

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 912

Finance Committee Substitute Adopted 6/29/99

Third Edition Engrossed 6/30/99

Fourth Edition Engrossed 7/1/99

House Committee Substitute Favorable 7/9/99

House Committee Substitute #2 Favorable 7/9/99

Short Title: Bonds for Higher Education.

(Public)

Sponsors:

Referred to:

April 14, 1999

1 A BILL TO BE ENTITLED
2 AN ACT (1) TO AUTHORIZE THE ISSUANCE OF ONE BILLION TWO HUNDRED
3 MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE STATE,
4 SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO
5 PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS FOR THE UNIVERSITY
6 OF NORTH CAROLINA AND GRANTS TO COMMUNITY COLLEGES FOR
7 CAPITAL IMPROVEMENTS, (2) TO AUTHORIZE THE BOARD OF
8 GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO ISSUE
9 SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE FACILITIES
10 OF THE UNIVERSITY OF NORTH CAROLINA AND FOR THE UNIVERSITY
11 OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL AND OTHER
12 FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE
13 SYSTEM, AND (3) TO RESTRICT THE NAMING OF STATE CONSTRUCTION
14 PROJECTS FOR SITTING MEMBERS OF THE GENERAL ASSEMBLY AND
15 THE COUNCIL OF STATE.

1 The General Assembly of North Carolina enacts:

2 Section 1. This act shall be known as the Michael K. Hooker Higher
3 Education Facilities Financing Act.

4 Section 1.1. The General Assembly finds that although The University of
5 North Carolina is one of the State's most valuable assets, the current facilities of the
6 University have been allowed to deteriorate due to decades of neglect and have
7 unfortunately fallen into a state of disrepair because of inadequate attention to
8 maintenance. It is the intent of the General Assembly to reverse this trend and to provide
9 a mechanism to assure that the University's capital assets are adequately maintained. The
10 General Assembly commits to responsible stewardship of these assets to protect their
11 value over the years, as follows:

12 (1) The Board of Governors of The University of North Carolina shall
13 require each constituent and affiliated institution to monitor the
14 condition of its facilities and their needs or repair and renovation, and to
15 assure that all necessary maintenance is carried out within funds
16 available.

17 (2) The Board of Governors shall report annually to the Joint Legislative
18 Commission on Governmental Operations and the Joint Legislative
19 Education Oversight Committee on the condition of the University's
20 capital facilities, the repair, renovation, and maintenance projects being
21 undertaken, and all needs for additional funding to maintain the
22 facilities.

23 (3) It is the intent of the General Assembly to assure that adequate
24 oversight, funding, and accountability are continually provided so that
25 the capital facilities of the University are properly maintained to
26 preserve the level of excellence the citizens of this State deserve. To
27 this end, the Joint Legislative Education Oversight Committee shall
28 report to the General Assembly annually its recommendations for
29 legislative changes to implement this policy.

30 Section 1.2. The General Statutes are amended by adding a new Chapter to
31 read:

32 **"CHAPTER 116D.**

33 **"HIGHER EDUCATION BONDS.**

34 **"ARTICLE 1.**

35 **"GENERAL PROVISIONS.**

36 **"§ 116D-1. Definitions.**

37 The following definitions apply in this Chapter:

38 (1) Board of Governors. – The Board of Governors of the University.

39 (2) Capital facility. – Any one or more of the following for the University
40 or for a community college:

41 a. One or more buildings, utilities, structures, or other facilities or
42 property developments, including streets and landscaping, and

- 1 the acquisition of equipment and furnishings in connection
2 therewith.
- 3 b. Additions, extensions, enlargements, renovations, and
4 improvements to existing buildings, utilities, structures, or other
5 facilities or property developments, including streets and
6 landscaping.
- 7 c. Land or an interest in land.
- 8 d. Other infrastructure.
- 9 The term includes, without limitation, classroom buildings, laboratory
10 buildings, research facilities, libraries, physical education facilities,
11 continuing education centers, student cafeterias, and activity facilities,
12 including sports facilities, student and faculty housing facilities, and
13 administrative office facilities.
- 14 (3) Cost. – Any of the following in financing the cost of capital facilities
15 and special obligation bond projects, as authorized by this Chapter:
- 16 a. The cost of constructing, reconstructing, renovating, repairing,
17 enlarging, acquiring, and improving capital facilities and special
18 obligation bond projects, including the acquisition of land, rights-
19 of-way, easements, franchises, equipment, furnishings, and other
20 interests in real or personal property acquired or used in
21 connection with a capital facility or special obligation bond
22 project.
- 23 b. The cost of engineering, architectural, and other consulting
24 services as may be required.
- 25 c. The cost of providing personnel to ensure effective project
26 management.
- 27 d. Finance charges, reserves for debt service, and interest prior to
28 and during construction.
- 29 e. Administrative expenses and charges incurred by the State in
30 connection with the administration of a bond program created
31 under this Chapter.
- 32 f. The cost of bond insurance, investment contracts, credit
33 enhancement, and liquidity facilities, interest-rate swap
34 agreements or other derivative products, financial and legal
35 consultants, and related costs of bond and note issuance.
- 36 g. The cost of reimbursing the State for any payments made for any
37 cost described in this subdivision.
- 38 h. Any other costs and expenses necessary or incidental to the
39 purposes of this Chapter.
- 40 (4) Credit facility. – An agreement entered into by the State Treasurer on
41 behalf of the State with a bank, savings and loan association or other
42 banking institution, an insurance company, reinsurance company, surety
43 company or other insurance institution, a corporation, investment

1 banking firm or other investment institution, or any financial institution
2 or other similar provider of a credit facility, which provider may be
3 located within or without the United States, and providing for prompt
4 payment of all or any part of the principal or purchase price (whether at
5 maturity, presentment or tender for purchase, redemption or
6 acceleration), redemption premium, if any, and interest on any bonds or
7 notes payable on demand or tender by the owner, in consideration of the
8 State's agreeing to repay the provider of the credit facility in accordance
9 with the terms and provisions of the agreement.

10 (5) Fiscal period. – A fiscal biennium or a fiscal year of the fiscal biennium.

11 (6) Fiscal year. – The fiscal year of the State beginning on July 1 of one
12 calendar year and ending on June 30 of the next calendar year.

13 (7) Par formula. – A provision or formula adopted by the State to provide
14 for the adjustment, from time to time, of the interest rate or rates borne
15 or provided for by any bonds or notes, including:

16 a. A provision providing for an adjustment so that the purchase
17 price of bonds or notes in the open market would be as close to
18 par as possible.

19 b. A provision providing for an adjustment based upon a percentage
20 or percentages of a prime rate or base rate, which percentages
21 may vary or be applied for different periods of time.

22 c. A provision that the State Treasurer determines is consistent with
23 this Chapter and will not materially and adversely affect the
24 financial position of the State and the marketing of bonds or
25 notes at a reasonable interest cost to the State.

26 (8) Securities issued under this Chapter. – Any of the following:

27 a. University improvement general obligation bonds, refunding
28 bonds, notes, and refunding notes issued under Article 2 of this
29 Chapter.

30 b. Special obligation bonds, bond anticipation notes, and refunding
31 bonds issued under Article 3 of this Chapter.

32 c. Community college general obligation bonds, refunding bonds,
33 notes, and refunding notes issued under Article 4 of this Chapter.

34 (9) State. – The State of North Carolina.

35 (10) State Treasurer. – The incumbent Treasurer, from time to time, of the
36 State.

37 (11) University. – The University of North Carolina and its constituent and
38 affiliated institutions, including, without limitation, the University of
39 North Carolina Center for Public Television, the University of North
40 Carolina Health Care System, the North Carolina School of Science and
41 Mathematics, and the North Carolina Arboretum.

42 **§ 116D-2. General provisions.**

1 (a) Signatures. – Should any officer whose signature or facsimile signature
2 appears on securities issued under this Chapter cease to be that officer before the delivery
3 of the securities, the signature or facsimile signature shall nevertheless have the same
4 validity for all purposes as if the officer had remained in office until delivery of the
5 securities. Securities issued under this Chapter may bear the facsimile signatures of
6 persons, who at the actual time of the execution of the securities were the proper officers
7 to sign any security although at the date of the security those persons may not have been
8 officers.

9 (b) Tax Exemption. – Securities issued under this Chapter shall at all times be free
10 from taxation by the State or any political subdivision or any of their agencies, excepting
11 estate, inheritance, or gift taxes, income taxes on the gain from the transfer of the
12 securities, and franchise taxes. The interest on the securities is not subject to taxation as
13 income.

14 (c) Investment Eligibility. – Securities issued under this Chapter are securities in
15 which all of the following may invest, including capital in their control or belonging to
16 them: public officers, agencies, and public bodies of the State and its political
17 subdivisions, insurance companies, trust companies, investment companies, banks,
18 savings banks, savings and loan associations, credit unions, pension or retirement funds,
19 other financial institutions engaged in business in the State, executors, administrators,
20 trustees, and other fiduciaries. Securities issued under this Chapter are securities which
21 may properly and legally be deposited with and received by any officer or agency of the
22 State or a political subdivision of the State for any purpose for which the deposit of bonds
23 or notes of the State or any political subdivision is now or may later be authorized by law.

24 (d) Inconsistent Laws. – All general, special, or local laws that are inconsistent
25 with this Chapter do not apply to this Chapter.

26 **"§ 116D-3. Reports.**

27 (a) Board of Governors. – The Board of Governors shall report to the Joint
28 Legislative Commission on Governmental Operations by September 15 of each year, and
29 more frequently as the Commission requests, on the following:

30 (1) University Improvement General Obligation Bonds. – The Board of
31 Governors shall report on projects funded by university improvement
32 general obligation bonds under Article 2 of this Chapter, including the
33 total project costs, the amount to be funded from the bonds, the
34 expenditures to date from the bonds and other sources, and the
35 percentage of each project completed. Each annual report shall include
36 estimated operating costs for each project begun in the preceding fiscal
37 year, including proposed sources of funds and anticipated dates for
38 occupancy. Operating costs shall be projected for a period of at least 20
39 years from the date of anticipated project completion.

40 (2) Special Obligation Bonds. – The Board of Governors shall report on
41 special obligation bonds issued under Article 3 of this Chapter,
42 including the amount of debt, itemized for each institution of the
43 University, by bond issue, and by project. The report shall include

1 schedules of debt service requirements and actual payments, as well as
2 evidence of compliance with additional financial covenants required by
3 bond documents. The report shall identify the trends and current
4 revenue streams of the sources of obligated resources pledged for each
5 bond issue.

6 (b) Treasurer. – Upon issuance of university improvement general obligation
7 bonds under Article 2 of this Chapter or community college general obligation bonds
8 under Article 4 of this Chapter, the Treasurer shall forward a schedule of required
9 payments of principal and interest over the life of the bonds to the Director of the Budget,
10 with copies to the Joint Legislative Commission on Governmental Operations and the
11 Fiscal Research Division. The Treasurer shall report to the Joint Legislative Commission
12 on Governmental Operations by September 15 of each year, and more frequently as the
13 Commission requests, on the university improvement general obligation bonds issued
14 under Article 2 of this Chapter and community college general obligation bonds issued
15 under Article 4 of this Chapter, including the annual debt service requirements over the
16 remainder of the life of the bonds.

17 (c) Community Colleges. – The Community Colleges System Office shall report
18 quarterly to the Joint Legislative Education Oversight Committee on the projects funded
19 from community college general obligation bonds. Each report shall include the total
20 project costs, the amount to be funded from the bonds, the expenditures to date from the
21 bonds and other sources, and the percentage of each project completed.

22 "ARTICLE 2.

23 "GENERAL OBLIGATION BONDS FOR FINANCING

24 CAPITAL FACILITIES FOR THE UNIVERSITY OF NORTH CAROLINA.

25 "§ 116D-6. Short title.

26 This Article may be cited as the University Improvement General Obligation Bonds
27 Finance Act.

28 "§ 116D-7. Definitions.

29 The following definitions apply in this Article:

- 30 (1) Bonds. – Bonds authorized to be issued under this Article, including
31 refunding bonds.
- 32 (2) Notes. – Notes issued under this Article.
- 33 (3) University improvement general obligation bonds. – Bonds authorized
34 to be issued under this Article, including refunding bonds.

