

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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Short Title: Centennial Authority.

(Public)

Sponsors:

Referred to:

April 6, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE CREATION OF FACILITY AUTHORITIES AND
3 TO ESTABLISH THE CENTENNIAL AUTHORITY.

4 The General Assembly of North Carolina enacts:

5 Section 1. Article 20 of Chapter 160A of the General Statutes is amended by
6 adding a new Part to read:

7 **"PART 4. FACILITY AUTHORITIES.**

8 **"§ 160A-480.1. Short title.**

9 This Part is the 'Facility Authority Act' and may be cited by that name.

10 **"§ 160A-480.2. Definitions.**

11 The following definitions apply in this Part:

12 (1) Authority. – A Facility Authority.

13 (2) Credit facility. – An agreement with a banking institution, an insurance
14 institution, an investment institution, or other financial institution
15 located inside or outside the United States of America that provides for
16 prompt payment, whether at maturity, presentment, or tender for
17 purchase, redemption, or acceleration, of part or all of the principal or

1 purchase price, redemption premium, if any, and interest on a bond or
2 note issued by the Authority and for repayment of the institution.

3 (3) Member. – A person appointed to a facility authority.

4 (4) Par formula. – A provision or formula to make periodic adjustments in
5 the interest rate of a bond or note, including:

6 a. A provision for an adjustment to keep the purchase price of the
7 bond or note in the open market as close to par as possible.

8 b. A provision for an adjustment based on one or more percentages
9 of a prime rate or base rate that may vary or apply for specified
10 periods of time.

11 c. Any other provision that does not materially and adversely affect
12 the financial position of the Authority and the marketing of the
13 bonds or notes at a reasonable interest cost to the Authority.

14 (5) Regional facility. – A facility consisting of an arena, coliseum, or other
15 buildings or both, or areas where sports, fitness, health, recreational,
16 entertainment, or cultural activities can be conducted. The facility may
17 be composed of buildings grouped into complexes or separated from
18 each other and may include ancillary support facilities, such as those for
19 administration, sports science, sports medicine, training, museums,
20 meeting rooms and conference centers, accommodations, parking, and
21 food services. The facility should be designed to attract to the State as
22 many major regional, national, and international tournaments, events,
23 championships, training centers, training camps, and headquarters for
24 the governance of various sports, associations, and events as possible.
25 The regional facility shall be constructed on land owned by the State.

26 **"§ 160A-480.3. Creation of Authority; additional membership.**

27 (a) Creation. – An authority may be created only by act of the General Assembly.
28 An authority so created shall be a political subdivision of the State. The territorial
29 jurisdiction of the authority shall be a county authorized by the General Assembly to levy
30 a room occupancy tax and a prepared food and beverage tax, and where both those taxes
31 have been levied.

32 (b) Membership. – An authority shall have eight or 13 members. Members shall
33 be chosen for terms as follows:

34 (1) Four shall be appointed by the General Assembly upon the
35 recommendation of the Speaker of the House of Representatives in
36 accordance with G.S. 120-121;

37 (2) Four shall be appointed by the General Assembly upon the
38 recommendation of the President Pro Tempore of the Senate in
39 accordance with G.S. 120-121; and

40 (3) If the territorial jurisdiction of the authority is a county where the main
41 campus of a constituent institution of The University of North Carolina
42 is located, then four members shall be appointed by the board of
43 commissioners of that county, and one member shall be appointed

1 jointly by the mayors of all the cities in that county. The board of
2 commissioners may not appoint a member of its board to serve on the
3 authority.

4 Two of the initial appointments under subdivision (1) of this subsection, two of
5 the initial appointments under subdivision (2) of this subsection, and two of the initial
6 appointments under subdivision (3) of this subsection shall be for terms expiring July 1 of
7 the second year after the year in which the authority is created. The remaining initial
8 appointments shall be for terms expiring July 1 of the fourth year after the year in which
9 the authority is created. Successors shall be appointed by the authority for four-year
10 terms. Vacancies occurring in the membership of the authority shall be filled by the
11 remaining members.

12 (c) Purpose. – The purpose of an authority is to study, design, plan, construct,
13 own, promote, finance, and operate regional facilities.

14 (d) Charter and Bylaws. – The act creating an authority and any amendments to it
15 is the Authority's charter. The charter of an authority shall include the name of the
16 Authority. An authority may adopt bylaws which may do any one or more of the
17 following:

18 (1) Limit the powers, duties, and functions that the Authority may exercise
19 and perform.

20 (2) Prescribe the compensation and allowances, if any, to be paid to the
21 members of the Authority.

22 (3) Contain rules for the conduct of Authority business and any other matter
23 pertaining to the organization, powers, and functioning of the Authority
24 that the members consider appropriate.

25 (e) Meetings. – An authority shall meet at a time and place agreed upon by its
26 members. The initial meeting may be called by any four members. At its first meeting,
27 the members shall elect a chairperson and any other officers that the charter may specify
28 or the members may consider advisable. The Authority shall then adopt bylaws for the
29 conduct of its business.

30 (f) Fiscal Accountability. – An authority is a public authority subject to the
31 provisions of Article 3 of Chapter 159 of the General Statutes.

32 (g) Conflicts. – If any member, officer, or employee of an Authority shall be:

33 (1) Interested either directly or indirectly; or

34 (2) An officer or employee of or have an ownership interest in any firm or
35 corporation, not including units of local government, interested directly
36 or indirectly,

37 in any contract with that Authority, the interest shall be disclosed to the Authority and
38 shall be set forth in the minutes of the Authority. The member, officer, or employee
39 having an interest shall not participate on behalf of the Authority in the authorization of
40 such contract. Other provisions of law notwithstanding, failure to take any or all actions
41 necessary to carry out the purposes of this subsection do not affect the validity of any
42 bonds or notes issued under this Chapter.

43 **"§ 160A-480.4. Powers of an Authority.**

1 An Authority shall have all of the powers necessary or convenient to carry out and
2 effectuate the purposes and provisions of this Part. These powers may include any one or
3 more of the following:

- 4 (1) To apply for, accept, receive, and dispense funds and grants made
5 available to it by the State or any of its agencies or political
6 subdivisions, the United States, any member unit, or any private entity.
7 (2) To study, design, plan, construct, own, and operate regional facilities.
8 (3) To employ consultants and employees as may be required in the
9 judgment of the Authority, to fix and pay their compensation from funds
10 available to the Authority. In employing consultants, the Authority
11 shall promote participation by minority businesses.
12 (4) To contract with any public or private entity, and The University of
13 North Carolina or any constituent institution of The University of North
14 Carolina may enter into any such contract if the function is one The
15 University of North Carolina or any constituent institution of The
16 University of North Carolina could undertake separately.
17 (5) To adopt bylaws for the regulation of its affairs and the conduct of its
18 business, and to adopt rules in connection with the performance of its
19 functions and duties.
20 (6) To adopt an official seal.
21 (7) To acquire and maintain an administrative building or office.
22 (8) To sue and be sued in its own name, and to plead and be impleaded.
23 (9) To receive, administer, and comply with the conditions and
24 requirements respecting any gift, grant, or donation of any property or
25 money.
26 (10) To acquire by purchase, lease, gift, or otherwise, or to obtain options for
27 the acquisition of, any real or personal property or interest therein.
28 (11) To sell, lease, exchange, transfer, or otherwise dispose of, or to grant
29 options for any of these purposes with respect to, any real or personal
30 property or interest therein.
31 (12) Subject to the provisions of this Part, to pledge, assign, mortgage, or
32 otherwise grant a security interest in any real or personal property or
33 interest therein, including a leasehold interest, including the right and
34 power to pledge, assign, or otherwise grant a security interest in any
35 money, rents, charges, or other revenues and any proceeds derived by
36 the Authority from any and all sources.
37 (13) Subject to the provisions of this Part, to borrow money to finance part or
38 all of a regional facility, to issue revenue bonds or notes, to refund any
39 revenue bonds or notes issued by the Authority, or to provide funds for
40 other corporate purposes of the Authority.
41 (14) To use officers, employees, agents, and facilities of units of local
42 government or constituent institutions of The University of North

1 Carolina for purposes and upon the terms that are mutually agreeable
2 between the Authority and the unit or institution.

