

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1053

Capital Expenditures & Improvements Committee Substitute Adopted 7/7/93

Short Title: Regional Facilities Authorities.

(Public)

Sponsors:

Referred to: Finance.

May 5, 1993

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR THE CREATION OF UNIVERSITY AND LOCAL
2 GOVERNMENT REGIONAL FACILITIES AUTHORITIES, SETTING FORTH
3 THE POWERS OF SUCH AUTHORITIES AND AUTHORIZING CERTAIN
4 POWERS TO UNITS OF LOCAL GOVERNMENT THAT ARE MEMBER
5 UNITS OF SUCH AUTHORITIES.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. A new Part 4 of Article 20 of Chapter 160A of the General
9 Statutes is enacted as follows:

10 "Part 4. University and Local Government Regional Facilities Authorities.

11 "**§ 160A-480. Short title.**

12 This part shall be known, and may be cited, as the 'University and Local
13 Government Facilities Authorities Act'.

14 "**§ 160A-480.1. Legislative findings.**

15 (a) The General Assembly of North Carolina finds and determines that it is
16 desirable and in the public interest that units of local government provide for their
17 citizens facilities for public participation and enjoyment of certain activities including
18 but not limited to sports, fitness, health, recreational, entertainment, and cultural
19 activities of all types and that the construction, operation, improvement, and
20 maintenance of such facilities by units of local government is to be fostered and
21 encouraged.

22 (b) The General Assembly further finds and determines that the types of facilities
23 so provided by units of local government are also needed by the constituent institutions

1 of The University of North Carolina to provide for their students and supporters
2 facilities for public exhibition of athletic, entertainment, cultural, and other events.

3 (c) The General Assembly further finds and determines that joint cooperation
4 between the units of local government in the State and the constituent institutions of The
5 University of North Carolina located in the vicinity of such units of local government in
6 planning, designing, financing, constructing, operating, maintaining, and improving
7 facilities that will be available for use by the units of local government and their citizens
8 and for use by the constituent institution is in the best interest of the State in that such
9 joint cooperation will result in shared costs of planning, building, and operating such
10 facilities and the availability for use of such facilities to a broader section of the public.

11 (d) The General Assembly of North Carolina hereby enacts this Part in order to
12 provide a mechanism for the joint cooperation among units of local government and
13 constituent institutions of The University of North Carolina in creating regional
14 facilities.

15 **"§ 160A-480.2. Definitions.**

16 The following terms, whenever used or referred to in this Part, shall have the
17 following respective meanings, unless a different meaning clearly appears from the
18 context:

- 19 (1) 'Appointed member' means any representative appointed by a member
20 unit to serve as an appointed member to the governing body of the
21 Authority.
- 22 (2) 'Authority' means a regional facilities authority created pursuant to the
23 provisions of this Part.
- 24 (3) 'Charter' means a charter as described in G.S. 160A-480.3.
- 25 (4) 'Constituent institution' means a constituent institution of The
26 University of North Carolina described in G.S. 116-4. The governing
27 body of a constituent institution is the Board of Trustees thereof.
- 28 (5) 'Facilities project' means regional facilities including but not limited to
29 arenas, stadia, gymnasia, natatoria, pitches, fields, water courses, and
30 other areas for the conduct of certain activities including without
31 limitation sports, fitness, health, recreational, entertainment, and
32 cultural recreational activities.
- 33 (6) 'Member unit' means any unit of local government or a constituent
34 institution which created or joined the Authority.

35 **"§ 160A-480.3. Creation of an Authority; additional membership.**

36 (a) One or more units of local government and one or more constituent
37 institutions may create an Authority by the adoption by their respective governing
38 bodies of substantially identical resolutions to that effect in accordance with this Part.
39 The resolutions creating an Authority and any amendments thereto are referred to in this
40 Part as the 'charter'.

41 (b) The charter of an Authority shall:

- 42 (1) Specify the name of the Authority;
43 (2) Identify the initial member units of the Authority;

- 1 (3) Establish the number of appointed members to represent the member
2 units, fix their terms of office, and provide methods for filling
3 vacancies; and
- 4 (4) Establish a method for amending the charter, and for dissolving the
5 Authority and liquidating its assets and liabilities.
- 6 (c) In addition, the charter of an Authority may:
- 7 (1) Limit the powers, duties, and functions that the Authority may exercise
8 and perform;
- 9 (2) Set out the method of determining any financial support that will be
10 given to the Authority by each member unit of local government and
11 constituent institution;
- 12 (3) Prescribe the compensation and allowances, if any, to be paid to the
13 appointed members of the Authority;
- 14 (4) Contain rules and regulations for the conduct of Authority business
15 and any other matter pertaining to the organization, powers, and
16 functioning of the Authority that the member unit of local government
17 and constituent institution deem appropriate.