35 "§ 116D-8. Authorization of bonds and notes.

36 Subject to a favorable vote of a majority of the qualified voters of the State who vote
37 on the question of issuing university improvement general obligation bonds in the
38 election held as provided by law, the State Treasurer may, by and with the consent of the
39 Council of State, issue and sell, at one time or from time to time, university improvement
40 general obligation bonds of the State to be designated 'State of North Carolina University
41 Improvement General Obligation Bonds', with any additional designations as may be
42 determined to indicate the issuance of bonds from time to time, or notes of the State.
43 Except as otherwise provided by this Article, the aggregate amount of bonds and notes

1 issued pursuant to this Article shall not exceed one billion dollars (\$1,000,000,000). The
2 bonds and notes shall be issued in the following years up to the following amounts:

<u>Fiscal Year</u>	<u>Aggregate Amount</u>
1999-2000	\$240,000,000
2000-2001	480,000,000
2001-2002	280,000,000

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7 If less than the aggregate amount of bonds or notes authorized to be issued in a fiscal
8 year is issued in that fiscal year, the balance for that fiscal year may be issued in any
9 subsequent fiscal year. Refunding bonds and notes issued pursuant to G.S. 116D-11(f)
10 shall not be included in the limitation on the aggregate amount of bonds and notes that
11 may be issued pursuant to this Article.

12 The proceeds of bonds or notes issued under this Article shall be applied to finance
13 the cost of improvement, construction, and acquisition of capital facilities for the
14 University or to refund any outstanding bonds or notes issued under this Article. The
15 capital facilities to be improved, constructed, or acquired with the proceeds of bonds or
16 notes shall be determined as provided in G.S. 116D-9.

17 **"§ 116D-9. Designation of capital facilities and preconditions to bond issuance.**

18 The capital facilities to be financed in whole or in part with the proceeds of university
19 improvement general obligation bonds shall be set forth in legislation enacted from time
20 to time by the General Assembly. This legislation shall also provide for voter approval of
21 the bonds to finance the capital facilities and shall become effective only upon approval
22 by the voters. The proceeds of university improvement general obligation bonds shall not
23 be expended to pay the costs of any capital facilities other than those set forth in that
24 legislation.

25 **"§ 116D-10. Faith and credit.**

26 The faith and credit and taxing power of the State are hereby pledged for the payment
27 of the principal of and the interest on bonds and notes. The State retains the right to
28 amend any provision of this Article to the extent it does not impair any contractual right
29 of a bond owner.

30 **"§ 116D-11. Issuance of bonds and notes.**

31 (a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or
32 term bonds or notes, or any combination of these, may mature in any amounts and at any
33 times, not exceeding 25 years from their dates, may be payable at any places, either
34 within or without the United States, in any coin or currency of the United States that at
35 the time of payment is legal tender for payment of public and private debts, may bear
36 interest at any rates, which may vary from time to time, and may be made redeemable
37 before maturity, at the option of the State or otherwise as may be provided by the State, at
38 any prices, including a price greater than the face amount of the bonds or notes, and
39 under any terms and conditions, all as may be determined by the State Treasurer, by and
40 with the consent of the Council of State.

41 (b) Signatures; Form and Denomination; Registration. – Bonds or notes may be
42 issued in certificated or uncertificated form. If issued in certificated form, bonds or notes
43 shall be signed on behalf of the State by the Governor or shall bear the Governor's

1 facsimile signature, shall be signed by the State Treasurer or shall bear the State
2 Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of
3 the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures
4 of the Governor and the State Treasurer, the bonds or notes shall also bear a manual
5 signature which may be that of a bond registrar, trustee, paying agent, or designated
6 assistant of the State Treasurer. The form and denomination of bonds or notes, including
7 the provisions with respect to registration of the bonds or notes and any system for their
8 registration, shall be as the State Treasurer may determine in conformity with this Article.

9 (c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as
10 to the manner in which bonds or notes shall be offered for sale, whether at public or
11 private sale, whether within or without the United States, and whether by publishing
12 notices in certain newspapers and financial journals, mailing notices, inviting bids by
13 correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is
14 authorized to sell bonds or notes at one time or from time to time at any rates of interest,
15 which may vary from time to time, and at any prices, including a price less than the face
16 amount of the bonds or notes, as the State Treasurer may determine. All expenses
17 incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State
18 Treasurer from the proceeds of bonds or notes or other available moneys.

19 (d) Application of Proceeds. – The proceeds of any bonds or notes shall be used
20 solely for the purposes for which the bonds or notes were issued and shall be disbursed in
21 the manner and under the restrictions, if any, that the Council of State may provide in the
22 resolution authorizing the issuance of, or in any trust agreement securing, the bonds or
23 notes.

24 Any additional moneys which may be received by means of a grant or grants from the
25 United States or any agency or department thereof or from any other source to aid in
26 financing the cost of a capital facility may be disbursed, to the extent permitted by the
27 terms of the grant or grants, without regard to any limitations imposed by this Article.

28 (e) Notes; Repayment. – By and with the consent of the Council of State, the State
29 Treasurer is authorized to borrow money and to execute and issue notes of the State for
30 the same, but only in the following circumstances and under the following conditions:

31 (1) For anticipating the sale of bonds, the issuance of which the Council of
32 State has approved, if the State Treasurer considers it advisable to
33 postpone the issuance of the bonds.

34 (2) For the payment of interest on or any installment of principal of any
35 bonds then outstanding, if there are not sufficient funds in the State
36 treasury with which to pay the interest or installment or principal as they
37 respectively become due.

38 (3) For the renewal of any loan evidenced by notes authorized in this
39 Article.

40 (4) For the purposes authorized in this Article.

41 (5) For refunding bonds or notes as authorized in this Article.

42 Funds derived from the sale of bonds or notes may be used in the payment of any
43 bond anticipation notes issued under this Article. Funds provided by the General

1 Assembly for the payment of interest on or principal of bonds shall be used in paying the
2 interest on or principal of any notes and any renewals thereof, the proceeds of which have
3 been used in paying interest on or principal of the bonds.

4 (f) Refunding Bonds and Notes. – By and with the consent of the Council of State,
5 the State Treasurer is authorized to issue and sell refunding bonds and notes for the
6 purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of
7 issuance of the refunding bonds or notes. The refunding bonds and notes may be
8 combined with any other issues of State bonds and notes similarly secured. Refunding
9 bonds or notes may be issued at any time prior to the final maturity of the debt or
10 obligation to be refunded. The proceeds from the sale of any refunding bonds or notes
11 shall be applied to the immediate payment and retirement of the bonds or notes being
12 refunded or, if not required for the immediate payment of the bonds or notes being
13 refunded, the proceeds shall be deposited in trust to provide for the payment and
14 retirement of the bonds or notes being refunded and to pay any expenses incurred in
15 connection with the refunding. Money in a trust fund may be invested in (i) direct
16 obligations of the United States government, (ii) obligations the principal of and interest
17 on which are guaranteed by the United States government, (iii) obligations of any agency
18 or instrumentality of the United States government if the timely payment of principal and
19 interest on the obligations is unconditionally guaranteed by the United States
20 government, or (iv) certificates of deposit issued by a bank or trust company located in
21 the State if the certificates are secured by a pledge of any of the obligations described in
22 (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest,
23 equal at least to the principal amount of the certificates so secured. This section does not
24 limit the duration of any deposit in trust for the retirement of bonds or notes being
25 refunded but that have not matured and are not presently redeemable, or if presently
26 redeemable, have not been called for redemption.

27 (g) University Improvement Bonds Fund. – The proceeds of university
28 improvement general obligation bonds and notes, including premium thereon, if any,
29 except the proceeds of bonds the issuance of which has been anticipated by bond
30 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the
31 State Treasurer in a special fund to be designated 'University Improvement Bonds Fund'.
32 Moneys in the University Improvement Bonds Fund shall be used for the purposes set
33 forth in this Article.

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

40 The proceeds of university improvement general obligation bonds and notes may be
41 used with any other moneys made available by the General Assembly for the making of
42 university improvements, including the proceeds of any other State bond issues, whether
43 previously made available or which may be made available after the effective date of this

1 Article. The proceeds of university improvement bonds and notes shall be expended and
2 disbursed under the direction and supervision of the Director of the Budget. The funds
3 provided by this Article for university improvements shall be disbursed for the purposes
4 provided in this Article upon warrants drawn on the State Treasurer by the State
5 Controller, which warrants shall not be drawn until requisition has been approved by the
6 Director of the Budget and which requisition shall be approved only after full compliance
7 with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

8 **"§ 116D-12. Variable rate demand bonds and notes.**

9 (a) In fixing the details of bonds and notes, the State Treasurer may provide that
10 the bonds and notes may:

11 (1) Be made payable from time to time on demand or tender for purchase
12 by the owner, if a credit facility supports the bonds or notes, unless the
13 State Treasurer specifically determines that a credit facility is not
14 required upon a finding and determination by the State Treasurer that
15 the absence of a credit facility will not materially and adversely affect
16 the financial position of the State and the marketing of the bonds or
17 notes at a reasonable interest cost to the State.

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

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

21 (4) Bear interest at rates that may vary from any periods of time, as may be
22 provided in the proceedings providing for the issuance of the bonds or
23 notes, including, without limitation, any variations as may be permitted
24 pursuant to a par formula.

25 (5) Be made the subject of a remarketing agreement whereby an attempt is
26 made to remarket bonds or notes to new purchasers prior to their
27 presentment for payment to the provider of the credit facility or to the
28 State.

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

37 **"§ 116D-13. Other agreements.**

38 The State Treasurer may authorize, execute, obtain, or otherwise provide for bond
39 insurance, investment contracts, credit and liquidity facilities, interest rate swap
40 agreements and other derivative products, and any other related instruments and matters
41 the State Treasurer determines are desirable in connection with the issuance of bonds or
42 notes. The State Treasurer is authorized to employ and designate any financial

1 consultants, underwriters, and bond attorneys to be associated with any bond issue under
2 this Article as the State Treasurer considers necessary.

3 **"ARTICLE 3.**

4 **"SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE**
5 **FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA.**

6 **"§ 116D-21. Purpose.**

7 The purpose of this Article is to authorize the Board of Governors of The University
8 of North Carolina to issue special obligation bonds, payable from obligated resources, but
9 with no pledge of taxes or the faith and credit of the State or any agency or political
10 subdivision of the State, to pay the cost, in whole or in part, of improvements to the
11 facilities of the University.

12 **"§ 116D-22. Definitions.**

13 The following definitions apply in this Article:

14 (1) Existing facilities. – Buildings and facilities then existing that generate
15 income or receipts to the Board of Governors that are pledged, under the
16 provisions of a resolution authorizing the issuance of the special
17 obligation bonds under this Article, to the payment of the bonds.

18 (2) Institution. – Each of the institutions enumerated in G.S. 116-2, and any
19 affiliated institutions of the University, including, without limitation, the
20 University of North Carolina Center for Public Television, the
21 University of North Carolina Health Care System, the North Carolina
22 School of Science and Mathematics, and the North Carolina Arboretum.

23 (3) Obligated resources. – Any sources of income or receipts of the Board
24 of Governors or the institution at which a special obligation bond
25 project is or will be located that are designated by the Board as the
26 security and source of payment for bonds issued under this Article to
27 finance a special obligation bond project, including, without limitation,
28 any of the following:

29 a. Rents, charges, or fees to be derived by the Board of Governors
30 or the institution from any activities conducted at the institution.

31 b. Earnings on the investment of the endowment fund of the
32 institution at which a special obligation project will be located, to
33 the extent that the use of the earnings will not violate any lawful
34 condition placed by the donor upon the part of the endowment
35 fund that generates the investment earnings.

36 c. Funds to be received under a contract or a grant agreement,
37 including 'overhead costs reimbursement' under a grant
38 agreement, entered into by the Board of Governors or the
39 institution to the extent the use of the funds is not restricted by
40 the terms of the contract or grant agreement or the use of the
41 funds as provided in this Article does not violate the restriction.

42 Obligated resources do not include funds appropriated to the Board of
43 Governors or the institution from the General Fund by the General

1 Assembly from funds derived from general tax and other revenues of
2 the State, and obligated resources do not include tuition payment by
3 students.