3 (15) To develop and make data, plans, information, surveys, and studies of
4 public facilities within the area where constituent institutions of The
5 University of North Carolina are located, and to prepare and make
6 recommendations in regard thereto.

7 (16) To set and collect fees and charges for the use of the regional facilities.

8 (17) To pay for services rendered by underwriters, financial consultants, or
9 bond attorneys in connection with the issuance of revenue bonds or
10 notes of the Authority out of the proceeds of the bonds or notes. In
11 employing consultants, underwriters, attorneys, and others, the
12 Authority shall promote participation by minority businesses.

13 (18) To exercise the power of eminent domain as provided by G.S. 40A-3(c).

14 (19) To purchase or finance real or personal property in the manner provided
15 for cities and counties under G.S. 160A-20.

16 **"§ 160A-480.5. Dissolution of Authority.**

17 The General Assembly may dissolve an authority if all bonds or notes issued by the
18 Authority and all other obligations incurred by the Authority have been fully paid or
19 satisfied. In such event any assets of the Authority shall become the property of the
20 county authorized to levy a room occupancy and prepared food and beverage tax to be
21 distributed to the Authority.

22 **"§ 160A-480.6. Construction contracts.**

23 Article 8 of Chapter 143 of the General Statutes applies to a construction contract of
24 an Authority. An Authority may solicit bids on the basis of separate specifications for the
25 branches or work described in G.S. 143-128(a) and on a single-prime contract basis and
26 accept the lowest bid.

27 **"§ 160A-480.7. Seating at regional facility arena.**

28 The Authority shall ensure that at least fifty percent (50%) of the seats for an athletic
29 event that is sponsored by a constituent institution of The University of North Carolina
30 whose principal campus is in the territorial jurisdiction of the authority and is held at the
31 arena of the regional facility are made available to students at that constituent institution
32 and members of the general public.

33 **"§ 160A-480.8. Bonds.**

34 (a) Terms. – An Authority may provide for the issuance, at one time or from time
35 to time, of bonds or notes to carry out its corporate purposes. The principal of, the
36 interest on, and any premium payable upon the redemption of the bonds or notes shall be
37 payable from the proceeds of bonds or renewal notes, or, in the event bond or renewal
38 note proceeds are not available, from any available revenues or other funds provided for
39 this purpose. The bonds or notes of each issue shall be dated and may be made
40 redeemable prior to maturity at the option of the Authority or otherwise, at one or more
41 prices, on one or more dates, and upon the terms and conditions set by the Authority.
42 The bonds or notes may also be made payable from time to time on demand or tender for
43 purchase by the owner upon terms and conditions set by the Authority. Notes and bonds

1 shall mature at times determined by the Authority, not exceeding 40 years from the date
2 of issue. The Authority shall determine the form and the manner of execution of the
3 bonds or notes, and shall fix the denomination of the bonds or notes and the place of
4 payment of principal and interest. In case an officer whose signature or a facsimile of
5 whose signature appears on any bonds or notes ceases to be an officer before the delivery
6 of the bond or note, the signature or facsimile shall nevertheless be valid and sufficient
7 for all purposes the same as if the officer had remained in office until delivery. The
8 Authority may also provide for the authentication of the bonds or notes by a trustee or
9 fiscal agent.

10 Bonds or notes may be issued under this Part without obtaining, except as otherwise
11 expressly provided in this Part, the consent of any department, division, commission,
12 board, body, bureau, or other agency of the State or of a political subdivision of the State,
13 and without any other proceedings or conditions except as specifically required by this
14 Part or the provisions of the resolution authorizing the issuance of, or any trust agreement
15 securing, the bonds or notes.

16 Prior to the preparation of definitive bonds, the Authority may issue interim receipts
17 or temporary bonds exchangeable for definitive bonds when the bonds have been
18 executed and are available for delivery. The Authority may also provide for the
19 replacement of any bonds or notes which have been mutilated, destroyed, or lost.

20 (b) Use of Proceeds. – The proceeds of a bond or note shall be used solely for the
21 purposes for which the bond or note was issued and shall be disbursed in accordance with
22 the resolution authorizing the issuance of a bond or note and with any trust agreement
23 securing the bond or note. If the proceeds of a bond or note of any issue, by reason of
24 increased construction costs or error in estimates or otherwise, is less than the cost,
25 additional bonds or notes may in like manner be issued to provide the amount of the
26 deficiency.

27 (c) Security. – Bonds or notes issued by an Authority may be secured in one or
28 more of the following ways:

29 (1) By the revenues of the regional facility.

30 (2) By security interests in real or personal property or interest therein,
31 including a leasehold interest, acquired with the proceeds of the bonds
32 or notes or improved with the proceeds of the bonds or notes as
33 described in subsection (e) of this section.

34 (3) With the approval of the county levying the tax, by receipts, if any, from
35 a room occupancy and prepared food and beverage tax levied by a
36 county and distributed to the Authority; provided, however, that any
37 agreement or undertaking by a county to distribute receipts, if any, from
38 the tax to the Authority may not obligate the county to exercise any
39 power of taxation, or restrict the ability of the county to repeal the tax.

40 The security for the bonds or notes shall be specified in the resolution or trust instrument
41 authorizing the bonds or notes.

42 (d) Revenues. – The Authority may pledge to the payment of its revenue bonds or
43 notes the revenues from the regional facility, including revenues from improvements,

1 betterments, or extensions to the facility. The Authority may establish, maintain, revise,
2 charge, and collect such rates, fees, rentals, or other charges for the use, services, and
3 facilities of or furnished by a regional facility and provide methods of collection of and
4 penalties for nonpayment of these rates, fees, rentals, or other charges. Except as
5 otherwise permitted, the rates, fees, rentals, and charges fixed and charged shall be in an
6 amount that will produce sufficient revenues, with any other available funds, to meet the
7 maintenance and operation expenses of the regional facility as well as any improvements
8 and renewals and replacements to the facility, including reserves to pay the principal,
9 interest, and redemption premium due, if any, on any bonds or notes secured by the
10 facility, and to fulfill the terms of any agreements made by the Authority with the holders
11 of bonds or notes secured by revenues of the facility.

12 (e) Security Interests. – Bonds or notes may be secured by security interests in any
13 real or personal property or interest therein, including a leasehold interest, either acquired
14 with the proceeds of bonds or notes, or upon which improvements are provided from the
15 proceeds of bonds or notes. The security interest may cover all real and personal
16 property acquired or improved or any portion of the property. The Authority is
17 authorized to enter into deeds of trust, mortgages, security agreements, and similar
18 instruments as shall be necessary to carry out the powers in this subsection. Bonds or
19 notes may also be secured by security interests in any real or personal property conveyed
20 to the Authority.

21 In the event the Authority fails to perform its obligations with respect to the bonds or
22 notes and foreclosure or similar sale of property subject to a security interest occurs, a
23 deficiency judgment may not be rendered against the Authority except to the extent that
24 the deficiency is payable from either revenues from the regional facility or from any
25 revenues dedicated by act of the General Assembly to the Authority.