18 (d) Each unit of local government and constituent institution initially adopting a
19 resolution under subsection (a) of this section shall become a member unit of the
20 Authority. Thereafter, any local government or constituent institution may join the
21 Authority by ratifying its charter and by being admitted by a majority vote of the
22 member units of the Authority. All of the rights and privileges of membership in a
23 regional facilities authority shall be exercised on behalf of its member units by their
24 respective appointed members to the Authority.

25 (e) Upon its creation, the Authority shall meet at a time and place agreed upon by
26 its member units of local government and constituent institutions and shall organize by
27 electing a chairman and any other officers that the charter may specify or the delegates
28 may deem advisable. The Authority shall then adopt bylaws for the conduct of its
29 business.

30 **"§ 160A-480.4. Powers of an Authority.**

31 Each Authority shall have all of the powers necessary or convenient to carry out and
32 effectuate the purposes and provisions of this Part, including, but without limiting the
33 generality of the foregoing, the power:

- 34 (1) To apply for, accept, receive, and dispense funds and grants made
35 available to it by the State of North Carolina or any agency thereof, the
36 United States of America or any agency thereof, any unit of local
37 government (whether or not a member unit of the Authority), any
38 constituent institution, any private or civic agency, or any private
39 foundation;
- 40 (2) To employ personnel;
- 41 (3) To contract with consultants;
- 42 (4) To contract with the State of North Carolina, any unit of local
43 government, any other state, the United States of America, or any
44 agency thereof, for services;

- 1 (5) To adopt bylaws for the regulation of the affairs and the conduct of its
2 business, and to prescribe rules, regulations, and policies in connection
3 with the performance of its functions and duties, not inconsistent with
4 this Part;
- 5 (6) To adopt an official seal and alter the same at pleasure;
- 6 (7) To acquire and maintain an administrative building or office at such
7 place or places as it may determine, which building or office may be
8 used or owned alone or together with any member unit constituent
9 institution, municipalities, corporations, associations, or persons under
10 such terms and provisions for sharing costs and otherwise as may be
11 determined;
- 12 (8) To sue and be sued in its own name, and to plead and be impleaded;
- 13 (9) To receive, administer, and comply with the conditions and
14 requirements respecting any gift, grant, or donation of any property or
15 money;
- 16 (10) To acquire by purchase, lease, gift, or otherwise, or to obtain options
17 for the acquisition of, any property, real or personal, improved or
18 unimproved, including an interest in land less than the fee thereof;
- 19 (11) To sell, lease, exchange, transfer, or otherwise dispose of, or to grant
20 options for any such purposes with respect to, any real or personal
21 property or interest therein;
- 22 (12) Subject to the provisions of this Part, to pledge, assign, mortgage, or
23 otherwise grant a security interest in any real or personal property or
24 interest therein, including the right and power to pledge, assign, or
25 otherwise grant a security interest in any money, rents, charges, or
26 other revenues and any proceeds derived by an Authority from any and
27 all sources;
- 28 (13) Subject to the provisions of this Part, to borrow money to finance
29 regional facilities, including support facilities, to issue revenue bonds
30 or notes or to refund any revenue bonds or notes issued by the
31 Authority, whether or not in advance of their maturity or earliest
32 redemption date, or to provide funds for other corporate purposes of
33 the Authority;
- 34 (14) With the approval of the unit of local government's chief
35 administrative official, to use officers, employees, agents, and facilities
36 of any member unit of local government for such purposes and upon
37 such terms as may be mutually agreeable;
- 38 (15) With the approval of the Chancellor of a constituent institution, to use
39 officers, employees, agents, and facilities of the member constituent
40 institution for such purposes and upon such terms as may be mutually
41 agreeable;
- 42 (16) To develop and make data, plans, information, surveys, and studies of
43 public facilities within the territorial jurisdiction of an Authority, and
44 to prepare and make recommendations in regard thereto;