4 (4) Special obligation bonds. – Bonds issued under this Article to finance
5 the cost of a special obligation project, which bonds are secured by and
6 payable from obligated resources designated by the Board of Governors
7 at the time the issuance of the bonds is authorized in accordance with
8 this Article.

9 (5) Special obligation bond project. – Any capital facilities located or to be
10 located at an institution for the purpose of carrying out the mission of
11 that institution and designated specifically by the Board of Governors as
12 a 'special obligation bond project' for purposes of this Article. A special
13 obligation bond project need not necessarily consist of buildings or
14 facilities that are expected to generate 'self-liquidating revenues' to the
15 Board of Governors or the institution from direct rentals, charges, or
16 fees from the services provided by the building or facility, and may
17 include facilities such as classroom buildings, administration buildings,
18 research facilities, libraries, and equipment that do not produce direct, or
19 indirect, income to the Board of Governors or the institution.

20 **"§ 116D-23. Credit and taxing power of State not pledged; statement on face of**
21 **bonds.**

22 Special obligation bonds issued under this Article shall not constitute a debt or
23 liability of the State or any political subdivision of the State or a pledge of the faith and
24 credit of the State or of any political subdivision of the State. Special obligation bonds
25 shall be secured solely by the obligated resources pledged to their payment. All of the
26 special obligation bonds shall contain on their face a statement to the effect that neither
27 the State nor the Board of Governors is obligated to pay the bonds or the interest on the
28 bonds except from the obligated resources pledged for payment and that neither the faith
29 and credit nor the taxing power of the State or of any political subdivision or
30 instrumentality of the State is pledged to the payment of the principal of or the interest on
31 the bonds. The issuance of special obligation bonds under this Article does not directly
32 or indirectly or contingently obligate the State or any political subdivision of the State to
33 levy or to pledge any taxes for the bonds.

34 **"§ 116D-24. General powers of Board of Governors.**

35 The Board of Governors is authorized, subject to the requirements of this Article, to
36 do all of the following:

37 (1) Determine the location and character of any special obligation bond
38 project, to acquire, construct, and provide the project, and to maintain,
39 repair, and operate and enter into contracts for the management, lease,
40 use, or operation of all or any portion of any special obligation bond
41 project and any existing facilities.

42 (2) Issue special obligation bonds to pay all or any part of the cost of a
43 special obligation bond project, and to fund or refund any bonds

1 previously issued by the Board of Governors to finance facilities
2 designated as a special obligation bond project.

3 (3) Fix and revise from time to time and charge and collect fees, rates,
4 rents, charges, and other income for the use of and for the services
5 furnished by the institution that are designated as obligated resources in
6 connection with a special obligation bond issue.

7 (4) Establish and enforce, and to agree through any resolution or trust
8 agreement authorizing or securing bonds under this Article to make and
9 enforce, rules for the use of and services rendered by the institution of
10 the income or receipts to be obtained from the use or services
11 designated as obligated resources in connection with a special obligation
12 bond issue.

13 (5) Acquire, hold, lease, and dispose of real and personal property in the
14 exercise of its powers and the performance of its duties and to lease all
15 or any part of a special obligation bond project and any existing
16 facilities for any periods of years, not exceeding 40 years, upon any
17 terms and conditions as the Board of Governors determines, subject to
18 the provisions of G.S. 143-341.

19 (6) Employ consulting engineers, attorneys, accountants, construction and
20 financial experts, superintendents, managers, and any other employees
21 and agents as may be necessary in its judgment in connection with a
22 special obligation bond project and existing facilities, and to fix their
23 compensation.

24 (7) Enter into all contracts and agreements necessary or incidental to the
25 performance of its duties and the execution of its powers under this
26 Article.

27 (8) Receive and accept from any federal, State, or other public agency and
28 any private agency, person, or other entity donations, loans, grants, aid,
29 or contributions of any money, property, labor, or other things of value
30 for a special obligation bond project or any other services provided by
31 the institution that is designated as the obligated resource in connection
32 with a special obligation bond issue, and to agree to apply and use them
33 in accordance with the terms and conditions under which they are
34 provided.

35 (9) Do all acts and things necessary or convenient to carry out the powers
36 granted by this Article.

37 **"§ 116D-25. Consultation with the Joint Legislative Commission on Governmental**
38 **Operations.**

39 Whenever this Article requires the approval of the Director of the Budget of an action,
40 the Director of the Budget may consult with the Joint Legislative Commission on
41 Governmental Operations before giving approval.

42 **"§ 116D-26. Issuance of special obligation bonds and bond anticipation notes.**

1 (a) Authority. – The Board of Governors may issue, subject to the approval of the
2 Director of the Budget, at one time or from time to time, special obligation bonds of the
3 Board of Governors for the purpose of paying all or any part of the cost of acquiring,
4 constructing, or providing a special obligation project. Before issuing special obligation
5 bonds, the Board of Governors shall first adopt a resolution (i) setting forth the
6 designation by the Board of Governors that the buildings or facilities to be financed by
7 the bond issue are the special obligation bond project being financed and (ii) designating
8 the obligated resources that will secure and be the source of payment of the special
9 obligation bonds to be issued. The Board of Governors shall not issue any special
10 obligation bonds unless the Board of Governors finds that sufficient obligated resources
11 are reasonably expected to be available (i) to pay the principal and interest on the special
12 obligation bonds proposed to be issued, (ii) to create and maintain any reserves for the
13 payment of the special obligation bonds, to the extent the Board of Governors is required
14 to maintain reserves for this purpose by the terms of the trust agreement or resolution
15 authorizing the issuance of the special obligation bonds, and (iii) to provide for the
16 maintenance and operation of the facilities that are to generate the obligated resources to
17 the extent the Board of Governors is required to maintain those facilities by the terms of
18 the trust agreement or resolution authorizing the issuance of the special obligation bonds.
19 Notwithstanding any other provision of this Article, the proceeds of special obligation
20 bonds to be secured by obligated resources derived from the operation of or activities at
21 one institution may not be applied to finance a special obligation project to be located at
22 another institution.

23 (b) Approval Required. – The Board of Governors shall not issue any special
24 obligation bonds for a project at an institution unless the board of trustees of that
25 institution has approved the issuance of bonds for that project. The Board of Governors
26 shall not issue special obligation bonds under this Article until the effective date of
27 legislation enacted by the General Assembly authorizing the undertaking of the special
28 obligation bond project to be financed and fixing the maximum aggregate principal
29 amount of special obligation bonds that shall be issued for that purpose. In submitting
30 proposed special obligation bond projects to the General Assembly for approval, the
31 Board of Governors shall submit information on the need for each project, project costs,
32 estimates of increased operating costs upon completion, estimated debt service
33 requirements, and the sources and amounts of obligated resources to be pledged for the
34 repayment of the bonds. If the obligated resources to repay the bonds or to operate the
35 proposed project potentially involve increased costs to students or to the General Fund,
36 these costs shall be identified in the Board of Governors' submission.

37 Except as provided in this Article, special obligation bond projects may be
38 undertaken, special obligation bonds may be issued, and other powers vested in the Board
39 of Governors under this Article may be exercised by the Board without obtaining the
40 consent of any department, division, commission, board, bureau, or agency of the State
41 and without any other proceedings or the happening of any other conditions or things
42 other than those proceedings, conditions, or things which are specifically required by this
43 Article.

1 (c) Term; Form. – The special obligation bonds of each issue shall be dated, shall
2 mature at any times not exceeding 25 years from their dates, shall bear interest at any
3 rates as may be determined by the Board of Governors, and may be redeemable before
4 maturity at the option of the Board, at any prices and under any terms and conditions as
5 may be fixed by the Board prior to the issuance of the special obligation bonds. The
6 Board of Governors shall determine the form and manner of execution of the special
7 obligation bonds and shall fix the denominations of the special obligation bonds and the
8 places of payment of principal and interest, which may be at any bank or trust company
9 within or without the State. Notwithstanding any of the other provisions of this Article or
10 any recitals in any special obligation bonds issued under the provisions of this Article, all
11 special obligation bonds shall be negotiable instruments under the laws of this State,
12 subject only to the provisions for registration in a resolution authorizing the issuance of
13 the special obligation bonds or a trust agreement securing the bonds. The Board of
14 Governors may sell the special obligation bonds in any manner, at public or private sale,
15 and for any price, as it may determine to be for its best interests.

16 (d) Proceeds; Additional Bonds. – The proceeds of the special obligation bonds of
17 each issue shall be used solely for the purpose for which the bonds have been authorized
18 and shall be disbursed in the manner and under such restrictions, if any, as the Board of
19 Governors may provide in the resolution authorizing the issuance of the bonds or in the
20 trust agreement securing them. Unless otherwise provided in the authorizing resolution
21 or in the trust agreement securing the special obligation bonds, if the proceeds of the
22 special obligation bonds, by error of estimates or otherwise, are less than the cost of the
23 special obligation bond project, additional bonds may in like manner be issued to provide
24 the amount of the deficit and shall be deemed to be of the same issue and shall be entitled
25 to payment from the same fund without preference or priority of the bonds first issued for
26 the same purpose.

27 The resolution providing for the issuance of special obligation bonds, and any trust
28 agreement securing them, may also contain limitations upon the issuance of additional
29 special obligation bonds as the Board of Governors considers proper, and the additional
30 special obligation bonds must be issued under the restrictions and limitations prescribed
31 by the resolution or trust agreement.

32 (e) Temporary Bonds; Notes. – Before preparing definitive bonds, the Board of
33 Governors may, under like restrictions, issue interim receipts or temporary bonds
34 exchangeable for definitive bonds when the bonds have been executed and are available
35 for delivery. The Board may also provide for the replacement of any bonds which
36 become mutilated, destroyed, or lost.

37 The Board of Governors may enter into or negotiate a note with an acceptable bank or
38 trust company in lieu of issuing special obligation bonds for the financing of special
39 obligation bond projects covered under this Article. The terms and conditions of any
40 note of this nature shall be in accordance with the terms and conditions surrounding
41 issuance of the special obligation bonds.

42 (f) Bond Anticipation Notes. – The Board of Governors may issue, subject to the
43 approval of the Director of the Budget, at one time or from time to time, bond

1 anticipation notes of the Board of Governors in anticipation of the issuance of special
2 obligation bonds authorized by this Article. The principal of and the interest on these
3 notes shall be payable solely from the proceeds of special obligation bonds or renewal
4 notes or, in the event bond or renewal note proceeds are not available, from the obligated
5 resources designated for their payment. The notes of each issue shall be dated, shall
6 mature at any times not exceeding two years from their dates, shall bear interest at any
7 rates as may be determined by the Board of Governors, and may be redeemable before
8 maturity, at the option of the Board of Governors, at any prices and under any terms and
9 conditions as may be fixed by the Board of Governors prior to the issuance of the notes.
10 The Board shall determine the form and the manner of execution of the notes and shall
11 fix the denominations of the notes and the places of payment of principal and interest,
12 which may be at any bank or trust company within or without the State. Notwithstanding
13 any of the other provisions of this Article or any recitals in any notes issued under the
14 provisions of this Article, all notes shall be negotiable instruments under the laws of this
15 State, subject only to the provisions for registration in a resolution authorizing the
16 issuance of the notes or any trust agreement securing the bonds in anticipation of which
17 the notes are being issued. The Board of Governors may sell the notes in any manner, at
18 public or private sale, and for any price, as it may determine to be for its best interests.

19 The proceeds of the notes of each issue shall be used solely for the purpose for which
20 the special obligation bonds in anticipation of which the notes are being issued have been
21 authorized, and the note proceeds shall be disbursed in any manner and under any
22 restrictions as the Board of Governors may provide in the resolution authorizing the
23 issuance of the notes or bonds or in the trust agreement securing the special obligation
24 bonds.

25 The resolution providing for the issuance of notes, and any trust agreement securing
26 the special obligation bonds in anticipation of which the notes are being authorized, may
27 also contain limitations upon the issuance of additional notes as the Board of Governors
28 considers proper, and such additional notes shall be issued under the restrictions and
29 limitations prescribed by the resolution or trust agreement. The Board may also provide
30 for the replacement of any notes which shall become mutilated, destroyed, or lost.