26 (f) Issuance. – The issuance of bonds or notes of the Authority is subject to the
27 approval of the Local Government Commission. Upon the filing with the Local
28 Government Commission of a resolution of the Authority requesting that its bonds or
29 notes be sold, the Commission shall determine the manner in which the bonds or notes
30 will be sold and the price or prices at which the bonds or notes will be sold. In
31 determining whether to approve a proposed bond or note issue of the Authority, the Local
32 Government Commission shall consider the criteria for approval of revenue bonds under
33 G.S. 159-86. The Local Government Commission shall approve the proposed issue if it
34 determines the bond or note issue will meet such criteria and will effect the purposes of
35 this Part. With the approval of the Authority, the Local Government Commission shall
36 sell the bonds or notes either at public or private sale in the manner and at the prices
37 determined to be in the best interests of the Authority and to effect the purposes of this
38 Part.

39 (g) Certification of Approval. – Each bond or note that is represented by an
40 instrument shall contain a statement signed by the Secretary of the Local Government
41 Commission, or an assistant designated by the Secretary, certifying that the issuance of
42 the bond or note has been approved under this Part. The signature may be a manual
43 signature or a facsimile signature, as determined by the Local Government Commission.

1 Each bond or note that is not represented by an instrument shall be evidenced by a
2 writing relating to the obligation that identifies the obligation or the issue of which it is a
3 part, contains the signed statement certifying approval of the Local Government
4 Commission that is required on an instrument, and is filed with the Local Government
5 Commission. A certification of approval by the Local Government Commission is
6 conclusive evidence that a bond or note complies with this Part.

7 (h) State Pledge. – The State pledges to the holder of a bond or note issued under
8 this Part that, as long as the bond or note is outstanding and unpaid, the State will not
9 limit or alter the power the Authority had when the bond or note was issued in a way that
10 impairs the ability of the Authority to produce revenues sufficient with other available
11 funds to do all of the following:

12 (1) Maintain and operate the facility for which the bond or note was issued.

13 (2) Pay the principal of, interest on, and redemption premium, if any, of the
14 bond or note.

15 (3) Fulfill the terms of an agreement with the holder.

16 The State further pledges to the holder of a bond or note issued under this Part that the
17 State will not impair the rights and remedies of the holder concerning the bond or note.

18 (i) Investment Securities. – All bonds and notes and interest coupons, if any,
19 issued under this Part are made investment securities within the meaning of and for all
20 the purposes of Article 8 of the Uniform Commercial Code, as enacted in Chapter 25 of
21 the General Statutes.

22 (j) Details of Bonds or Notes. – In fixing the details of bonds or notes, the
23 Authority may provide that the bonds or notes may:

24 (1) Be payable from time to time on demand or tender for purchase by the
25 owner of the bond or note if a credit facility supports the bond or note,
26 unless the Local Government Commission specifically determines that a
27 credit facility is not required because the absence of a credit facility will
28 not materially and adversely affect the financial position of the
29 Authority and the marketing of the bonds or notes at a reasonable
30 interest cost to the Authority.

31 (2) Be additionally supported by a credit facility.

32 (3) Be made subject to redemption or a mandatory tender for purchase prior
33 to maturity.

34 (4) Be capital appreciation bonds.

35 (5) Bear interest at a rate or rates that may vary, including variations
36 permitted pursuant to a par formula.

37 (6) Be made the subject of a remarketing agreement whereby an attempt is
38 made to remarket the bonds or notes to new purchasers prior to their
39 presentation for payment to the provider of the credit facility or to the
40 Authority.

41 (k) Basis of Investment. – In connection with or incidental to the acquisition or
42 carrying of any investment relating to bonds, program of investment relating to bonds, or
43 carrying of bonds, the Authority may, with the approval of the Local Government

1 Commission, enter into a contract to place the investment or obligation of the Authority,
2 as represented by the bonds, investment, or program of investment and the contract or
3 contracts, in whole or in part, on an interest rate, currency, cash flow, or other basis,
4 including the following:

- 5 (1) Interest rate swap agreements, currency swap agreements, insurance
6 agreements, forward payment conversion agreements, and futures.
- 7 (2) Contracts providing for payments based on levels of, or changes in,
8 interest rates, currency exchange rates, or stock or other indices.
- 9 (3) Contracts to exchange cash flows or a series of payments.
- 10 (4) Contracts to hedge payment, currency, rate, spread, or similar exposure,
11 including interest rate floors or caps, options, puts, and calls.

12 The Authority may enter a contract of this type in connection with, or incidental to,
13 entering into or maintaining any agreement that secures bonds. A contract shall contain
14 the payment, security, term, default, remedy, and other terms and conditions the Board
15 considers appropriate. The Authority may enter a contract of this type with any person
16 after giving due consideration, where applicable, of the person's creditworthiness as
17 determined by a rating by a nationally recognized rating agency or any other criteria the
18 Board considers appropriate. In connection with, or incidental to, the issuance or
19 carrying of bonds, or the entering of any contract described in this subsection, the
20 Authority may enter into credit enhancement or liquidity agreements, with payment,
21 interest rate, termination date, currency, security, default, remedy, and other terms and
22 conditions as the Authority determines. Proceeds of bonds and any moneys set aside and
23 pledged to secure payment of bonds or any of the contracts entered into under this
24 subsection may be pledged to and used to service any of the contracts entered into under
25 this section.

26 **"§ 160A-480.9. Trust agreement or resolution.**

27 In the discretion of the Authority, any bonds or notes issued under this Part may be
28 secured by a trust instrument between the Authority and a bank or trust company or
29 individual within the State, or a bank or a trust company outside the State, as trustee. The
30 trust instrument or the resolution of the Authority authorizing the issuance of bonds or
31 notes may pledge and assign all or any part of the revenues, funds, and other property
32 provided for the security of the bonds, including proceeds from the sale of any project, or
33 part thereof, insurance proceeds, and condemnation awards, and may convey or mortgage
34 property to secure a bond issue as provided in this Part.

35 The revenues and other funds derived from the project, except any part thereof that
36 may be necessary to provide reserves therefor, if any, shall be set aside at regular
37 intervals as may be provided in the resolution or trust instrument in a sinking fund which
38 may be thereby pledged to, and charged with, the payment of the principal of and the
39 interest on the bonds or notes as they become due and of the redemption price or the
40 purchase price of bonds retired by call or purchase as therein provided. This pledge shall
41 be valid and binding from the time the pledge is made. The revenues so pledged and
42 thereafter received by the Authority shall immediately be subject to the lien of the pledge
43 without any physical delivery thereof or further act, and the lien of the pledge shall be

1 valid and binding as against all parties having claims of any kind in tort, contract, or
2 otherwise against the Authority, irrespective of whether the parties have notice of the
3 pledge. The use and disposition of money to the credit of such sinking fund shall be
4 subject to the provisions of the resolution or trust instrument. The resolution or trust
5 instrument may contain provisions for protecting and enforcing the rights and remedies of
6 the bondholders as may be reasonable and proper and not in violation of law, including,
7 without limitation, any one or more of the following:

- 8 (1) Acceleration of all amounts payable under the resolution or trust
9 instrument.
- 10 (2) Appointment of a receiver to manage the project and any other property
11 mortgaged or assigned as security for the bonds.
- 12 (3) Foreclosure and sale of the project and any other property mortgaged or
13 assigned as security for the bonds.
- 14 (4) Rights to bring and maintain other actions at law or in equity as may
15 appear necessary or desirable to collect the amounts payable under, or to
16 enforce the covenants made in, the security document.

