d) Notes; repayment.

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

- 9 a. For anticipating the sale of bonds to the issuance of which the  
10 Council of State shall have given consent, if the State Treasurer  
11 shall deem it advisable to postpone the issuance of the bonds;  
12 b. For the payment of interest on or any installment of principal of  
13 any bonds then outstanding, if there shall not be sufficient funds  
14 in the State treasury with which to pay the interest or  
15 installment of principal as they respectively become due;  
16 c. For the renewal of any loan evidenced by notes herein  
17 authorized;  
18 d. For the purposes authorized in this act; and  
19 e. For refunding bonds or notes as herein authorized.

20 (2) Funds derived from the sale of bonds or notes may be used in the  
21 payment of any bond anticipation notes issued under this act. Funds  
22 provided by the General Assembly for the payment of interest on or  
23 principal of bonds shall be used in paying the interest on or principal  
24 of any notes and any renewals thereof, the proceeds of which shall  
25 have been used in paying interest on or principal of the bonds.

26 (e) Refunding bonds and notes. By and with the consent of the Council of  
27 State, the State Treasurer is authorized to issue and sell refunding bonds and notes  
28 pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding  
29 bonds or notes issued pursuant to this act. The refunding bonds and notes may be  
30 combined with any other issues of State bonds and notes similarly secured.

31 (f) Tax exemption. Bonds and notes and their transfer (including any profit  
32 made on the sale thereof) shall be exempt from all State, county, and municipal taxation  
33 or assessment, direct or indirect, general or special, whether imposed for the purpose of  
34 general revenue or otherwise, excluding inheritance and gift taxes. The interest on  
35 bonds and notes shall not be subject to taxation as to income, nor shall the bonds and  
36 notes be subject to taxation when constituting a part of the surplus of any bank, trust  
37 company, or other corporation.

38 (g) Investment eligibility. Bonds and notes are hereby made securities in  
39 which all public officers, agencies, and public bodies of the State and its political  
40 subdivisions, all insurance companies, trust companies, investment companies, banks,  
41 savings banks, savings and loan associations, credit unions, pension or retirement funds,  
42 other financial institutions engaged in business in the State, executors, administrators,  
43 trustees, and other fiduciaries may properly and legally invest funds, including capital in  
44 their control or belonging to them. Bonds and notes are hereby made securities which

1 may properly and legally be deposited with and received by any officer or agency of the  
2 State or political subdivision of the State for any purpose for which the deposit of  
3 bonds, notes, or obligations of the State or any political subdivision is now or may  
4 hereafter be authorized by law.

5 (h) Faith and credit. The faith and credit and taxing power of the State are  
6 hereby pledged for the payment of the principal of and the interest on bonds and notes.

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

- 9 (1) Be made payable from time to time on demand or tender for purchase  
10 by the owner thereof provided a credit facility supports the bonds or  
11 notes, unless the State Treasurer specifically determines that a credit  
12 facility is not required upon a finding and determination by the State  
13 Treasurer that the absence of a credit facility will not materially or  
14 adversely affect the financial position of the State and the marketing of  
15 the bonds or notes at a reasonable interest cost to the State;
- 16 (2) Be additionally supported by a credit facility;
- 17 (3) Be made subject to redemption or a mandatory tender for purchase  
18 prior to maturity;
- 19 (4) Bear interest at a rate or rates that may vary for such period or periods  
20 of time, all as may be provided in the proceedings providing for the  
21 issuance of the bonds or notes, including, without limitation, such  
22 variations as may be permitted pursuant to a par formula; and
- 23 (5) Be made the subject of a remarketing agreement whereby an attempt is  
24 made to remarket bonds or notes to new purchasers prior to their  
25 presentment for payment to the provider of the credit facility or to the  
26 State.

27 If the aggregate principal amount repayable by the State under a credit facility  
28 is in excess of the aggregate principal amount of bonds or notes secured by the credit  
29 facility, whether as a result of the inclusion in the credit facility of a provision for the  
30 payment of interest for a limited period of time or the payment of a redemption  
31 premium or for any other reason, then the amount of authorized but unissued bonds or  
32 notes during the term of such credit facility shall not be less than the amount of such  
33 excess, unless the payment of such excess is otherwise provided for by agreement of the  
34 State executed by the State Treasurer.

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

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

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

1       (d) Inconsistent provisions. Insofar as the provisions of this act are inconsistent  
2 with the provisions of any general laws, or parts thereof, the provisions of this act shall  
3 be controlling.

4       (e) Severability. If any provision of this act or the application thereof to any  
5 person or circumstance is held invalid, such invalidity shall not affect other provisions  
6 or applications of the act which can be given effect without the invalid provision or  
7 application, and to this end the provisions of this act are declared to be severable.

8       Sec. 11. Effective date. This act is effective upon ratification.