- 1 (17) To study and plan for new and improved facilities projects. These
2 facilities should be of such sizes and in such locations that they will be
3 adequate to serve the population of the member units of the Authority
4 (and beyond) to the extent possible;
- 5 (18) To design any new such facilities so they include such equipment and
6 design that efficiency, cost, accessibility, utility, and usability of such
7 facilities will be maximized;
- 8 (19) To have facilities grouped into complexes or separated as an Authority
9 may see fit, and such facilities may include ancillary support facilities
10 including but not limited to those for administration, sports science,
11 sports medicine, training, museums, meeting rooms and conference
12 centers, accommodations, food services, retail shops, theaters, video
13 services, schools, and educational services;
- 14 (20) To operate the facilities in such a way as to make them as accessible as
15 possible for rental and use by the public while balancing the need for
16 as many of the facilities as possible (particularly any arenas and stadia)
17 to operate annually without a deficit (exclusive of any debt service);
- 18 (21) To operate such facilities together with the State, any other entity of
19 the State, or local government as appropriate to maintain a high profile
20 and promotional value for North Carolina and the region encompassed
21 by an Authority and to attract as many major regional, national, and
22 international tournaments, events, championships training centers,
23 training camps, and headquarters for the governance of various sports,
24 associations, and events as reasonable and possible;
- 25 (22) To generate a significant and continuing positive economic impact on
26 the region and State through the construction and operation of facilities
27 and conduct of events and activities within the facilities;
- 28 (23) To set and collect such fees and charges for use of such facilities as the
29 Authority may determine;
- 30 (24) To apply to the appropriate agencies of the State, the United States or
31 any state thereof, and to any other proper agency for such permits,
32 licenses, certificates, or approvals as may be necessary, and to
33 construct, maintain, and operate projects in accordance with such
34 licenses, permits, certificates, or approvals in the same manner as any
35 other person or operating unit of any other person; and
- 36 (25) To employ engineers, architects, attorneys, real estate counselors,
37 appraisers, financial advisors and such other consultants and
38 employees as may be required in the judgment of an Authority and to
39 fix and pay their compensation from funds available to an authority
40 therefor and to select and retain subject to approval of the Local
41 Government Commission, the financial consultants, underwriters, and
42 bond attorneys to be associated with the issuance of any revenue bonds
43 and to pay for services rendered by underwriters, financial consultants,

1 or bond attorneys out of the proceeds of any such issue with regard to
2 which the services were performed.

3 **"§ 160A-480.5. Bonds.**

4 (a) Each Authority may provide for the issuance, at one time or from time to
5 time, of bonds or notes of the Authority to carry out and effect its corporate purposes as
6 provided in this Part. The principal of, the interest on, and any premium payable upon
7 the redemption of such bonds shall be payable solely from the funds herein authorized
8 for such payment. Any such notes may be made payable from the proceeds of bonds or
9 renewal notes, or, in the event bond or renewal note proceeds are not available, such
10 notes may be paid from any available revenues or other funds provided therefor. The
11 bonds and notes of each issue shall be dated, shall mature at such time or times not
12 exceeding 40 years from the date of their issuance, and may be made redeemable before
13 maturity at such price or prices and under such terms and conditions, as may be fixed by
14 the Authority prior to the issuance of the bonds or notes. The Authority shall determine
15 the form and the manner of execution of the bonds or notes, and shall fix the
16 denomination or denominations of the bonds or notes and the place or places of
17 payment of principal and interest. In case any officer whose signature or a facsimile of
18 whose signature shall appear on any bonds or notes shall cease to be such officer before
19 the delivery thereof, such signature or such facsimile shall nevertheless be valid and
20 sufficient for all purposes the same as if he had remained in office until such delivery.
21 The Authority may also provide for the authentication of the bonds and notes by a
22 trustee or fiscal agent.

23 (b) The proceeds of bonds or notes of each issue shall be used solely for the
24 purposes for which such bonds or notes shall have been issued, and shall be disbursed in
25 such manner and under such restrictions, if any, as the Authority may provide in the
26 resolution authorizing the issuance of, or any trust agreement securing such bonds or
27 notes. If the proceeds of the bonds or notes of any issue, by reason of increased
28 construction costs or error in estimates or otherwise, shall be less than such cost,
29 additional bonds or notes may in like manner be issued to provide the amount of such
30 deficiency. The Authority may issue interim receipts or temporary bonds exchangeable
31 for definitive bonds when such bonds have been executed and are available for delivery.
32 The Authority may also provide for the replacement of any bonds or notes which shall
33 become mutilated or shall be destroyed or lost.