31 Except as provided in this Article, notes may be issued under this Article and other
32 powers vested in the Board of Governors under this Article may be exercised by the
33 Board without obtaining the consent of any department, division, commission, board,
34 bureau, or agency of the State and without any other proceedings or the happening of any
35 other conditions or things than those proceedings, conditions, or things which are
36 specifically required by this Article.

37 Unless the context indicates otherwise, the word 'bonds', wherever used in this
38 Article, include the words 'bond anticipation notes'.

39 **§ 116D-27. Trust agreement; money received deemed trust funds; insurance;
40 remedies.**

41 (a) Trust Agreement Securing Bonds. – In the discretion of the Board of
42 Governors and subject to the approval of the Director of the Budget, any special
43 obligation bonds issued under this Article may be secured by a trust agreement by and

1 between the Board of Governors and a corporate trustee, which may be any trust
2 company or bank having the powers of a trust company within or without the State. The
3 trust agreement or the resolution providing for the issuance of special obligation bonds
4 may pledge or assign the obligated resources designated as security for the special
5 obligation bonds, but shall not convey or mortgage any property of the institution. The
6 trust agreement or resolution providing for the issuance of special obligation bonds may
7 contain provisions for protecting and enforcing the rights and remedies of the holders of
8 the special obligation bonds that are reasonable and proper and not in violation of law,
9 including covenants setting forth the duties of the Board of Governors in relation to the
10 acquisition, construction, or provision of any of the charging and collecting of any rates,
11 fees, or charges that have been designated as obligated resources, the maintenance, repair,
12 operation, and insurance of any property of the institution, and the custody, safeguarding,
13 and application of all moneys. It shall be lawful for any bank or trust company
14 incorporated under the laws of the State which may act as depository of the proceeds of
15 special obligation bonds or funds securing special obligation bonds to furnish any
16 indemnifying bonds or to pledge any securities as may be required by the Board of
17 Governors. A trust agreement or resolution may set forth the rights and remedies of the
18 holders of the special obligation bonds and the rights, remedies, and immunities of the
19 trustee or trustees, if any, and may restrict the individual right of action by the holders. In
20 addition to the foregoing, a trust agreement or resolution may contain other provisions the
21 Board of Governors considers reasonable and proper for the security of the holders. All
22 expenses incurred in carrying out the provisions of the trust agreement or resolution may
23 be treated as a part of the cost of the special obligation bond projects for which the
24 special obligation bonds are issued or as an expense of operation of the special obligation
25 bond project.

26 (b) Trust Funds. – All moneys received pursuant to the authority of this Article,
27 whether as proceeds from the sale of bonds, or as obligated resources, are trust funds to
28 be held and applied solely as provided in this Article. The Board of Governors may
29 provide for the payment of all or part of the proceeds of the sale of the special obligation
30 bonds and the obligated resources to any officer, board, or depository that it may
31 designate for their custody, and may provide for their method of disbursement, with any
32 safeguards and restrictions it may determine. Any officer with whom, or any bank or
33 trust company with which, moneys are deposited shall act as trustee of the moneys and
34 shall hold and apply them for the purposes of this Article, subject to any requirements
35 provided in this Article and in the resolution or trust agreement, authorizing or securing
36 the special obligation bonds.

37 (c) Insurance. – Notwithstanding the provisions of any other law, the Board of
38 Governors may carry insurance on any special obligation bond projects and any existing
39 facilities in any amounts and covering any risks it considers advisable.

40 (d) Remedies. – Any holder of special obligation bonds issued under this Article
41 and the trustees under a trust agreement, except to the extent the rights given in this
42 section may be restricted by the trust agreement or the resolution authorizing the issuance
43 of the special obligation bonds, may, either at law or in equity, by suit, action,

1 mandamus, or other proceedings, protect and enforce any and all rights under the laws of
2 the State or granted under this Article or under the trust agreement or resolution, and may
3 enforce and compel the performance of all duties required by this Article or by the trust
4 agreement or resolution to be performed by the Board of Governors or by any of its
5 officers, including the fixing, charging, and collecting of obligated resources.

6 **"§ 116D-28. Fixing and collecting obligated resources.**

7 (a) Board to Provide Sufficient Resources. – For the purpose of aiding in the
8 financing of a special obligation bond project and to provide security to the owners of the
9 special obligation bonds issued to finance the special obligation bond project, the Board
10 of Governors is authorized, to the extent the generation of the obligated resources is in
11 the control of the Board, to fix, revise from time to time, charge, and collect the rents,
12 charges, fees, or other revenues constituting the obligated resources. Fees and other
13 revenue sources constituting obligated resources may be imposed or increased only with
14 the approval of the Board of Governors. As long as any special obligation bonds issued
15 under this Article and payable from those obligated resources are outstanding, the
16 obligated resources, to the extent within the control of the Board of Governors, shall be
17 so fixed and adjusted, with relation to other funds available, as to provide funds pursuant
18 to the requirements of the resolution or trust agreement authorizing or securing the
19 special obligation bonds and at least sufficient to pay the principal of and the interest on
20 the special obligation bonds as they become due and payable, to assure the continued
21 collection of the obligated resources, and to create and maintain reserves for these
22 purposes. A sufficient amount of the obligated resources, except any part that may be
23 necessary to pay the cost of maintenance, repair, and operation, and to provide reserves
24 for these purposes and for renewals, replacements, extensions, enlargements, and
25 improvements as may be provided for in the resolution authorizing the issuance of the
26 special obligation bonds or in the trust agreement securing the same, shall be set aside at
27 regular intervals as may be provided in the resolution or trust agreement authorizing the
28 issuance of the special obligation bonds in a sinking fund which is hereby pledged to, and
29 charged with, the payment of the principal of and the interest on the special obligation
30 bonds as they become due and the redemption price or the purchase price of special
31 obligation bonds retired by call or purchase as provided in the resolution or trust
32 agreement. This pledge shall be valid and binding from the time it is made, the obligated
33 resources so pledged and thereafter received by the Board of Governors shall
34 immediately be subject to the lien of the pledge without any physical delivery of the
35 pledge or further act, and the lien of the pledge shall be valid and binding as against all
36 parties having claims of any kind in tort, contract, or otherwise against the Board of
37 Governors, irrespective of whether the parties have notice of the pledge. Neither the
38 resolution nor any trust agreement by which a pledge is created need be filed or recorded
39 except in the records of the Board of Governors. The use and disposition of moneys to
40 the credit of the sinking fund shall be subject to the provisions of the resolution
41 authorizing the issuance of the special obligation bonds or of the trust agreement securing
42 the bonds.

1 (b) State Pledge. – The State pledges to, and agrees with, the holders of any
2 special obligation bonds or notes issued by the Board of Governors pursuant to this
3 Article that as long as any of the special obligation bonds or notes are outstanding and
4 unpaid, the State will not limit or alter the rights vested in the Board of Governors at the
5 time of issuance of the special obligation bonds or notes to set the terms and conditions of
6 the special obligation bonds or notes and to fulfill the terms of any agreements made with
7 the bondholders or noteholders. The State shall in no way impair the rights and remedies
8 of the bondholders or noteholders until the special obligation bonds or notes and all costs
9 and expenses in connection with any action or proceedings by or on behalf of the
10 bondholders or noteholders are fully paid, met, and discharged.

11 **"§ 116D-29. Vesting powers in committee.**

12 The Board of Governors may authorize its budget and finance committee to sell any
13 special obligation bonds which the Board has, with the approval of the Director of the
14 Budget, authorized to be issued under this Article in any manner and under any
15 limitations or conditions as the Board prescribes and to perform other functions under
16 this Article the Board determines.

17 **"§ 116D-30. Refunding bonds.**

18 The Board of Governors may, subject to the approval of the Director of the Budget,
19 issue from time to time refunding bonds for the purpose of refunding any bonds by the
20 Board under this Article or under any Article of Chapter 116 of the General Statutes,
21 including the payment of any redemption premium on them and any interest accrued or to
22 accrue to the date of redemption of the bonds refunded. The Board of Governors is
23 further authorized, subject to the approval of the Director of the Budget, to issue from
24 time to time refunding bonds for the combined purpose of (i) refunding any bonds issued
25 by the Board under this Article or under any Article of Chapter 116 of the General
26 Statutes, including the payment of any redemption premium on them and any interest
27 accrued or to accrue to the date of redemption of the bonds, and (ii) paying all or any part
28 of the cost of acquiring or constructing any additional special obligation bond projects.

29 This Article, as applicable, governs the issuance of refunding bonds, their maturities
30 and other details, the rights and remedies of their holders, and the rights, powers,
31 privileges, duties, and obligations of the Board of Governors with respect to them.

32 **"§ 116D-31. Additional and alternative method.**

33 This Article provides an additional and alternative method for the doing of the things
34 authorized and is supplemental and additional to powers conferred by other laws,
35 including G.S. 116-175 to G.S. 116-185, inclusive and G.S. 116-197 and G.S. 116-198,
36 and is not in derogation of or repealing any powers now existing under any other law,
37 whether general, special, or local. The issuance of special obligation bonds or refunding
38 bonds under this Article, however, need not comply with the requirements of any other
39 law applicable to the issuance of bonds.

40 **"ARTICLE 4.**

41 **"COMMUNITY COLLEGES FACILITIES GENERAL OBLIGATION FINANCE**
42 **ACT.**

43 **"§ 116D-41. Short title.**

1 This Article may be cited as the Community College Facilities General Obligation
2 Finance Act.

3 **"§ 116D-42. Definitions.**

4 The following definitions apply in this Article:

- 5 (1) Bonds. – Bonds authorized to be issued under this Article, including
6 refunding bonds.
- 7 (2) Community college. – Defined in G.S. 115D-2.
- 8 (3) Community college general obligation bonds. – Bonds authorized to be
9 issued under this Article, including refunding bonds.
- 10 (4) Community Colleges System Office. – The North Carolina Community
11 Colleges System Office, created by Article 1 of Chapter 115D of the
12 General Statutes, or if the Community Colleges System Office is
13 abolished or otherwise divested of its functions under this Article, the
14 public body succeeding it in its principal functions, or upon which are
15 conferred by law the rights, powers, and duties given by this Article to
16 the Community Colleges System Office.
- 17 (5) Notes. – Notes issued under this Article.

18 **"§ 116D-43. Authorization of bonds and notes.**

19 Subject to a favorable vote of a majority of the qualified voters of the State who vote
20 on the question of issuing community college general obligation bonds in the election
21 held as provided by law, and upon the application of the Community Colleges System
22 Office, the State Treasurer may, by and with the consent of the Council of State, issue
23 and sell, at one time or from time to time, community college general obligation bonds of
24 the State to be designated 'State of North Carolina Community College General
25 Obligation Bonds', with any additional designations as may be determined to indicate the
26 issuance of bonds from time to time, or notes of the State. Except as otherwise provided
27 by this Article, the aggregate amount of bonds and notes issued pursuant to this Article
28 shall not exceed two hundred million dollars (\$200,000,000). Refunding bonds and notes
29 issued pursuant to G.S. 116D-46(f) shall not be included in the limitation on the
30 aggregate amount of bonds and notes that may be issued pursuant to this Article.

31 The proceeds of bonds or notes issued under this Article shall be applied to finance
32 the cost of grants to be made by the State to community colleges to finance the cost of
33 capital facilities for the community college or to refund any outstanding bonds or notes
34 issued under this Article. The capital facilities to be improved, constructed, or acquired
35 with the proceeds of bonds or notes shall be determined as provided in G.S. 116D-44.

36 **"§ 116D-44. Designation of capital facilities and preconditions to bond issuance.**

37 The capital facilities to be financed in whole or in part with the proceeds of
38 community college general obligation bonds shall be described in legislation enacted
39 from time to time by the General Assembly. This legislation shall also provide for voter
40 approval of the bonds to finance the capital facilities and shall become effective only
41 upon approval by the voters. The proceeds of community college general obligation
42 bonds shall not be expended to pay the costs of any capital facilities other than those
43 described in that legislation.

1 **"§ 116D-45. Faith and credit.**

2 The faith and credit and taxing power of the State are hereby pledged for the payment
3 of the principal of and the interest on bonds and notes. The State retains the right to
4 amend any provision of this Article to the extent it does not impair any contractual right
5 of a bond owner.