17 It shall be lawful for any bank or trust company incorporated under the laws of this
18 State which may act as depository of the proceeds of bonds, revenues, or other funds
19 provided under this Part to furnish such indemnifying bonds or to pledge such securities
20 as may be required by the Authority. All expenses incurred in carrying out the provisions
21 of the resolution or trust instrument may be treated as a part of the cost of the project in
22 connection with which bonds or notes are issued or as an expense of administration of the
23 project.

24 The Authority may subordinate bonds or notes to any prior, contemporaneous, or
25 future securities or obligations or lien, mortgage, or other security interest securing bonds
26 or notes.

27 Any owner of bonds or notes issued under the provisions of this Part or any coupons
28 appertaining thereto, and the trustee under any trust agreement securing or resolution
29 authorizing the issuance of such bonds or notes, except to the extent the rights given may
30 be restricted by the trust agreement or resolution, may either at law or in equity, by suit,
31 action, mandamus, or other proceeding, protect and enforce any and all rights under the
32 laws of the State or granted hereunder or under the trust agreement or resolution, or under
33 any other contract executed by the Authority pursuant to this Chapter; and may enforce
34 and compel the performance of all duties required by this Part or by the trust agreement
35 or resolution by the Authority or by any officer of the Authority.

36 **"§ 160A-480.10. Trust funds.**

37 Notwithstanding any other provision of law to the contrary, all money received
38 pursuant to the authority of this Part, whether as proceeds from the sale of bonds or notes
39 or as revenues, shall be deemed to be trust funds to be held and applied solely as provided
40 in this Part. The resolution authorizing the issuance of, or the trust agreement securing,
41 any bonds or notes may provide that any of these moneys may be temporarily invested
42 and reinvested pending their disbursement and shall provide that any officer with whom,
43 or any bank or trust company with which, the moneys shall be deposited shall act as

1 trustee of the moneys and shall hold and apply the moneys for the purpose hereof, subject
2 to any regulations this Part and the resolution or trust agreement may provide. Any of
3 these moneys may be invested as provided in G.S. 159-30, as it may be amended from
4 time to time.

5 **"§ 160A-480.11. Faith and credit of State and units of local government not pledged.**

6 Bonds or notes issued under this Part shall not constitute a debt secured by a pledge of
7 the faith and credit of the State or a political subdivision of the State and shall be payable
8 solely from the revenues, property, and other funds pledged for their payment. The
9 bonds or notes issued by an Authority shall contain a statement that the Authority is
10 obligated to pay the bond or note or the interest on the bond or note only from the
11 revenues, property, or other funds pledged for their payment and that neither the faith and
12 credit nor the taxing power of the State or any political subdivision of the State is pledged
13 as security for the payment of the principal of or the interest or premium on the bonds or
14 notes.

15 **"§ 160A-480.12. Revenue refunding bonds.**

16 The Authority may issue refunding bonds or notes for one or more of the following
17 purposes:

- 18 (1) Refunding any outstanding bonds or notes issued under this Part,
19 including any redemption premium on the bonds or notes and any
20 interest accrued or to accrue to the date of redemption.
- 21 (2) Constructing improvements, additions, extensions or enlargements of
22 the project, or projects in connection with which the bonds or notes to
23 be refunded have been issued.
- 24 (3) Paying all or any part of the cost of any additional project or projects.

25 Refunding bonds or notes shall be issued in accordance with the same procedures and
26 requirements as bonds or notes. Refunding bonds issued under this section may be sold
27 or exchanged for outstanding bonds or notes issued under this Part and, if sold, the
28 proceeds of the refunding bonds may be applied, in addition to any authorized purposes,
29 to the purchase, redemption, or payment of outstanding bonds or notes.

30 Pending the application of the proceeds of refunding bonds, with any other available
31 funds, to the payment of the principal of and accrued interest and any redemption
32 premium on the bonds or notes being refunded, and, if so provided or permitted in
33 securing the same, to the payment of any interest on such refunding bonds and any
34 expenses in connection with such refunding, such proceeds may be invested in direct
35 obligations of, or obligations the principal of and the interest on which are
36 unconditionally guaranteed by, the United States of America which shall mature or which
37 shall be subject to redemption by the holder thereof, at the option of such holder, not later
38 than the respective dates when the proceeds, together with the interest accruing thereon,
39 will be required for the purposes intended.

40 **"§ 160A-480.13. Bonds eligible for investment.**

41 Bonds and notes issued under this Part are hereby made securities in which all public
42 officers, agencies, and public bodies of the State and its political subdivisions, all
43 insurance companies, trust companies, investment companies, banks, savings banks,

1 building and loan associations, credit unions, pension or retirement funds, other financial
2 institutions engaged in business in the State, executors, administrators, trustees, and other
3 fiduciaries may properly and legally invest funds, including capital in their control or
4 belonging to them. These bonds or notes are hereby made securities that may properly
5 and legally be deposited with and received by any officer or agency of the State or
6 political subdivision of the State for any purpose for which the deposit of bonds, notes, or
7 obligations of the State or any political subdivision of the State is authorized by law.
8 This section does not apply to any State pension or retirement fund or a pension or
9 retirement fund of a political subdivision of the State.

10 **"§ 160A-480.14. Taxation of revenue bonds.**

11 Any bonds and notes issued by the Authority under the provisions of this Part shall be
12 exempt from all State, county, and municipal taxation or assessment, direct or indirect,
13 general or special, whether imposed for the purpose of general revenue or otherwise,
14 excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds
15 and notes, and franchise taxes. The interest on bonds and notes issued by an Authority
16 under the provisions of this Part shall not be subject to taxation as to income.

17 **"§ 160A-480.15. Members and officers not liable.**

18 No member or officer of an Authority shall be subject to any personal liability or
19 accountability by reason of the execution of any bonds or notes or the issuance of any
20 bonds or notes."

21 Sec. 2. G.S. 40A-3(c) is amended by adding a new subdivision to read:

22 "(9a) A facility authority established under Part 4 of Article 20 of Chapter
23 160A of the General Statutes for purposes authorized by that Part."

24 Sec. 3. G.S. 120-123 is amended by adding a new subdivision to read:

25 "(63) A facility authority established under Part 4 of Article 20 of Chapter
26 160A of the General Statutes."

27 Sec. 3.1. G.S. 160A-460(2) reads as rewritten:

28 "(2) 'Unit,' or 'unit of local government' means a county, city, consolidated
29 city-county, local board of education, sanitary district, facility authority
30 created under Part 4 of this Article, or other local political subdivision,
31 authority, or agency of local government."

32 Sec. 3.2. The Director of the Budget may allocate to the Centennial Authority
33 any funds appropriated for the Centennial Center which have not been expended or
34 obligated.

35 Sec. 3.3. Upon application of the Centennial Authority, with the approval only
36 of the Governor, the State may lease to the Centennial Authority for a term of 99 years
37 sufficient land for construction of the Centennial Center and employee and event parking
38 on or adjacent to the site, at a rent of one dollar (\$1.00) per year.

39 Sec. 4. There is hereby established the Centennial Authority, which is a
40 facility authority under Part 4 of Article 20 of Chapter 160A of the General Statutes. The
41 territorial jurisdiction of the Centennial Authority, as provided by G.S. 160A-480.3(a), is
42 Wake County.

43 Sec. 5. Chapter 594 of the 1991 Session Laws reads as rewritten:

1 "AN ACT TO AUTHORIZE WAKE COUNTY TO LEVY A ROOM
2 OCCUPANCY TAX AND A PREPARED FOOD AND BEVERAGE
3 TAX.

4 "Section 1. Intent. — This act authorizes Wake County to levy a room occupancy tax
5 and a prepared food and beverage tax.