34 (c) Bonds or notes may be issued under the provisions of this Part without
35 obtaining, except as otherwise expressly provided in this Part, the consent of the State or
36 of any political subdivisions or of any agency of either thereof, and without any other
37 proceedings or the happening of any conditions or things other than those proceedings,
38 conditions, or things which are specifically required by this Part and the provisions of
39 the resolution authorizing the issuance of, or any trust agreement securing such bonds or
40 notes.

41 (d) Bonds and notes issued by the Authority may be secured by the revenues of
42 any facility project or projects. The Authority may establish, maintain, revise, charge,
43 and collect such rates, fees, rentals, or other charges for the use, services, and facilities
44 of or furnished by any facility project, and to provide methods of collection of and

1 penalties for nonpayment of such rates, fees, rentals, or other charges. Except as herein
2 otherwise permitted, the rates, fees, rentals, and charges so fixed and charged shall be
3 such as will produce revenues as will be sufficient with any other available funds to
4 meet the maintenance and operation expenses of the facility project any improvements
5 and renewals and replacements thereto, including reserves therefor, to pay when due the
6 principal, interest, and redemption premium, if any, on any bonds and notes secured
7 thereby, and to fulfill the terms of any agreements made by the Authority with the
8 holders of bonds and notes secured by revenues of a facility project. The Authority may
9 pledge to the payment of its revenue bonds or notes the revenues from one or more
10 facility projects, including revenues from improvements, betterments, or extensions to
11 such projects thereafter constructed or acquired as well as the revenues from existing
12 facility projects.

13 (e) Bonds and notes may also be secured by and payable from debt service
14 subsidy payments to be received by the Authority from the units of local government
15 that are members of the Authority as provided by G.S. 160A-480.7; provided, however,
16 that the agreements and undertakings by the units of local government to pay such
17 payments shall not obligate the unit of local government to exercise any power of
18 taxation by the local unit, all as more fully provided in G.S. 160A-480.7. The Authority
19 may accept debt service subsidy payments from such units of local government and
20 enter into memoranda of understanding or similar documents relating to such debt
21 service subsidy payments. The Authority may agree to apply to the payment of its
22 bonds and notes all amounts so received.

23 (f) Bonds and notes may also be secured by security interests in any real or
24 personal property either acquired with the proceeds of bonds and notes, or upon which
25 improvements are provided from the proceeds of bonds and notes. Such security
26 interest may cover all real and personal property so acquired or improved or any portion
27 thereof. The Authority is hereby authorized to enter into such deeds of trust, mortgages,
28 security agreements, and similar instruments as shall be necessary or desirable to carry
29 out the powers set forth in this subsection. Bonds and notes may also be secured by
30 security interests in any real or personal property conveyed to the Authority by any
31 member unit of local government or constituent institution or any other person.

32 (g) In the event that the Authority fails to perform its obligations with respect to
33 the bonds and notes and foreclosure or similar sale of property subject to a security
34 interest occurs, a deficiency judgment may not be rendered against the Authority except
35 to the extent that such deficiency is payable from the sources, if any, described in
36 subsection (d) and (e) of this section.

37 (h) Bonds and notes may be secured by and payable from a combination of any
38 of the sources described in subsections (d), (e), and (f) of this section, all as shall be
39 specified in the resolution or trust instrument authorizing such bonds. In the event that
40 bonds and notes are to be secured by the sources described in subsections (d) and (e) of
41 this section, the Authority may adjust the rates, fees, and charges to be collected to
42 reflect the anticipated receipt of funds described in subsection (e) of this section in
43 establishing the required amount of revenues of the facility project required to be
44 collected.

1 **"§ 160A-480.6. Sale of bonds.**

2 (a) Upon the filing with the Local Government Commission of a resolution of the
3 Authority requesting that its bonds or notes be sold, such bonds or notes may be sold in
4 such manner, either at public or private sale, and for such price as the Local
5 Government Commission shall determine to be for the best interests of the Authority
6 and effectuate best the purposes of this Part, provided that such sale shall be approved
7 by the Authority.