6 **"§ 116D-46. Issuance of bonds and notes.**

7 (a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or
8 term bonds or notes, or any combination of these, may mature in any amounts and at any
9 times, not exceeding 25 years from their dates, may be payable at any places, either
10 within or without the United States, in any coin or currency of the United States that at
11 the time of payment is legal tender for payment of public and private debts, may bear
12 interest at any rates, which may vary from time to time, and may be made redeemable
13 before maturity, at the option of the State or otherwise as may be provided by the State, at
14 any prices, including a price greater than the face amount of the bonds or notes, and
15 under any terms and conditions, all as may be determined by the State Treasurer, by and
16 with the consent of the Council of State.

17 (b) Signatures; Form and Denomination; Registration. – Bonds or notes may be
18 issued in certificated or uncertificated form. If issued in certificated form, bonds or notes
19 shall be signed on behalf of the State by the Governor or shall bear the Governor's
20 facsimile signature, shall be signed by the State Treasurer or shall bear the State
21 Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of
22 the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures
23 of the Governor and the State Treasurer, the bonds or notes shall also bear a manual
24 signature which may be that of a bond registrar, trustee, paying agent, or designated
25 assistant of the State Treasurer. The form and denomination of bonds or notes, including
26 the provisions with respect to registration of the bonds or notes and any system for their
27 registration, shall be as the State Treasurer may determine in conformity with this Article.

28 (c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as
29 to the manner in which bonds or notes shall be offered for sale, whether at public or
30 private sale, whether within or without the United States, and whether by publishing
31 notices in certain newspapers and financial journals, mailing notices, inviting bids by
32 correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is
33 authorized to sell bonds or notes at one time or from time to time at any rates of interest,
34 which may vary from time to time, and at any prices, including a price less than the face
35 amount of the bonds or notes, as the State Treasurer may determine. All expenses
36 incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State
37 Treasurer from the proceeds of bonds or notes or other available moneys.

38 (d) Application of Proceeds. – The proceeds of any bonds or notes shall be used
39 solely for the purposes for which the bonds or notes were issued and shall be disbursed in
40 the manner and under the restrictions, if any, that the Council of State may provide in the
41 resolution authorizing the issuance of, or in any trust agreement securing, the bonds or
42 notes.

1 Any additional moneys which may be received by means of a grant or grants from the
2 United States or any agency or department thereof or from any other source to aid in
3 financing the cost of a capital facility may be disbursed, to the extent permitted by the
4 terms of the grant or grants, without regard to any limitations imposed by this Article.

5 (e) Notes; Repayment. – By and with the consent of the Council of State, the State
6 Treasurer is authorized to borrow money and to execute and issue notes of the State for
7 the same, but only in the following circumstances and under the following conditions:

8 (1) For anticipating the sale of bonds the issuance of which the Council of
9 State has approved, if the State Treasurer considers it advisable to
10 postpone the issuance of the bonds.

11 (2) For the payment of interest on or any installment of principal of any
12 bonds then outstanding, if there are not sufficient funds in the State
13 treasury with which to pay the interest or installment or principal as they
14 respectively become due.

15 (3) For the renewal of any loan evidenced by notes authorized in this
16 Article.

17 (4) For the purposes authorized in this Article.

18 (5) For refunding bonds or notes as authorized in this Article.

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

24 (f) Refunding Bonds and Notes. – By and with the consent of the Council of State,
25 the State Treasurer is authorized to issue and sell refunding bonds and notes for the
26 purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of
27 issuance of the refunding bonds or notes. The refunding bonds and notes may be
28 combined with any other issues of State bonds and notes similarly secured. Refunding
29 bonds or notes may be issued at any time prior to the final maturity of the debt or
30 obligation to be refunded. The proceeds from the sale of any refunding bonds or notes
31 shall be applied to the immediate payment and retirement of the bonds or notes being
32 refunded or, if not required for the immediate payment of the bonds or notes being
33 refunded, the proceeds shall be deposited in trust to provide for the payment and
34 retirement of the bonds or notes being refunded and to pay any expenses incurred in
35 connection with the refunding. Money in a trust fund may be invested in (i) direct
36 obligations of the United States government, (ii) obligations the principal of and interest
37 on which are guaranteed by the United States government, (iii) obligations of any agency
38 or instrumentality of the United States government if the timely payment of principal and
39 interest on the obligations is unconditionally guaranteed by the United States
40 government, or (iv) certificates of deposit issued by a bank or trust company located in
41 the State if the certificates are secured by a pledge of any of the obligations described in
42 (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest,
43 equal at least to the principal amount of the certificates so secured. This section does not

1 limit the duration of any deposit in trust for the retirement of bonds or notes being
2 refunded but that have not matured and are not presently redeemable, or if presently
3 redeemable, have not been called for redemption.

4 (g) Community College Bonds Fund. – The proceeds of community college
5 general obligation bonds and notes, including premium thereon, if any, except the
6 proceeds of bonds the issuance of which has been anticipated by bond anticipation notes
7 or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a
8 special fund to be designated 'Community College Bonds Fund'. Moneys in the
9 Community College Bonds Fund shall be used for the purposes set forth in this Article.

10 Any additional moneys that may be received by means of a grant or grants from the
11 United States of America or any agency or department thereof or from any other source
12 to aid in financing the cost of any community college capital facilities authorized by this
13 Article may be placed by the State Treasurer in the Community College Bonds Fund or in
14 a separate account or fund and shall be disbursed, to the extent permitted by the terms of
15 the grant or grants, without regard to any limitations imposed by this act.

16 The proceeds of community college general obligation bonds and notes may be used
17 with any other moneys made available by the General Assembly for the making of grants
18 to community colleges for capital facilities, including the proceeds of any other State
19 bond issues, whether previously made available or which may be made available after the
20 effective date of this Article. The proceeds of community college bonds and notes shall
21 be expended and disbursed under the direction and supervision of the Director of the
22 Budget. The funds provided by this Article for grants to community colleges shall be
23 disbursed for the purposes provided in this Article upon warrants drawn on the State
24 Treasurer by the State Controller, which warrants shall not be drawn until requisition has
25 been approved by the Director of the Budget and which requisition shall be approved
26 only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the
27 General Statutes.

28 **"§ 116D-47. Variable rate demand bonds and notes.**

29 (a) In fixing the details of bonds and notes, the State Treasurer may provide that
30 the bonds and notes may:

31 (1) Be made payable from time to time on demand or tender for purchase
32 by the owner, if a credit facility supports the bonds or notes, unless the
33 State Treasurer specifically determines that a credit facility is not
34 required upon a finding and determination by the State Treasurer that
35 the absence of a credit facility will not materially and adversely affect
36 the financial position of the State and the marketing of the bonds or
37 notes at a reasonable interest cost to the State.

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

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

41 (4) Bear interest at rates that may vary from any periods of time, as may be
42 provided in the proceedings providing for the issuance of the bonds or

notes, including, without limitation, any variations as may be permitted pursuant to a par formula.

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

(b) If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium, or for any other reason, then the amount of authorized but unissued bonds or notes during the term of the credit facility shall not be less than the amount of the excess, unless the payment of the excess is otherwise provided for by agreement of the State executed by the State Treasurer.

§ 116D-48. Other agreements.

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with the issuance of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to be associated with any bond issue under this Article as the State Treasurer considers necessary.

§ 116D-49. Procurement of capital facilities.

Any laws, rules, or regulations of the State that relate to the acquisition and construction of capital facilities shall apply to the capital facilities financed pursuant to this Article."

Section 2. Proceeds of University Improvement General Obligation Bonds. –

(a) The proceeds of university improvement general obligation bonds and notes, including any premium thereon, except the proceeds of university improvement general obligation bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be allocated and expended for paying the cost of university capital facilities, to the extent and as provided in Article 2 of Chapter 116D of the General Statutes, as enacted by this act and subject to change as provided in this act, as follows:

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvement</u>	<u>Projected Allocation</u>
Appalachian State University	
Central Library Complex - Planning.....	\$ 2,350,000
New Science Building - Planning	1,260,000
Rankin Science Building - Renovation and modernization	7,750,000
Belk Library Renovation - Planning	545,020

1	Living and Learning Center - Academic Facility	4,022,725
2	Visual Arts Center - Renovation and Addition	5,774,700
3	Smith Wright Hall - Renovation and	
4	modernization	1,636,111
5	Founders Hall - Renovation and modernization	1,044,082
6	Land Acquisition	3,939,512
7	Potable Water - Infrastructure improvements	1,000,000
8	Technology Infrastructure Expansion	4,838,909
9		
10	East Carolina University	
11	Science Laboratories and Technology Building	55,125,315
12	Expansion of the Rivers Building - Planning	11,997,300
13	Nursing, Allied Health and DEC Complex:	
14	Medical School - Planning 2,250,000	
15	Land Acquisition - Phase I	1,500,000
16	Classroom Improvements - Phase II	1,126,844
17	Infrastructure	2,250,000
18	Materials Warehouse	2,000,000
19	Campus Computing Center - Renovation	1,785,000
20	Technology Infrastructure Expansion	807,575
21		
22	Elizabeth City State University	
23	New Residence Hall	6,510,000
24	General Campus Development - Planning	250,000
25	Lester Hall - Renovation and modernization	2,809,370
26	Williams Hall - Renovation and modernization	3,047,370
27	Mitchell-Lewis Residence - Renovation and modernization	2,123,675
28	Roebuck Stadium Field House	1,260,000
29	Technology Infrastructure Expansion	3,149,387
30		
31	Fayetteville State University	
32	New Residence Hall	6,872,250
33	Charles A. Lyons Science - Renovation/	
34	modernization and addition 10,819,230	
35	Technology Infrastructure Expansion	1,137,582
36		
37	North Carolina Agricultural and Technical State University	
38	General Classroom & Laboratory Building	
39	Complex #1 29,470,665	
40	Land Acquisition	4,300,000
41	Chemistry Building	21,831,600
42	Curtis Hall - Replacement	3,723,510
43	General Renovations and Modernizations	1,374,707

1	Technology Infrastructure Expansion.....	2,921,662
2		
3	North Carolina Central University	
4	New Science Complex and Demolition of	
5	Old Hillside High School 36,780,000	
6	General Campus Master Plan.....	250,000
7	Shepard Dormitory - Renovation and modernization.....	7,233,196
8	Latham Hall - Renovation and modernization.....	3,411,600
9	Technology Infrastructure Expansion.....	1,422,080
10		
11	North Carolina School of the Arts	
12	Basic Performance & Education Complex - Phase I.....	11,500,000
13	Stevens Center - Renovation and modernization.....	2,700,000
14	New Student Activities Building - Renovation.....	1,536,651
15	Technology Infrastructure Expansion.....	1,862,312
16		
17	North Carolina State University	
18	Withers Hall - Renovations.....	22,960,770
19	Laezar Hall - Renovations.....	8,361,104
20	College of Engineering Complex - Phase I.....	32,806,515
21	College of Engineering Complex - Phase II Design.....	4,000,000
22	David-Clark Laboratory - Renovation and addition.....	11,555,775
23	Jordan Hall Addition.....	13,553,295
24	Undergraduate Science Teaching Labs - Phase I.....	23,606,520
25	Undergraduate Science Teaching Labs - Phase II.....	12,197,010
26	Administrative Services Center.....	7,091,319
27	College of Veterinary Medicine Research -	
28	Renovation and addition 20,179,950	
29	Chilled Water and Cooling Tower - Brickyard.....	2,913,750
30	Chilled Water Central Plant - North Campus.....	5,040,187
31	Centennial Campus - Infrastructure - Engineering.....	9,363,846
32	North Campus Chiller Service - Distribution.....	6,665,277
33	Steam Distribution and Capacity - Sullivan Drive.....	3,244,080
34	Technology Infrastructure Expansion.....	2,308,681
35		
36	University of North Carolina at Asheville	
37	New Math/Science Building - Planning.....	1,250,000
38	Highsmith Center - Renovation and addition.....	9,473,100
39	New Physical Plant Building.....	6,318,900
40	Carmichael Hall - Renovation and	
41	modernization - Planning 400,000	
42	Zaiger Hall - Renovation and	
43	modernization - Planning 350,000	