6 "Sec. 2. Definitions. — The definitions in G.S. 105-164.3 apply to this act to the
7 extent they are not inconsistent with the provisions of this act. The following definitions
8 also apply in this act:

9 (1) Centennial Authority. — The Centennial Authority created by the
10 General Assembly under Part 4 of Article 20 of Chapter 160A of the
11 General Statutes.

12 (1a) Financing. — Debt service, lease payments, or any other obligations or
13 means of supporting capital costs, together with any related reserve
14 requirements.

15 (2) Net proceeds. — The gross proceeds of the taxes levied pursuant to this
16 act less any refunds and the cost to the county of administering and
17 collecting the taxes as provided in Sections 10 and 11 of this act.

18 (3) Prepared food and beverage. — Any food or beverage to which a retailer
19 has added value or has altered its state (other than by cooling alone) by
20 preparing, combining, dividing, heating, or serving, in order to make the
21 food or beverage available for immediate human consumption.

22 (3a) Regional facility. — Defined in G.S. 160A-480.2.

23 (4) Retailer. — A caterer or a retailer as defined in G.S. 105-164.3 as in
24 effect on the effective date of this act.

25 (5) Taxable establishment. — A hotel, motel, inn, tourist camp, or similar
26 place that is subject to a room occupancy tax levied pursuant to this act
27 and a retailer that sells prepared food or beverages and is subject to the
28 prepared food and beverage tax levied pursuant to this act.

29 (6) Undesignated proceeds. — Net proceeds distributed to the City of
30 Raleigh and to Wake County and designated for use pursuant to
31 Sections 10(b)(1)b., 10(b)(3), 11(1)b., 11(2), 12(1)a., 12(2)c. and d.,
32 12(3)c. and d., and 13 of this act.

33 "Sec. 3. Sales and Use Tax Statutes. — The provisions of Article 5 and Article 9 of
34 Chapter 105 of the General Statutes apply to this act to the extent they are not
35 inconsistent with the provisions of this act.

36 "Sec. 4. Occupancy Tax. — The Wake County Board of Commissioners may, by
37 resolution, levy a room occupancy tax of up to six percent (6%) of the gross receipts
38 derived from the rental of any room, lodging, or accommodation furnished by a hotel,
39 motel, inn, tourist camp, or similar place within the county that is subject to the State
40 sales tax imposed under G.S. 105-164.4(a)(3). This tax does not apply to
41 accommodations furnished by nonprofit charitable, educational, benevolent, or religious
42 organizations when furnished in furtherance of their nonprofit purpose or to
43 accommodations furnished to the same person for at least 90 consecutive days. Before

1 levying the tax authorized in this section, the board of commissioners must hold a public
2 hearing on the tax. Notice of the public hearing shall be advertised at least 10 days, but
3 not more than 25 days, before the scheduled date of the hearing. The revision of this act
4 by AN ACT TO PROVIDE FOR THE CREATION OF FACILITY AUTHORITIES
5 AND TO ESTABLISH THE CENTENNIAL AUTHORITY does not affect the previous
6 levying of the tax under this section, and no new hearings or resolutions are required.

7 Before a tax may be enacted pursuant to this section, Wake County and the City of
8 Raleigh must enter into an interlocal agreement pursuant to Article 20 of Chapter 160A
9 of the General Statutes. The agreement shall contain, at the minimum, the type and
10 general location of all capital projects to be funded in any way by the proceeds of the tax
11 levied under this section. The agreement shall also contain a preliminary schedule for the
12 completion of any projects to be so funded. If the city and the county are unable to
13 approve and execute the required agreement within three years after the effective date of
14 this act, this section is repealed.

15 "Sec. 5. Prepared Food and Beverage Tax. —The Wake County Board of
16 Commissioners may, by resolution, levy a prepared food and beverage tax of up to one
17 percent (1%) of the sales price of prepared food and beverages sold at retail for
18 consumption on or off the premises by any retailer within the county that is subject to
19 sales tax imposed by the State under G.S. 105-164.4(a)(1). Before levying the tax
20 authorized in this section, the board of commissioners must hold a public hearing on the
21 tax. Notice of the public hearing shall be advertised at least 10 days, but not more than
22 25 days, before the scheduled date of the hearing. The revision of this act by AN ACT
23 TO PROVIDE FOR THE CREATION OF FACILITY AUTHORITIES AND TO
24 ESTABLISH THE CENTENNIAL AUTHORITY does not affect the previous levying of
25 the tax under this section, and no new hearings or resolutions are required.

26 Before a tax may be enacted pursuant to this section, Wake County and the City of
27 Raleigh must enter into an interlocal agreement pursuant to Article 20 of Chapter 160A
28 of the General Statutes. The agreement shall contain, at the minimum, the type and
29 general location of all capital projects to be funded in any way by the proceeds of the tax
30 levied under this section. The agreement shall also contain a preliminary schedule for the
31 completion of any projects to be so funded. If the city and the county are unable to
32 approve and execute the required agreement within three years after the effective date of
33 this act, this section is repealed.

34 "~~Sec. 6. Exemptions.~~ Exemptions and Refunds. – (a) Exemptions. – The
35 prepared food and beverage tax does not apply to the following sales of prepared food
36 and beverages:

- 37 (1) Prepared food and beverages served to residents in boarding houses and
38 sold together on a periodic basis with rental of any sleeping room or
39 lodging.
- 40 (2) Retail sales exempt from taxation under G.S. 105-614.13 on the
41 effective date of this act.
- 42 (3) Retail sales through or by means of vending machines.

- 1 (4) Prepared food and beverages served by any taxable establishment
2 subject to the occupancy tax levied pursuant to this act if the charge for
3 the prepared food or beverages is included in a single, nonitemized sales
4 price together with the charge for rental of a room, lodging, or
5 accommodation furnished by the taxable establishment.
- 6 (5) Prepared food and beverages furnished without charge by an employer
7 to any employee.
- 8 (6) Retail sales by grocers or by grocery sections of supermarkets or other
9 diversified retail establishments other than sales of prepared food and
10 beverages in the delicatessen or similar department of the grocer or
11 grocery section.

12 (b) Refunds. – The county shall refund to a nonprofit or governmental entity the
13 prepared food and beverage tax paid by the entity on eligible purchases of prepared food
14 and beverages. A nonprofit or governmental entity's purchase of prepared food and
15 beverages is eligible for a refund under this subsection if the entity is entitled to a refund
16 under G.S. 105-164.14(b) or (c) of local sales and use tax paid on the purchase. The time
17 limitations, application requirements, penalties, and restrictions provided in G.S. 105-
18 164.14(b) and (d) apply to refunds to nonprofit entities; the time limitations, application
19 requirements, penalties, and restrictions provided in G.S. 105-164.14(c) and (d) apply to
20 refunds to governmental entities. When an entity applies for a refund of the prepared
21 food and beverage tax paid by it on purchases, it shall attach to its application a copy of
22 the application submitted to the Department of Revenue under G.S. 105-164.14 for a
23 refund of the sales and use tax on the same purchases. An applicant for a refund under
24 this subsection shall provide any information required by the county to substantiate the
25 claim.

26 "Sec. 7. Date of Levy. – A tax levied under this act shall become effective on the date
27 specified in the resolution or ordinance levying the tax. The levy of the prepared food
28 and beverage tax may not become effective before January 1, 1993.

29 "Sec. 8. Collection. – Every operator of a taxable establishment shall, on and after the
30 effective date of the levy of a tax under this act, collect the tax. The tax shall be stated
31 and charged separately from the rental charge or sales price, shall be shown separately on
32 the taxable establishment's sales records, and shall be paid by the purchaser to the taxable
33 establishment as trustee for and on account of the county. The tax shall be added to the
34 rental charge or sales price and shall be passed on to and collected from the purchaser
35 instead of being borne by the taxable establishment.