8 (b) The proceeds of any bonds or notes shall be used solely for the purposes for
9 which issued and shall be disbursed in such manner and under such restrictions, if any,
10 as the Authority may provide in the resolution authorizing the issuance of, or any trust
11 agreement securing such bonds or notes.

12 (c) Prior to the preparation of definitive bonds, the Authority may, under like
13 restrictions, issue interim receipts or temporary bonds, with or without coupons,
14 exchangeable for definitive bonds, when such bonds shall have been executed and are
15 available for delivery.

16 **"§ 160A-480.7. Additional powers of member units of local government.**

17 (a) In addition to the other powers of a unit of local government, any unit of local
18 government that is a member unit of an Authority may by resolution undertake
19 commitments to contribute debt service subsidy payments to the Authority to be applied
20 to pay principal and interest on bonds or notes of the Authority issued pursuant to the
21 provisions of this Part. Such commitment may be for a specified amount, cover
22 payments to be made during a specified time period, be limited to funds derived from a
23 specified source, provide for the amount of the contributions to be based upon a
24 formula, or contain such other terms and conditions as the governing body of the unit of
25 local government shall determine and set forth in the resolution expressing the
26 undertaking. Any such resolution shall state that the payment by the unit of local
27 government of a debt service subsidy payment is subject to the appropriation by the
28 governing body of the unit of local government of amounts sufficient to pay such
29 payment, and that the unit of local government is not obligated to appropriate any such
30 amount.

31 (b) In addition to the powers of a unit of local government set forth in subsection
32 (a) of this section, a unit of local government that is a member unit of an Authority may
33 enter into a special obligation agreement to pay debt service subsidy payments to an
34 Authority to be applied to pay principal and interest on bonds or notes of the Authority
35 issued pursuant to the provisions of this Part. Such payments may be derived from any
36 available source or sources of revenues of the unit, provided that the agreement to use
37 such sources to make payments does not constitute a pledge of the unit's taxing power.
38 To the extent that the generation of the revenues is within the power of the unit, the unit
39 of local government may enter into covenants to take action to generate the revenues,
40 provided such covenant to generate revenues does not constitute a pledge of the unit's
41 taxing power.

42 (c) The obligation of a unit of local government with respect to the sources of
43 payment shall be specifically identified in the proceedings of the governing body
44 authorizing the unit to enter the special obligation agreement. The sources of payment

1 so specifically identified and then held or thereafter received by a unit or any fiduciary
2 thereof shall immediately be subject to the lien of the Authority's bond resolution or
3 trust instrument under which the bonds or notes secured thereby are issued without any
4 physical delivery of the sources or further act. The lien shall be valid and binding as
5 against all parties having claims of any kind in tort, contract, or otherwise against the
6 unit without regard to whether the parties have notice thereof. The proceedings or any
7 other document or action by which the lien on a source of payment is created need not
8 be filed or recorded in any manner other than as provided in this Part.

9 (d) In addition to the foregoing, any such unit of local government may
10 undertake to make debt service subsidy payments to the Authority under a combination
11 of a commitment described in subsection (a) of this section and an agreement described
12 in subsection (b) of this section.

13 **"§ 160A-480.8. Trust agreement or resolution.**

14 (a) In the discretion of the Authority, any bonds or notes issued under the
15 provisions of this Part may be secured by a trust instrument between the Authority and a
16 bank or trust company or individual within the State, or a bank or a trust company
17 without the State, as trustee. Such trust instrument or the resolution of the Authority
18 authorizing the issuance of bonds or notes may pledge and assign all or any part of the
19 revenues, funds, and other property provided for the security of the bonds, including
20 proceeds from the sale of any project, or part thereof, insurance proceeds, and
21 condemnation awards, and may convey or mortgage property to secure a bond issue as
22 herein provided.