1	General Campus Improvements.....	2,102,093
2	Technology Infrastructure Expansion.....	751,235
3		
4	University of North Carolina at Chapel Hill	
5	Murphey Hall - Renovations.....	6,403,317
6	Institute of Marine Sciences.....	1,746,000
7	Interdisciplinary Physical Sciences Building.....	59,000,000
8	Carrington Hall, School of Nursing - Addition.....	5,873,000
9	School of Public Health	28,900,000
10	Memorial Hall	12,000,000
11	Biomolecular Research Bldg, School of Medicine.....	26,718,000
12	R.D. Smith Middle School Wing, School of Education	1,442,896
13	Administrative Office Building	7,005,200
14	Infrastructure/Technology Improvements.....	15,654,531
15	Digital Multimedia Instructional Center.....	12,000,000
16	Academic Facilities Renovations.....	26,000,000
17	Technology Infrastructure Expansion.....	3,777,350
18		
19	University of North Carolina at Charlotte	
20	Academic Facilities - Humanities	10,046,925
21	Science and Technology Building	35,707,035
22	Classroom and Office Building.....	22,756,968
23	College of Education Building - Planning	1,300,000
24	College of Nursing and Health Professions - Planning	720,748
25	Technology Infrastructure Expansion.....	3,345,507
26		
27	University of North Carolina at Greensboro	
28	Science Instructional Building.....	38,412,150
29	Roadway Improvements	6,825,000
30	Land Acquisition.....	7,000,000
31	Brown - Renovation and modernization	6,062,668
32	Technology Infrastructure Expansion.....	7,859,789
33		
34	University of North Carolina at Pembroke	
35	Regional Center for Economic, Professional, and	
36	Community Development 4,004,385	
37	New Science Building.....	9,408,000
38	Jones PE Building - Renovation and modernization	2,212,660
39	Locklear - Renovation and modernization.....	1,500,000
40	D.F. Lowery Building - Renovation and	
41	modernization 1,500,000	
42	Wellons Hall - Renovation and modernization.....	2,000,000
43	Technology Infrastructure Expansion.....	2,798,476

1		
2	University of North Carolina at Wilmington	
3	School of Education Building	17,576,000
4	General Classroom Building	12,647,000
5	Hoggard Hall - Renovation and modernization	2,500,000
6	Friday Hall - Renovation and modernization.....	3,040,986
7	S. G. Kenan Auditorium - Renovation and	
8	modernization 2,000,000	
9	Marine Sciences Research Center - Operations Facilities	1,930,000
10	Land Acquisition.....	2,100,000
11	Technology Infrastructure Expansion.....	2,948,927
12		
13	Western Carolina University	
14	Fine and Performing Arts Center	25,805,745
15	McKee Building - Renovation and modernization	5,289,690
16	Bird Building - Renovation.....	1,836,450
17	Land Acquisition.....	1,126,004
18	Hinds University Center - Addition (partial)	1,000,000
19	Steam Plant Improvements - Phase III.....	644,595
20	Technology Infrastructure Expansion.....	5,018,607
21		
22	Winston-Salem State University	
23	Computer Science Facility	5,087,272
24	New Physical and Life Sciences Building - Phase I	10,723,345
25	Technology Infrastructure Expansion.....	1,676,127
26		
27	University of North Carolina Center for Public Television	
28	Conversion to Digital TV - Phase I.....	28,129,140
29	North Carolina School of Science and Mathematics	
30	Renovation of Bryan Center	3,172,575
31	North Carolina Arboretum	
32	Maintenance & Operations Facility	1,541,295
33	Entrance Gates and Gatehouses	785,610
34	Main Entrance Road Utility & Landscape Development	2,259,180
35	General Administration Building Renovation.....	2,887,500
36	Central Library Storage Facility and Central Records	
37	Storage - Planning	<u>500,000</u>
38		
39	TOTAL	\$ 1,000,000,000
40		

41 Section 2.(b) The Director of the Budget is empowered, when the Director of
42 the Budget determines it is in the best interest of the State and the University to do so,
43 and if the cost of a particular capital facility is less than the amount allocated for it, to use

1 the excess funds to meet increased cost of other capital facilities itemized in this section
 2 and located at the same institution. The Director of the Budget shall report to the Joint
 3 Legislative Commission on Governmental Operations on changes made under this
 4 subsection. In addition, any capital facility and the amount of the allocation for it set
 5 forth above may be changed from time to time as the General Assembly may decide. The
 6 provisions of G.S. 116-11(9) with respect to appropriations to the Board of Governors of
 7 The University of North Carolina shall not apply to proceeds of university improvement
 8 general obligation bonds and notes issued pursuant to Article 2 of Chapter 116D of the
 9 General Statutes, as enacted by this act.

10 Section 2.(c) Allocations to the costs of a capital improvement or undertaking
 11 in each case may include allocations to pay the costs set forth in this act in connection
 12 with the issuance of university improvement general obligation bonds for that capital
 13 improvement or undertaking.

14 Section 2.(d) The validity of university improvement general obligation bonds and
 15 notes issued under Article 2 of Chapter 116D of the General Statutes, as enacted by this
 16 act, is not affected by any subsequent adjustment of allocations, or by any failure to
 17 comply with the reporting requirements provided in this act.

18 Section 3. Proceeds of Community College General Obligation Bonds. – (a)
 19 The proceeds of community college general obligation bonds and notes, including any
 20 premium thereon, except the proceeds of community college general obligation bonds the
 21 issuance of which has been anticipated by bond anticipation notes or the proceeds of
 22 refunding bonds or notes, shall be allocated and expended for paying the cost of
 23 community college capital facilities, to the extent and as provided in Article 4 of Chapter
 24 116D of the General Statutes, as enacted by this act and subject to change as provided in
 25 this act, to be located at the following community colleges:

27 COLLEGE	28 NEW REPAIR & CONSTRUCTION	29 TOTAL RENOVATION	30 ALLOCATION
31 Alamance CC	32 \$2,844,030 33 \$3,335,445	34 \$	35 491,415
36 Anson CC	37 1,000,000 38 1,840,055	39 840,055	
40 Asheville- 41 Buncombe TCC	42 1,381,875 43 3,104,677	44 1,722,802	
45 Beaufort County CC	46 1,000,000 47 2,128,185	48 1,128,185	
49 Bladen CC	50 1,000,000 51 1,279,588	52 279,588	

1				
2	Blue Ridge CC	2,030,342		2,305,387
3		4,335,729		
4				
5	Brunswick CC	1,000,000		248,261
6		1,248,261		
7				
8	Caldwell CC & TI	2,844,030		377,326
9		3,221,356		
10				
11	Cape Fear CC	1,000,000		2,068,435
12		3,068,435		
13				
14	Carteret CC	1,000,000		1,882,001
15		2,882,001		
16				
17	Catawba Valley CC	1,242,780		2,743,429
18		3,986,209		
19				
20	Central Carolina CC	6,897,631		244,147
21		7,141,778		
22				
23	Central Piedmont CC	6,315,060		6,129,832
24		12,444,892		
25				
26	Cleveland CC	1,000,000		486,221
27		1,486,221		
28				
29	Coastal Carolina CC	2,844,030		348,511
30		3,192,541		
31				
32	College of the			
33	Albemarle	4,465,864	128,735	4,594,599
34				
35	Craven CC	2,844,030		573,564
36		3,417,594		
37				
38	Davidson County CC	1,000,000		2,287,656
39		3,287,656		
40				
41	Durham TCC	2,844,030		842,633
42		3,686,663		
43				

1	Edgecombe CC	5,198,250	1,563,500
2		6,761,750	
3			
4	Fayetteville TCC	2,844,030	2,166,691
5		5,010,721	
6			
7	Forsyth TCC	1,000,000	1,039,816
8		2,039,816	
9			
10	Gaston College	1,000,000	270,458
11		1,270,458	
12			
13	Guilford TCC	2,311,980	3,083,432
14		5,395,412	
15			
16	Halifax CC	1,000,000	817,189
17		1,817,189	
18			
19	Haywood CC	1,000,000	2,195,573
20		3,195,573	
21			
22	Isothermal CC	1,000,000	949,267
23		1,949,267	
24			
25	James Sprunt CC	1,000,000	516,788
26		1,516,788	
27			
28	Johnston CC	1,000,000	921,977
29		1,921,977	
30			
31	Lenoir CC	2,308,020	1,048,459
32		3,356,479	
33			
34	Martin CC	1,340,460	142,636
35		1,483,096	
36			
37	Mayland CC	3,148,914	213,742
38		3,362,656	
39			
40	McDowell TCC	1,128,600	273,269
41		1,401,869	
42			

1	Mitchell CC	1,000,000	983,677
2		1,983,677	
3			
4	Montgomery CC	1,000,000	301,703
5		1,301,703	
6			
7	Nash CC	1,000,000	1,021,442
8		2,021,442	
9			
10	Pamlico CC	1,000,000	302,049
11		1,302,049	
12			
13	Piedmont CC	1,909,710	2,111,177
14		4,020,887	
15			
16	Pitt CC	2,844,030	2,091,308
17		4,935,338	
18			
19	Randolph CC	1,000,000	551,886
20		1,551,886	
21			
22	Richmond CC	2,844,030	984,167
23		3,828,197	
24			
25	Roanoke-Chowan CC	1,000,000	567,718
26		1,567,718	
27			
28	Robeson CC	2,844,030	2,192,511
29		5,036,541	
30			
31	Rockingham CC	1,000,000	1,278,538
32		2,278,538	
33			
34	Rowan-Cabarrus CC	2,844,030	2,925,850
35		5,769,880	
36			
37	Sampson CC	1,000,000	1,653,903
38		2,653,903	
39			
40	Sandhills CC	2,575,320	2,831,582
41		5,406,902	
42			

1	Southeastern CC	1,000,000	1,112,304
2		2,112,304	
3			
4	Southwestern CC	3,714,002	1,228,660
5		4,942,662	
6			
7	Stanly CC	2,844,030	1,506,808
8		4,350,838	
9			
10	Surry CC	3,526,515	225,489
11		3,752,004	
12			
13	Tri-County CC	1,822,425	712,338
14		2,534,763	
15			
16	Vance-Granville CC	7,886,760	805,858
17		8,692,618	
18			
19	Wake TCC	5,688,060	2,850,623
20		8,538,683	
21			
22	Wayne CC	2,844,014	202,099
23		3,046,113	
24			
25	Western		
26	Piedmont CC	1,220,959	1,292,053
27	2,513,012		
28			
29	Wilkes CC	2,776,724	776,451
30		3,553,175	
31			
32	Wilson TCC	<u>1,218,855</u>	<u>921,379</u>
33		<u>2,140,234</u>	
34			
35	TOTAL	\$128,237,450	\$71,762,550
36		\$200,000,000	
37			

38 Section 3.(b) Except as provided in this subsection and subsection (d) of this
39 section, a community college may use the bond proceeds allocated in subsection (a) of
40 this section only in accordance with the allocations in the State Board of Community
41 Colleges' consultant's report on the capital allocation and repairs and renovations funding
42 formula. Funds allocated for repair and renovations must be used in accordance with
43 exhibit 5-6 of the Funding Formula Study: Phase 3 Report, submitted May 15, 1998.

1 Funds allocated for new construction must be used in accordance with exhibits 15 and 16
2 of the Funding Formula Study: Phase 4 Report, submitted February 4, 1999, up to the
3 amounts allocated in this section.

4 Except as provided in this paragraph, new construction funds allocated by the
5 report to a specific site may not be allocated to another site. If the local board of trustees
6 of a community college determines that new construction funds allocated to a specific
7 site are not needed at that site, the board may request that the State Board of Community
8 Colleges reallocate those funds for new construction at another site of the community
9 college. If the State Board of Community Colleges determines that the funds are not
10 needed for new construction at the site for which they were originally allocated, it shall
11 approve the reallocation to the other site and shall substitute the proposed facility at the
12 other site in the Community Colleges System Office's application to the State Treasurer
13 pursuant to G.S. 116D-43.