36 For the convenience of each retailer and to facilitate the administration of this act, the
37 county shall determine the amount to be added to the sales price of all sales subject to the
38 prepared food and beverage tax. The amounts shall be set forth in a bracket system and
39 distributed to each retailer responsible for collecting the prepared food and beverage tax.
40 The use of the bracket system does not relieve the retailer from the duty and liability of
41 collecting and remitting to the local administrative authority an amount equal to the
42 prepared food and beverage tax levied by the county.

1 "Sec. 9. Administration. — The county shall administer and collect the taxes levied
2 pursuant to this act. Wake County may contract with the City of Raleigh to perform
3 these functions.

4 The taxes levied pursuant to this act are due and payable to the county in monthly
5 installments on or before the fifteenth day of the month following the month in which the
6 tax accrues. Every taxable establishment liable for the tax shall, on or before the fifteenth
7 day of each month, prepare and render a return to the county. The county shall design,
8 print, and furnish on request to all taxable establishments the necessary forms for filing
9 returns and instructions to ensure the full collection of the tax.

10 Returns filed with the county pursuant to this act are not public records ~~as defined by~~
11 ~~G.S. 132.1~~ and may not be disclosed except ~~as required by law.~~ in accordance with G.S.
12 153A-148.1 or G.S. 160A-208.1.

13 "Sec. 10. Distribution and Use of Proceeds of Occupancy Tax. — (a) Initial
14 Deductions. — It is anticipated for allocation purposes that the annual net proceeds
15 realized from the levy of the tax authorized by Section 4 of this act will be at least three
16 million eight hundred fifteen thousand dollars (\$3,815,000). The county shall distribute
17 the first three million eight hundred fifteen thousand dollars (\$3,815,000) of the net
18 proceeds of the tax levied under Section 4 of this act as provided in this section; the
19 county shall distribute any proceeds in excess of this amount as provided in Section 12 of
20 this act. The county may deduct from the gross proceeds of the taxes collected pursuant
21 to Section 4 of this act an amount not to exceed three percent (3%) of the gross proceeds
22 to pay for the direct cost of administering and collecting the taxes. ~~For the first two years~~
23 ~~the tax levied under Section 4 of this act is in effect, before making the distributions provided in~~
24 ~~subsection (b), the county shall deduct from the net proceeds of the tax the sum of one hundred~~
25 ~~thousand dollars (\$100,000) in each fiscal year and shall remit this sum to Wake Technical~~
26 ~~Community College. After the first two years the tax levied under Section 4 of this act is in~~
27 ~~effect, before~~ Before making the distributions provided in subsection (b), the Board of
28 Commissioners of Wake County may, in its discretion, deduct from the net proceeds of
29 the tax the sum of one hundred thousand dollars (\$100,000) in each fiscal year and remit
30 this sum to Wake Technical Community College. Wake Technical Community College
31 must use funds remitted to it under this subsection only to support its ongoing program of
32 training individuals in hotel and motel management and in food service. Funds received
33 by Wake Technical Community College under this subsection that have not been
34 expended for this purpose at the end of each fiscal year shall revert to Wake County for
35 distribution in the following fiscal year pursuant to this section and Section 12 of this act.

36 (b) Monthly Distributions; Use. — The county shall make the distributions
37 provided in this subsection by the twentieth day of the month following the month in
38 which the tax is collected.

- 39 (1) Distribution to Raleigh. After deducting the amounts provided in
40 subsection (a), the county shall transfer to the City of Raleigh an amount
41 equal to forty-five and twenty-five one hundredths percent (45.25%) of
42 the remaining net proceeds of each monthly collection. The net

1 proceeds received by Raleigh shall be applied in accordance with the
2 following priorities.

3 a. The city may use the first six hundred eighty thousand dollars
4 (\$680,000) of the net proceeds of the taxes levied under this act
5 to fund the acquisition, construction, financing, debt servicing,
6 maintenance, or operation of convention centers, civic centers,
7 performing arts centers, coliseums, auditoriums, and museums;
8 to provide off-street parking facilities for use in conjunction with
9 such facilities; and to fund visitor-related programs and activities,
10 including cultural programs, events or festivals, and convention
11 and visitor programs and activities of the Greater Raleigh
12 Convention and Visitor Bureau.

13 b. The city shall use any additional net tax proceeds received only
14 for (i) the acquisition, construction, renovation, financing, debt
15 service, maintenance, and operation of expansions and additions
16 to the Raleigh Civic Center Complex or similar facilities, and (ii)
17 the construction of sports, cultural, and arts facilities, including a
18 coliseum to be built in conjunction with North Carolina State
19 University at Raleigh, a performing arts theater, a visual arts
20 program, and a children's museum. Any funds not spent in a
21 fiscal year may be held in one or more reserve accounts by the
22 city for future use in the range of activities allowed by this
23 subsection. The city may make expenditures pursuant to this
24 subdivision b. only after the city and county have agreed on the
25 amount and purpose of the expenditure. The county's approval
26 of an expenditure must be evidenced by a resolution adopted by
27 the board of commissioners.

28 (2) Distribution to Cary. After deducting the amount provided in
29 subsection (a), the county shall transfer to the Town of Cary an amount
30 equal to five percent (5%) of the remaining net proceeds of the tax
31 levied under Section 4 of this act. The Town of Cary shall expend these
32 proceeds for public relations and promotional activities for the town and
33 for visitor-related programs and activities, including cultural programs,
34 events, festivals, and other visitor-related programs.

35 (3) Distribution to Wake County. After deducting the amount provided in
36 subsection (a), the county shall retain an amount equal to thirty-four and
37 seventy-five one hundredths percent (34.75%) of the remaining net
38 proceeds of the tax levied under Section 4 of this act. Wake County
39 may expend these proceeds only for the Raleigh Civic Center Complex
40 or similar facilities or for construction of sports, cultural, and arts
41 facilities, including a coliseum to be built in conjunction with North
42 Carolina State University at Raleigh, a performing arts theater, a visual
43 arts program, and a children's museum. Any funds not spent in a fiscal

1 year may be held in reserve accounts by the county for future use in the
2 range of activities allowed by this subsection. The county may make
3 expenditures pursuant to this subdivision only after the city and county
4 have agreed on the amount and purpose of the expenditure. The city's
5 approval of an expenditure must be evidenced by a resolution adopted
6 by the city council.

- 7 (4) Distribution to Greater Raleigh Convention and Visitor Bureau. After
8 deducting the amounts provided in subsection (a), the county shall remit
9 fifteen percent (15%) of the remaining net proceeds to the Greater
10 Raleigh Convention and Visitor Bureau. The Greater Raleigh
11 Convention and Visitor Bureau may expend these funds pursuant to the
12 provisions of Section 15 of this act.

13 In the event that the amount distributed to the Greater Raleigh
14 Convention and Visitor Bureau under this act is less than one million
15 dollars (\$1,000,000) in a fiscal year, the city and the county shall each
16 pay to the Greater Raleigh Convention and Visitor Bureau a sum,
17 derived from its expected portion of the proceeds of the taxes authorized
18 in this act, equal to one-half of the difference between one million
19 dollars (\$1,000,000) and the amount received by the Bureau, so that the
20 total revenue received by the Bureau equals at least one million dollars
21 (\$1,000,000) in each fiscal year.