23 (b) The revenues and other funds derived from the project, except such part
24 thereof as may be necessary to provide reserves therefor, if any, shall be set aside at
25 such regular intervals as may be provided in such resolution or trust instrument in a
26 sinking fund which may be thereby pledged to, and charged with, the payment of the
27 principal of and the interest on such bonds or notes as the same shall become due and
28 the redemption price or the purchase price of bonds retired by call or purchase as therein
29 provided. Such pledge shall be valid and binding from the time when the pledge is
30 made. The revenues so pledged and thereafter received by the Authority shall
31 immediately be subject to the lien of such pledge without any physical delivery thereof
32 or further act, and the lien of any such pledge shall be valid and binding as against all
33 parties having claims of any kind in tort, contract, or otherwise against the Authority,
34 irrespective of whether such parties have notice thereof. The use and disposition of
35 money to the credit of such sinking fund shall be subject to the provisions of the
36 resolution or trust instrument. Such resolution or trust instrument may contain such
37 provisions for protecting and enforcing the rights and remedies of the bondholders as
38 may be reasonable and proper and not in violation of law, including, without limitation,
39 any one or more of the following:

40 (1) Acceleration of all amounts payable under the resolution or trust
41 instrument;

42 (2) Appointment of a receiver to manage the project and any other
43 property mortgaged or assigned as security for the bonds;

- 1 (3) Foreclosure and sale of the project and any other property mortgaged
2 or assigned as security for the bonds; and
3 (4) Rights to bring and maintain such other actions at law or in equity as
4 may appear necessary or desirable to collect the amounts payable
5 under, or to enforce the covenants made in, the security document.

6 (c) It shall be lawful for any bank or trust company incorporated under the laws
7 of this State which may act as depository of the proceeds of bonds, revenues, or other
8 funds provided under this Part to furnish such indemnifying bonds or to pledge such
9 securities as may be required by the Authority. All expenses incurred in carrying out
10 the provisions of such resolution or trust instrument may be treated as a part of the cost
11 of the project in connection with which bonds or notes are issued or as an expense of
12 administration of such project.

13 (d) The Authority may subordinate bonds or notes to any prior,
14 contemporaneous, or future securities or obligations or lien, mortgage, or other security
15 interest securing bonds or notes.

16 **"§ 160A-480.9. Trust funds.**

17 Notwithstanding any of the provisions of law to the contrary, all money received
18 pursuant to the Authority of this Part, whether as proceeds from the sale of bonds or
19 notes or as revenues, shall be deemed to be trust funds to be held and applied solely as
20 provided in this Part. The resolution authorizing the issuance of, or the trust agreement
21 securing, any bonds or notes may provide that any of such moneys may be temporarily
22 invested and reinvested pending the disbursement thereof and shall provide that any
23 officer with whom, or any bank or trust company with which, such moneys shall be
24 deposited shall act as trustee of such moneys and shall hold and apply the same for the
25 purpose hereof, subject to such regulations as this Part and such resolution or trust
26 agreement may provide. Any such moneys may be invested as provided in G.S. 159-30,
27 as it may be amended from time to time.

28 **"§ 160A-480.10. Tax exemption.**

29 The exercise of the powers granted by this Part will be in all respects for the benefit
30 of the people of the State and will promote their health and welfare, and no tax or
31 assessment shall be levied by the State or any unit of local government upon any facility
32 project undertaken by an Authority. Any bonds or notes issued by an Authority under
33 the provisions of this Part, their transfer and the income therefrom shall at all times be
34 free from taxation by the State or any local unit or political subdivision or other
35 instrumentality of the State, excepting inheritance or gift taxes.

36 **"§ 160A-480.11. Construction contracts.**

37 All contracts relating to the acquisition, construction, installation, and equipping of a
38 facility project shall be solicited, negotiated, awarded, and executed by the Authority
39 subject only to such approvals by the Authority as the Authority may require. The
40 provisions of Article 8 of Chapter 143 of the General Statutes shall not apply to any
41 such contracts.

42 **"§ 160A-480.12. Faith and credit of State and units of local government not**
43 **pledged.**

1 Bonds or notes issued by an Authority under the provisions of this Part shall not be
2 secured by a pledge of the faith and credit of the State or any agency or unit of local
3 government thereof or be deemed to create an indebtedness of the State, or of any such
4 agency or unit of local government thereof, requiring any voter approval, but shall be
5 payable solely from the revenues, property and other funds provided therefor. Each
6 bond or note issued by an Authority under this Part shall contain on its face a statement
7 to the effect that neither the faith and credit nor the taxing power of the State or of any
8 agency or unit of local government thereof is pledged as security for the payment of the
9 principal of or the interest or premium on such bond or note.