14 Each community college shall submit to the State Board of Community
15 Colleges a statement (i) proposing the capital facilities to be financed with the proceeds
16 of community college general obligation bonds allocated to that community college, (ii)
17 certifying that the proposed site is included in the consultant's report referred to in this
18 section or is a substitute facility at another site because the funds are not needed for new
19 construction at the site for which they are allocated in the consultant's report, (iii)
20 certifying that the community college is prepared to proceed with the construction,
21 acquisition, or improvement of the proposed capital facilities, and (iv) demonstrating that
22 the applicable matching requirements have been or will be met.

23 Upon receipt by the State Board of Community Colleges of the information set
24 forth above, the Board shall add the proposed capital facilities to the next application of
25 the Community Colleges System Office to the State Treasurer to issue bonds pursuant to
26 G.S. 116D-43.

27 The board of trustees of an individual community college may use funds
28 allocated for new construction either for new construction or for repair and renovations.
29 The board of trustees of a community college may use funds allocated for repair and
30 renovations only for repair and renovations, and not for new construction.

31 The projected allocations set forth above may be changed from time to time as
32 the General Assembly may decide.

33 Section 3.(c) Community colleges are not required to match bond proceeds
34 allocated in this section for repair and renovations. The match requirements of Chapter
35 115D of the General Statutes apply to bond proceeds allocated for new construction
36 except as provided in this subsection. The consultant hired by the State Board of
37 Community Colleges to determine funding formulas for the community college system
38 developed an index to measure each county's ability to pay. The consultant found that
39 some counties are unable to meet their local match requirement under Chapter 115D of
40 the General Statutes because of inability to pay. Accordingly, community colleges are
41 required to match bond proceeds allocated for new construction in subsection (a) or (d) of
42 this section only as follows: Community colleges assigned a matching rate of less than
43 forty percent (40%) in the "adjusted matching requirements" contained in exhibit 14 of the

1 State Board of Community Colleges' consultant's Funding Formula Study: Phase 4
 2 Report, submitted February 4, 1999, are not required to match, and community colleges
 3 assigned a matching rate of forty percent (40%) or more in the adjusted matching
 4 requirements are required to match only at the assigned rate.

5 Section 3.(d) Each community college that was not allocated funds for new
 6 construction in the State Board of Community Colleges' consultant's report on the capital
 7 allocation funding formula may receive the bond proceeds allocated to it for new
 8 construction in subsection (a) of this section only to the extent that it can document to the
 9 State Board of Community Colleges its actual need for funds for new construction, or its
 10 actual need for funds for repair and renovations in excess of the amount allocated to it for
 11 repair and renovations in subsection (a) of this section. If any community college is
 12 unable to document to the State Board of Community Colleges by January 1, 2001, these
 13 needs in the amount of its entire allocation for new construction under subsection (a) of
 14 this section, the State Board shall reallocate the excess of the allocation over the amount
 15 the college was able to document among the remaining community colleges to the extent
 16 they can document actual needs in excess of their allocations in subsection (a) of this
 17 section for new construction, repair, and renovations, or both.

18 Section 3.(e) The validity of community college general obligation bonds and
 19 notes issued under Article 4 of Chapter 116D of the General Statutes, as enacted by this
 20 act, is not affected by any subsequent adjustment of allocations or matching requirements
 21 provided in this act, or by any failure to comply with matching requirements or reporting
 22 requirements provided in this act.

23 Section 4.(a) University of North Carolina Capital Plan. – The General Assembly
 24 finds that recent studies have shown that billions of dollars will be necessary to repair and
 25 renovate the current facilities of the University, to expand the facilities to meet future
 26 enrollment demands, to modernize existing facilities of the University in order for the
 27 University to continue to provide excellent educational opportunities for the people of
 28 North Carolina, and to meet the challenges of changing technologies and globalization of
 29 economies. The amount of bonds authorized in this act for university improvements
 30 represents only a part of the demonstrated needs. The following list encompasses the
 31 critical needs of The University of North Carolina Capital Plan:

<u>Constituent or Affiliated Institution or</u> <u>Board of Governors Capital Improvement</u>	<u>Projected</u> <u>Allocation</u>
Appalachian State University	
Central Library Complex	\$ 47,586,735
New Science Building.....	1,260,000
Rankin Science Building - Renovation and modernization	7,750,000
Belk Library Renovation - Planning	545,020
Living and Learning Center - Academic Facility	4,022,725
Visual Arts Center - Renovation and Addition	6,063,435
Smith Wright Hall - Renovation and	

1	modernization	1,636,111
2	Founders Hall - Renovation and modernization	1,044,082
3	Land Acquisition	4,977,675
4	Potable Water - Infrastructure improvements	2,625,000
5	Technology Infrastructure Expansion	4,838,909
6		
7	East Carolina University	
8	Science Laboratories and Technology Building	55,125,315
9	Expansion of the Rivers Building	11,997,300
10	Nursing, Allied Health and DEC Complex:	
11	Medical School 46,882,500	
12	Flanagan Building - Renovations	13,421,276
13	Land Acquisition - Phase I	5,000,000
14	Classroom Improvements - Phase II	3,648,435
15	Belk Allied Health - Renovations and modernization	7,791,348
16	Library and Study Space Requirements - Phase I	12,600,000
17	Old Cafeteria - Renovations	4,442,103
18	Infrastructure	16,125,165
19	Rivers School of Nursing - North Wing Renovations	2,688,174
20	Materials Warehouse	3,045,315
21	Campus Computing Center - Renovation	1,785,000
22	Academic Space Requirements - Teaching Labs	5,250,000
23	Technology Infrastructure Expansion	807,575
24		
25	Elizabeth City State University	
26	New Student Center	9,178,313
27	New Residence Hall	6,510,000
28	General Campus Development	1,811,250
29	Historic Structures Preservation - Phase I	1,050,000
30	Lester Hall - Renovation and modernization	2,912,177
31	Williams Hall - Renovation and modernization	3,236,156
32	Lane Hall - Renovation and modernization	2,360,568
33	Trigg Hall - Renovation and modernization	2,109,017
34	White Graduate/Cont. Educ. Bldg -	
35	Renovation and modernization 1,575,000	
36	Johnson Hall - Renovation and modernization	3,156,308
37	Wamack Hall - Renovation and modernization	3,334,303
38	Bias Hall - Renovation and modernization	1,858,222
39	Mitchell-Lewis - Renovation and modernization	2,123,675
40	Roebuck Stadium Field House	1,260,000
41	Campus Property Development - Phase I	650,000
42	Technology Infrastructure Expansion	3,149,387
43		

1	Fayetteville State University	
2	New Residence Hall.....	6,872,250
3	Charles A. Lyons Science - Renovation/ 4	
4	modernization and addition	16,800,000
5	Seabrook Auditorium - Renovation and 6	
6	modernization	6,825,000
7	Lauretta J. Taylor Gymnasium - Renovations, 8	
8	modernization, and addition	3,360,000
9	Lilly Gymnasium - Renovation.....	3,256,367
10	Cook Dining Hall - Renovation.....	1,773,450
11	Howard School Museum.....	210,000
12	Fire Safety Improvements, Student Residence Halls.....	611,730
13	Roads, Parking, Landscaping Improvements - Phase I.....	3,675,000
14	Spaulding Infirmary and Roadway/Entrance.....	1,000,000
15	Technology Infrastructure Expansion.....	1,137,582
16		
17	North Carolina Agricultural and Technical State University	
18	General Classroom & Laboratory Building	
19	Complex #1	29,470,665
20	Land Acquisition.....	6,300,000
21	Chemistry Building.....	21,831,600
22	Harrison Auditorium - Renovation and 23	
23	modernization	3,193,196
24	Curtis Hall - Replacement.....	3,723,510
25	Scott Hall - Replacement.....	24,165,330
26	Gamble Complex.....	1,449,420
27	Hazardous Materials and Waste Storage Facility.....	1,575,000
28	Replace Barn - Agricultural Farm.....	919,185
29	Replace Poultry Complex Laying Houses - 30	
30	Agricultural Farm	913,500
31	Zoe Barbee Hall - Renovation and modernization.....	5,876,786
32	Barnes Hall - Renovation and modernization.....	6,097,128
33	Graham Hall - Renovation and modernization.....	5,899,838
34	Corbett Sports Center Addition.....	7,035,000
35	Replacement of Steamlines and Manholes.....	1,568,280
36	Electrical Distribution System - upgrade 37	
37	and expansion	2,256,802
38	Central Cooling Plant - North and South 39	
39	chiller loops	6,405,000
40	Parking Enhancements, Phase I.....	4,725,735
41	Cherry Hall - Renovation and modernization.....	8,613,152
42	General Renovations and Modernizations.....	8,872,918
43	Technology Infrastructure Expansion.....	2,921,662

1		
2	North Carolina Central University	
3	New Science Complex and Demolition of	
4	Old Hillside High School	36,780,000
5	Chidley Hall - Renovation and modernization	6,621,943
6	General Campus Master Plan.....	250,000
7	Farrison-Newton Bldg. - Renovation and	
8	modernization	7,048,652
9	Graduate Apartments, George Street - Replacement.....	1,556,642
10	Rush Hall - Renovation and modernization.....	2,089,387
11	Baynes Hall - Replacement.....	15,091,127
12	Eagleson Hall - Renovation and modernization	6,869,505
13	Shepard Dormitory - Renovation and modernization.....	7,284,923
14	Latham Hall - Renovation and modernization.....	3,411,600
15	McLean Hall - Renovation and modernization.....	1,942,070
16	Pearson Cafeteria - Renovation and modernization.....	1,263,570
17	Fire Safety Improvements - Student Residence Halls	1,612,695
18	Landscape Campus Perimeter	840,000
19	Landscape Pedestrian Corridors.....	787,500
20	Directional Signage - Vehicular/pedestrian	735,000
21	Pedestrian Corridor on Campus Drive	892,500
22	Pedestrian Mall at George Street.	472,500
23	Dormitory Security System.....	630,000
24	Parking Enhancements Phase 1 - Nelson St. Pkg. Deck.....	6,353,235
25	Electrical Power - New transformers	858,654
26	Life-Safety/OSHA Corrections.....	3,675,000
27	Land Acquisition.....	4,000,000
28	Relocate Campus Police Station	840,000
29	Replace Power Distribution Cables	1,115,940
30	Underground Piping Repairs.....	4,252,710
31	Technology Infrastructure Expansion.....	1,422,080
32		
33	North Carolina School of the Arts	
34	Basic Performance & Education Complex	19,130,685
35	Stevens Center - Renovation and modernization.....	4,434,480
36	New Student Activities Building - Renovation.....	2,500,000
37	Roanoke Island Music & Theatrical Complex.....	10,500,000
38	Landscaping Improvements	1,050,000
39	Costume Shop - Renovations and relocations.....	420,000
40	Land Acquisition.....	2,650,000
41	Technology Infrastructure Expansion.....	1,862,312
42		
43	North Carolina State University	

1 I. BUILDINGS

2 A. Renovation, Modernization, & Replacements:

3 Classroom/Office Space

4 Renovation and modernization of buildings..... 91,312,249

5 Laboratory Space

6 Renovation and modernization of buildings..... 49,000,000

7 Student Support Space

8 Renovation, modernization, and fire

9 safety improvements 2,070,000

10 B. Building Capacity:

11 Construction of College of Engineering Complex -

12 Phase I and Phase II; Undergraduate Science

13 Teaching Lab - Phase I and Phase II; Jordan Hall

14 Addition; Gymnasium; Library Space; Student

15 Services Space; and David-Clark Laboratory

16 Renovation and addition 149,978,194

17 C. Other Building Needs:

18 Construction of Administrative Services

19 Center - II; Extension Facilities; Field Research

20 Laboratories and Outlying Research - Phase I;

21 Research Laboratory Space, Phase I; Hazardous

22 Materials Facility; Partners Building V;

23 College of Veterinary Medicine Research Addition

24 and renovations; Physical Sciences Research;