22 "Sec. 11. Distribution of Prepared Food and Beverage Tax. — It is anticipated for
23 allocation purposes that the annual net proceeds realized from the levy of the tax
24 authorized by Section 5 of this act will be at least four million five hundred thousand
25 dollars (\$4,500,000). The county shall distribute the first four million five hundred
26 thousand dollars (\$4,500,000) of the net proceeds of the taxes levied under Section 5 of
27 this act as provided in this section; the county shall distribute any proceeds in excess of
28 this amount as provided in Section 13 of this act.

29 The county may deduct from the gross proceeds of the taxes collected pursuant to
30 Section 5 of this act an amount not to exceed three percent (3%) of the gross proceeds to
31 pay for the direct cost of administering and collecting the taxes. The county shall make
32 the distributions provided in this section by the twentieth day of the month following the
33 month in which the tax is collected.

- 34 (1) Distribution to Raleigh. After deducting the amount provided above,
35 the county shall transfer to the City of Raleigh an amount equal to forty-
36 seven and seventy-five one hundredths percent (47.75%) of the net
37 proceeds of each monthly collection. The net proceeds received by
38 Raleigh shall be applied in accordance with the following priorities.

39 a. The city may use the first six hundred eighty thousand dollars
40 (\$680,000) of the net proceeds of the taxes levied under this act
41 to fund the acquisition, construction, financing, debt servicing,
42 renovation, maintenance, or operation of convention centers,
43 civic centers, performing arts centers, coliseums, auditoriums,

1 and museums; to provide off-street parking facilities for use in
2 conjunction with such facilities; and to fund visitor-related
3 programs and activities, including cultural programs, events or
4 festivals, and convention and visitor programs and activities of
5 the Convention and Visitor Bureau.

6 b. The city shall use any additional net tax proceeds received only
7 for (i) the acquisition, construction, renovation, financing, debt
8 service, maintenance, and operation of expansions and additions
9 to the Raleigh Civic Center Complex, and (ii) the construction of
10 sports, cultural, and arts facilities, including a coliseum to be
11 built in conjunction with North Carolina State University at
12 Raleigh, a performing arts theater, a visual arts program, and a
13 children's museum. Any funds not spent in a fiscal year may be
14 held in one or more reserve accounts by the city for future use in
15 the range of activities allowed by this subsection. The city may
16 make expenditures pursuant to this section only after the city and
17 county have agreed on the amount and purpose of the
18 expenditure. The county's approval of an expenditure must be
19 evidenced by a resolution adopted by the board of
20 commissioners.

21 (2) Distribution to Wake County. The county shall retain an amount equal
22 to thirty-seven and twenty-five one hundredths percent (37.25%) of the
23 net proceeds of the tax levied under Section 5 of this act. Wake County
24 may expend these proceeds only for the planning, acquisition,
25 renovation, or construction of the Raleigh Civic Center Complex or
26 similar facilities or for construction of sports, cultural, and arts facilities,
27 including a coliseum to be built in conjunction with North Carolina
28 State University at Raleigh, a performing arts theater, a visual arts
29 program, and a children's museum. Any funds not spent in a fiscal year
30 may be held in reserve accounts by the county for future use in the
31 range of activities allowed by this subsection. The county may make
32 expenditures pursuant to this subdivision only after the city and county
33 have agreed on the amount and purpose of the expenditure. The city's
34 approval of an expenditure must be evidenced by a resolution adopted
35 by the city council.

36 (3) Distribution to Greater Raleigh Convention and Visitor Bureau. The
37 county shall remit fifteen percent (15%) of the net proceeds of the tax
38 levied under Section 5 of this act to the Greater Raleigh Convention and
39 Visitor Bureau. The Greater Raleigh Convention and Visitor Bureau
40 may expend these funds pursuant to the provisions of Section 15 of this
41 act.

42 "Sec. 12. Future Revenue Allocations of the Occupancy Tax. — In the event that the
43 annual net proceeds of the tax levied under Section 4 of this act exceed three million

1 eight hundred fifteen thousand dollars (\$3,815,000) in a fiscal year, the additional
2 proceeds will be distributed as follows:

3 (1) Any net proceeds in excess of three million eight hundred fifteen
4 thousand dollars (\$3,815,000) but less than four million one dollars
5 (\$4,000,001) shall be allocated on the following basis:

6 a. Ninety-five percent (95%) to the City of Raleigh for the purposes
7 set out in Section 10 herein.

8 b. Five percent (5%) to the Town of Cary for the purposes set out in
9 Section 10 of this act.

10 (2) Any net proceeds above four million dollars (\$4,000,000) and up to four
11 million five hundred thousand dollars (\$4,500,000) shall be distributed
12 monthly on the following basis:

13 a. Twenty-five percent (25%) to the Raleigh Regional Convention
14 and Visitor Bureau.

15 b. Five percent (5%) to the Town of Cary, at least one-half of which
16 shall be used only for capital projects authorized under Section
17 10 or 11 of this act and the remainder of which shall be used for
18 the purposes authorized in Section 10(b)(2) of this act.

19 c. Forty-seven and five-tenths percent (47.5%) to the City of
20 Raleigh to be used for the purposes set out in Section 10 of this
21 act.

22 d. Twenty-two and five-tenths percent (22.5%) to Wake County for
23 any use related to any of the purposes for which any local
24 government is authorized by this act to expend tax proceeds.

25 (3) Any net proceeds above four million five hundred thousand dollars
26 (\$4,500,000) shall be distributed monthly on the following basis:

27 a. Twenty-five percent (25%) to the Raleigh Regional Convention
28 and Visitor Bureau.

29 b. Five percent (5%) to the Town of Cary, at least one-half of which
30 shall be used only for capital projects authorized under Section
31 10 or 11 of this act and the remainder of which shall be used for
32 the purposes authorized in Section 10(b)(2) of this act.

33 c. Thirty-five percent (35%) to the City of Raleigh for any lawful
34 purpose authorized by this act.

35 d. Thirty-five percent (35%) to Wake County for any lawful
36 purpose authorized by this act.

37 "Sec. 13. Future Revenue Allocations of the Prepared Food and Beverage Tax. —In
38 the event that the annual net proceeds of the tax levied under Section 5 of this act exceed
39 four million five hundred thousand dollars (\$4,500,000) in a tax year, the additional
40 proceeds will be allocated according to the following schedule:

41 (1) Any additional net proceeds up to six million five hundred thousand
42 dollars (\$6,500,000) shall be divided between the City of Raleigh and
43 Wake County. The city shall receive seventy-five percent (75%) of the

1 additional net proceeds for use in activities allowed under Section 10 of
2 this act while the county will receive twenty-five percent (25%) of the
3 net proceeds for use in any lawful activity authorized by this act.

- 4 (2) Any net proceeds in excess of six million five hundred thousand dollars
5 (\$6,500,000) shall be divided between the City of Raleigh and Wake
6 County. The city shall receive sixty percent (60%) of the additional net
7 proceeds for use in any lawful purpose authorized by this act while the
8 county shall receive the remaining forty percent (40%) of the additional
9 net proceeds for use in any lawful purpose authorized by this act.