10 **"§ 160A-480.13. Bonds eligible for investment.**

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

22 **"§ 160A-480.14. Revenue refunding bonds.**

23 (a) Each Authority may provide for the issuance of refunding bonds of the
24 Authority for the purpose of refunding any bonds or notes then outstanding which shall
25 have been issued under the provisions of this Part, including the payment of any
26 redemption premium thereon and any interest accrued or to accrue to the date of
27 redemption of such bonds, and, if deemed advisable by the Authority, for either or both
28 of the following purposes:

29 (1) Constructing improvements, additions, extensions or enlargements of
30 the project, or projects in connection with which the bonds or notes to
31 be refunded shall have been issued, and

32 (2) Paying all or any part of the cost of any additional project or projects.

33 (b) The issuance of such bonds or notes, the maturities and other details thereof,
34 the rights of the holders thereof, and the rights, duties, and obligations of the Authority
35 in respect to the same shall be governed by the provisions of this Part which relate to the
36 issuance of bonds or notes, insofar as such provisions may be appropriate therefor.

37 (c) Refunding bonds issued under this section may be sold or exchanged for
38 outstanding bonds or notes issued under this Part and, if sold, the proceeds thereof may
39 be applied in addition to any authorized purposes, to the purchase, redemption, or
40 payment of such outstanding bonds or notes. Pending the application of the proceeds of
41 such refunding bonds, with any other available funds, to the payment of the principal of
42 and accrued interest and any redemption premium on the bonds or notes being refunded,
43 and, if so provided or permitted in securing the same, to the payment of any interest on
44 such refunding bonds and any expenses in connection with such refunding, such

1 proceeds may be invested in direct obligations of, or obligations the principal of and the
2 interest on which are unconditionally guaranteed by, the United States of America
3 which shall mature or which shall be subject to redemption by the holder thereof, at the
4 option of such holder, not later than the respective dates when the proceeds, together
5 with the interest accruing thereon, will be required for the purposes intended.

6 **"§ 160A-480.15. Appointed members and officers not liable.**

7 No appointed member or officer of the governing board of any Authority shall be
8 subject to any personal liability or accountability by reason of the execution of any
9 bonds or notes or the issuance thereof.

10 **"§ 160A-480.16. Withdrawal from Authority.**

11 Any member unit may withdraw from a regional authority at the end of any fiscal
12 year by giving at least 60 days' written notice to each of the other member units. A
13 withdrawal does not affect the validity of any revenue bonds or notes, and any revenue
14 that was pledged in payment of bonds or notes under a special obligation agreement
15 pursuant to G.S. 160A-480.7(b) remains pledged for that purpose until the bonds and
16 notes and interest on the bonds and notes have been paid. Withdrawal of a member unit
17 shall not dissolve the Authority if at least one member unit remains.

18 **"§ 160A-480.17. Fiscal accountability.**

19 An Authority is a public authority subject to the provisions of Article 3 of Chapter
20 159 of the General Statutes of North Carolina.

21 **"§ 160A-480.18. Dissolution of authorities.**

22 Whenever the governing body of the Authority shall determine that the purposes for
23 which the Authority was formed has been substantially fulfilled and that all bonds and
24 notes theretofore issued and all other obligations theretofore incurred by the Authority
25 have been fully paid or satisfied, such governing body may declare the Authority to be
26 dissolved. On the effective date of such resolution, the title to all funds and other
27 property owned by the Authority at the time of such dissolution shall vest in The
28 University of North Carolina or in the member units of local government in the manner
29 specified by the Charter.

30 **"§ 160A-480.19. Interpretation of Part.**

31 (a) Additional method. The foregoing sections of this Part shall be deemed to
32 provide an additional and alternative method for the doing of the things authorized
33 thereby and shall be regarded as supplemental and additional to powers conferred by
34 other laws, and shall not be regarded as in derogation of any powers now existing.

35 (b) References in this Part to specific sections or Chapters of the General Statutes
36 are intended to be references to such sections or Chapters as they may be amended from
37 time to time by the General Assembly.

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

40 (d) Inconsistent provisions. Insofar as the provisions of this Part are inconsistent
41 with the provisions of any general laws, or parts thereof, the provisions of this Part shall
42 be controlling.

43 (e) Severability. If any provision of this Part or the application thereof to any
44 person or circumstance is held invalid, such invalidity shall not affect other provisions

- 1 or applications of the Part which can be given effect without the invalid provision or
2 application, and to this end the provisions of this Part are declared to be severable."
3 Sec. 2. This act is effective upon ratification.