10 ~~"Sec. 14. Restrictions on Certain Capital Projects. This section expires the earlier of~~
11 ~~(i) three years after the effective date of the first tax levied under this act or (ii)~~
12 ~~three and one-half years after the date this act is ratified. Notwithstanding any other~~
13 ~~provision of this act, the proceeds of the taxes levied under this act may not be expended~~
14 ~~for the cost of any capital project other than (i) a coliseum to be built in conjunction with~~
15 ~~North Carolina State University at Raleigh, (ii) a civic center complex, (iii) a visual or~~
16 ~~performing arts center, or (iv) a children's museum, and off-street parking associated with~~
17 ~~these four projects. As used in this section, the term "cost" includes the cost of~~
18 ~~construction of a capital facility; planning, engineering, as well as architectural and~~
19 ~~consulting services, and any other expenses and charges relating to a new capital project.~~
20 Transfers to Centennial Authority. – (a) Construction of Regional Facility. – On or
21 before June 30, 1996, the City of Raleigh and Wake County shall jointly transfer eleven
22 million dollars (\$11,000,000) from undesignated proceeds to the Centennial Authority,
23 and on or before June 30, 1997, the City of Raleigh and Wake County shall jointly
24 transfer an additional eleven million dollars (\$11,000,000) from undesignated proceeds to
25 the Centennial Authority. The proportions of this sum to be drawn from undesignated
26 proceeds distributed to the City of Raleigh and from undesignated proceeds distributed to
27 Wake County shall be determined by the city and the county by interlocal agreement
28 entered into pursuant to Article 20 of Chapter 160A of the General Statutes. If the city
29 and the county are unable to agree on the relative proportions to be drawn from net
30 proceeds distributed to each of them, each shall transfer from undesignated proceeds
31 distributed to it its proportional share based on the total undesignated proceeds distributed
32 to it during the preceding 36-month period. The Centennial Authority shall use the funds
33 distributed to it pursuant to this subsection only to fund all or part of the acquisition,
34 construction, financing, and debt servicing of a regional facility.

35 (b) Operation, Renovation, Maintenance, and Repair of Regional Facility. –
36 During July of 1995, and each July thereafter, the City of Raleigh and Wake County shall
37 each transfer to the Centennial Authority seven percent (7%) of the total undesignated
38 proceeds distributed to it during the preceding fiscal year. The Centennial Authority shall
39 use the funds transferred to it pursuant to this subsection only for enhancement of
40 operating revenues of a regional facility and for planning, design, renovations,
41 maintenance, and repairs to a regional facility.

42 "Sec. 15. Greater Raleigh Convention and Visitor Bureau.

1 (1) When the board of county commissioners adopts a resolution levying
2 the tax, the City of Raleigh shall take immediate action to adopt an
3 ordinance establishing the Greater Raleigh Convention and Visitor
4 Bureau. The Bureau shall be governed by a Board of Directors
5 consisting of 12 members. This Bureau shall be the continuation of the
6 existing Raleigh Convention and Visitor Bureau established pursuant to
7 Chapter 850 of the Session Laws of 1985. At least three of the county's
8 appointees shall reside in Raleigh and at least one of the county's
9 appointees shall reside in Cary. The appointments shall be made as
10 follows:

11 a. Five owners or operators of hotels, motels, or other taxable
12 establishments, three of whom shall be elected by the Raleigh
13 City Council and two of whom shall be elected by the Board of
14 Commissioners of Wake County from a list of at least 10
15 nominees furnished by the Raleigh Hotel and Motel Association.
16 The list of nominees shall include the names of at least three
17 restaurant owners or operators.

18 b. Two representatives of tourist or convention related businesses,
19 one appointed by the Raleigh City Council and one by the Wake
20 County Board of Commissioners.

21 c. One member nominated by the Greater Raleigh Chamber of
22 Commerce and appointed by the Wake County Board of
23 Commissioners.

24 d. Four at-large members, two appointed by the City of Raleigh and
25 two appointed by Wake County.

26 Members shall serve according to the ordinances and regulations of the
27 city concerning service on city boards and commissions, except that
28 members appointed by Wake County shall serve according to the
29 ordinances and regulations of Wake County concerning service on
30 county boards and commissions.

31 (2) Powers and Duties of Bureau. The Greater Raleigh Convention and
32 Visitor Bureau may contract with any person, firm, or agency to advise
33 and assist it in the promotion of travel, tourism, and conventions. The
34 Bureau shall prepare an annual budget based on anticipated revenues
35 and shall submit the budget to the Raleigh City Manager and Wake
36 County Manager for processing and approval through the regular budget
37 procedures of the city and the county. The Bureau shall make quarterly
38 reports to the Raleigh City Council and the Wake County Board of
39 Commissioners detailing its revenues, expenditures, and activities. The
40 city or the county may audit the Bureau's financial records upon
41 reasonable notice to the Bureau. At the end of each fiscal year, any
42 funds of the Bureau not expended, or obligated or reserved as approved
43 by the Raleigh City Council and the Wake County Board of

1 Commissioners, shall be remitted equally to the City of Raleigh and
2 Wake County for use in accordance with Section 10 of this act.

3 "Sec. 16. Penalties. ~~—A person, firm, corporation, or association who fails or refuses~~
4 ~~to file a return and pay the tax due under this Part shall pay a penalty of ten dollars (\$10.00)~~
5 ~~for each day's omission up to a maximum of two thousand dollars (\$2,000) for each return. In~~
6 ~~case of failure or refusal to file the return or pay the tax for a period of 30 days after the time~~
7 ~~required for filing the return or paying the tax, there shall be an additional tax, as a penalty, of~~
8 ~~five percent (5%) of the tax due, with an additional tax of five percent (5%) for each additional~~
9 ~~month or fraction thereof until the tax is paid. The Wake County Board of Commissioners may,~~
10 ~~for good cause shown, compromise or forgive the additional tax penalties imposed by this~~
11 ~~section.~~ act is subject to the civil and criminal penalties set by G.S. 105-236 for failure to
12 pay or file a return for State sales and use taxes. The Wake County Board of
13 Commissioners has the same authority to waive the penalties for a tax levied under this
14 act that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

15 "Sec. 17. Authority to Contract. ~~—Wake County and each municipality located in~~
16 ~~Wake County may contract with any person, agency, association, or nonprofit~~
17 ~~corporation to undertake or carry out the activities and programs for which the proceeds~~
18 ~~may be expended. All contracts entered into pursuant to this subsection~~ section ~~shall~~
19 ~~require an annual financial audit of any funds expended and a performance audit of~~
20 ~~contractual obligations.~~

21 "Sec. 18. Effect on existing taxes. ~~—The levy of a tax pursuant to this act repeals the~~
22 ~~authority of the county or a unit of local government in Wake County to enact an~~
23 ~~occupancy tax under any other local act.~~

24 "Sec. 19. Repeal. ~~—The taxes levied pursuant to this authority may be repealed by the~~
25 ~~county by enacting an ordinance of repeal. No such repeal shall be effective until at least~~
26 ~~180 days after the passage of the repeal ordinance. Repeal of a tax levied under this act~~
27 ~~does not affect a liability for a tax that was attached before the effective date of the~~
28 ~~repeal, nor does it affect a right to a refund of a tax that accrued before the effective date~~
29 ~~of the repeal.~~

30 "Sec. 20. This act is effective upon ratification."

31 Sec. 6. The provisions of this act are severable. If any provision of this act is
32 declared invalid by a court, the invalidity does not affect other provisions or applications
33 of this act that can be given effect without the invalid provision or application.

34 Sec. 7. G.S. 105-164.14(c) is amended by adding a new subdivision to read:

35 "(14a) A facility authority created pursuant to Part 4 of Article 20 of
36 Chapter 160A of the General Statutes."

37 Sec. 8. G.S. 18B-1006(a) reads as rewritten:

38 "(a) School and College Campuses. ~~— No permit for the sale of malt~~
39 ~~beverages, unfortified wine, or fortified wine shall be issued to a business on the campus~~
40 ~~or property of a public school or college~~ college, other than at a regional facility as
41 defined by G.S. 160A-480.2 operated by a facility authority under Part 4 of Article 20 of
42 Chapter 160A of the General Statutes, unless that business is a hotel or a nonprofit
43 alumni organization with a mixed beverages permit or a special occasion permit."

1 Sec. 9. This act is effective upon ratification.