25 Genomic Sciences Research; Services Buildings

26 at Sullivan Site and Centennial Campus 43,960,952

27

28 II. OTHER CAMPUS REQUIREMENTS

29 A. General Campus:

30 University Signage; Pedestrian Tunnel; Security

31 CardAccess; and Public Safety Facility. 15,579,475

32 B. Infrastructure:

33 Construction of Chilled Water Plant; Potable

34 Water Building Backflow Preventers; College of

35 Veterinary Medicine Indoor Air Quality Upgrade;

36 North Campus Chiller Service; Brickyard Loop

37 Chilled Water Extension and Cooling Tower;

38 Infrastructure for Centennial Campus Partnership;

39 Infrastructure for Veterinary Medicine Private/

40 Public Partnership; and Steam Distribution and

41 Capacity Improvements. 92,999,130

42 Technology Infrastructure Expansion 2,308,681

43 C. Land Acquisition 2,100,000

1
2 University of North Carolina at Asheville

3	New Math/Science Building	22,203,195
4	Highsmith Center Renovation and Addition.....	9,473,100
5	New Physical Plant Building	6,318,900
6	Carmichael Hall - Renovation and modernization.....	3,912,805
7	Zaiger Hall - Renovation and modernization.....	3,524,624
8	General Campus Improvements.....	3,728,550
9	Technology Infrastructure Expansion.....	751,235

10
11 University of North Carolina at Chapel Hill

12 I. BUILDINGS

13 A. Renovation, Modernization, & Replacements:

14	Classroom/Office Space	
15	Renovation and modernization of buildings.....	104,861,491
16	Laboratory Space	
17	Renovation and modernization of buildings.....	93,531,460

18 B. Building Capacity:

19	Construction of Multidisciplinary Environmental	
20	Studies Building; Addition to Carrington Hall	
21	- School of Nursing; Teaching Research Bldg	
22	- School of Public Health; and Interdisciplinary	
23	Physical Science Bldg	87,465,000
24	C. Other Building Needs:	
25	Construction of Health Affairs Biomolecular	
26	Research Bldg, Phase I; Health Affairs Frank	
27	Porter Graham Child Development Center; Health	
28	Affairs Institute on Aging Bldg; Center for	
29	Global and International Education; Digital	
30	Multimedia Instructional Center; Medical School	
31	Office Bldg No. 1; Sports Medicine Facility;	
32	Ackland Art Museum Renovation and Expansion;	
33	Relocate Physical Plant Grounds Dept; Administration	
34	Office Bldg; Chapel Hill North; Campus Mail	
35	Center; and Physical Plant Maintenance Shops	
36	Addition	48,000,000

37
38 II. OTHER CAMPUS REQUIREMENTS

39 A. General Campus:

40	Campus Signage System.....	2,100,000
41	B. Infrastructure:	
42	Construction of Storm Drainage Replacement;	
43	Heating Line Installation; Cogeneration Facility	

1	Turbine Generator; Gilsulate Replacement;	
2	Steam Line Installation; East and South Chiller	
3	Plant Expansion; North and South Chiller Plant	
4	Replacements; Energy Management & Control System	
5	Upgrade; Campus Fiber Optics Network; Horace	
6	Williams Infrastructure - Phase I; Main Campus	
7	Infrastructure Expansion - Phase I; Chilled Water	
8	Air Conditioning Systems in Classroom Bldgs;	
9	and Coal Silo Replacement.....	154,041,090
10	Technology Infrastructure Expansion.....	1,287,051
11	C. Land Acquisition:	
12	Land Acquisition - South Campus Expansion.....	8,000,000
13		
14	University of North Carolina at Charlotte	
15	Academic Facilities - Humanities.....	10,046,925
16	Science and Technology Building.....	35,707,035
17	Classroom and Office Building.....	26,102,475
18	College of Education Building.....	24,654,476
19	College of Nursing and Health Professions.....	34,125,000
20	Graduate Engineering Complex.....	14,700,000
21	Research Facility - Phase I.....	16,800,000
22	University Conference Center.....	10,500,000
23	Central Heating Plant Improvement.....	2,625,000
24	Technology Infrastructure Expansion.....	3,345,507
25		
26	University of North Carolina at Greensboro	
27	Science Instructional Building.....	38,412,150
28	Roadway Improvements.....	6,825,000
29	Land Acquisition.....	7,000,000
30	Brown - Renovation and modernization.....	6,493,859
31	Petty Science Building - Renovation and	
32	modernization 16,272,270	
33	McIver Building - Renovation and modernization.....	21,636,510
34	Aycock Auditorium - Renovation and	
35	modernization 17,662,980	
36	Stone - Renovation and modernization.....	8,930,354
37	Heating Plant - Renovation, modernization,	
38	and expansion 4,851,288	
39	Forney Building - Renovation and modernization.....	3,565,364
40	McNutt Building - Renovation and modernization.....	2,723,956
41	Research Space Phase I.....	5,250,000
42	Electrical Power Distribution Upgrades.....	4,091,038
43	McIver Chiller Plant.....	8,373,750

1	Technology Infrastructure Expansion.....	7,859,789
2		
3	University of North Carolina at Pembroke	
4	Regional Center for Economic, Professional, and	
5	Community Development 4,004,385	
6	New Science Building.....	9,408,000
7	Chavis Center Expansion.....	3,221,400
8	Jones PE Building - Renovation and modernization	8,925,000
9	Business Administration Building - Renovation	
10	and modernization 2,140,762	
11	ADA Renovations.....	525,000
12	Locklear - Renovation and modernization.....	2,464,319
13	Moore Hall - Renovation and modernization	2,464,661
14	D.F. Lowery Building - Renovation and	
15	modernization 2,680,528	
16	Jacobs Hall - Renovation and modernization	4,155,525
17	West Hall - Renovation and modernization.....	4,961,580
18	Belk Hall - Renovation and modernization.....	3,055,985
19	Land Acquisition.....	1,500,000
20	Wellons Hall - Renovation and modernization.....	4,323,382
21	Technology Infrastructure Expansion.....	2,798,476
22		
23	University of North Carolina at Wilmington	
24	School of Education Building.....	17,576,370
25	Fine Arts Building/Concert Hall.....	26,250,000
26	General Classroom Building.....	12,646,935
27	Arnold K. King Hall - Renovation and	
28	modernization 2,697,442	
29	Hoggard Hall - Renovation and modernization	3,550,430
30	Alderman Admin. - Renovation and modernization.....	2,940,843
31	Westside Hall - Renovation and modernization	2,687,347
32	Kenan Hall - Renovation and modernization.....	3,056,633
33	Hinton James Hall - Renovation and	
34	modernization 1,843,981	
35	Deloach Hall - Renovation and modernization.....	5,193,585
36	Friday Hall - Renovation and modernization.....	7,693,351
37	S. G. Kenan Auditorium - Renovation and	
38	modernization. 3,095,303	
39	Marine Sciences Research Center - Operations Facilities 3,559,912	
40	Computing Center	1,512,000
41	Print Shop 672,000	
42	Warehouse Expansion.....	1,890,000
43	Land Acquisition.....	2,100,000

1	Sprinkler Systems - Hoggard, Trask, & Nixon	823,620
2	Miscellaneous HVAC Projects	1,027,320
3	Miscellaneous Electrical Projects	676,305
4	Facility Improvements for Energy Efficiency	747,390
5	Primary Electrical Distribution System Upgrade	2,238,158
6	Storm Drainage Improvements	743,185
7	Technology Infrastructure Expansion	2,948,927
8		
9	Western Carolina University	
10	Fine and Performing Arts Center	25,805,745
11	Stillwell - Renovation and modernization	15,057,541
12	McKee Building	5,289,690
13	Bird Building - Renovation	1,836,450
14	Living - Learning Center - Conversion	1,887,113
15	Land Acquisition	3,618,000
16	Breese - Renovation and modernization	1,161,332
17	Vehicular Traffic Relocation	4,989,600
18	Indoor Recreation Facility	6,306,300
19	Hinds University Center - Addition	4,158,000
20	New Housing Facility	13,308,750
21	Chiller Replacement and Retrofit	1,418,655
22	Replace steam and condensate lines	3,937,500
23	Upgrade Electrical Distribution System	883,995
24	Campus Pedestrian Corridors	1,386,000
25	Perimeter Parking Lots	1,039,500
26	Steam Plant Improvements - Phase III	644,595
27	Automated Energy Management System Enhancements	700,455
28	Technology Infrastructure Expansion	5,018,607
29		
30	Winston-Salem State University	
31	Computer Science Facility	5,748,330
32	New Physical and Life Sciences Building - Phase I	12,109,545
33	Anderson School Building - Renovation and	
34	modernization	6,917,905
35	Health Center Building and Old Nursing	
36	Building - Renovation and modernization	2,265,865
37	Carolina Hall - Renovation and modernization	4,270,688
38	Hauser Union - Renovation and modernization	3,895,461
39	Pegram Hall - Renovation and modernization	2,287,613
40	General Campus Improvements - Phase I	3,104,640
41	Technology Infrastructure Expansion	1,676,127
42		
43	University of North Carolina Center for Public Television	

1	Conversion to Digital TV - Phase I.....	64,995,000
2	Mobile Satellite Uplink.....	895,545
3	UNC Public Radio - Building Addition	478,938
4	North Carolina School of Science and Mathematics	
5	Renovation of Bryan Center	3,172,575
6	Renovation of Royall Outreach Center (Wyche	
7	House) 1,990,380	
8	North Carolina Arboretum	
9	Maintenance & Operations Facility	1,541,295
10	Entrance Gates and Gatehouses	785,610
11	Main Entrance Road Utility & Landscape Development	2,259,180
12	Demonstration Greenhouse.....	3,776,325
13	Bus Parking	969,255
14	North Carolina Botanical Gardens - Herbarium Research Building	
15	7,061,355	
16	J. C. Raulston Arboretum Education & Visitors Center	3,639,510
17	General Administration Building Renovation.....	2,887,500
18	Central Library Storage Facility and Central Records	
19	Storage - Planning	500,000
20	Matching Gift Incentive Program Projects.....	<u>282,648,212</u>
21		
22	TOTAL	\$ 2,700,000,000

24 Section 4.(b) Matching Gift Incentive Program Projects. – The critical needs
25 capital plan set out in this section allocates two hundred eighty-two million six hundred
26 forty-eight thousand two hundred twelve dollars (\$282,648,212) for matching gift
27 incentive program projects. The Board of Governors of The University of North Carolina
28 shall employ a private consultant to develop a list of capital facilities which are to be
29 funded jointly from these funds and private donations. The Board of Governors shall
30 submit this list of recommended projects, including the proposed matching requirements
31 by the University or its constituent or affiliated institutions, to the General Assembly by
32 April 1, 2000. The matching requirements must be based on analyses of the fund-raising
33 capabilities of each institution as determined by a private consultant in order to maximize
34 private fund-raising for capital projects. The General Assembly will consider providing
35 these funds for matching gift incentive program projects in accordance with this proposal.

36 Section 5. Interpretation of Act. (a) Additional Method. – This act provides an
37 additional and alternative method for the doing of the things authorized by this act and
38 shall be regarded as supplemental and additional to powers conferred by other laws.
39 Except where expressly provided, this act shall not be regarded as in derogation of any
40 powers now existing. The authority granted in this act is in addition to other laws now or
41 hereinafter enacted authorizing The University of North Carolina to issue self-liquidating
42 debt or other debt secured by designated sources of funds.

1 Section 5.(b) Statutory References. – References in this act to specific sections or
2 Chapters of the General Statutes are intended to be references to those sections or
3 Chapters as they may be amended from time to time by the General Assembly.

4 Section 5.(c) Liberal Construction. – This act, being necessary for the health and
5 welfare of the people of the State, shall be liberally construed to effect its purposes.

6 Section 5.(d) Severability. – If any provision of this act or its application to any
7 person or circumstance is held invalid, that invalidity does not affect other provisions or
8 applications of the act that can be given effect without the invalid provision or
9 application, and to this end the provisions of this act are severable.

10 Section 6. Repair and Renovation Reports. – The Board of Governors of The
11 University of North Carolina shall report annually to the Joint Legislative Commission on
12 Governmental Operations and the Joint Legislative Education Oversight Committee on
13 the condition of all of the University's capital facilities, including a status report on all
14 repair, renovation, and maintenance projects being undertaken and an assessment of
15 needs for additional funding to repair, renovate, and maintain the facilities.

16 The Board of Governors of The University of North Carolina shall also study
17 the repairs and renovations formula currently utilized with respect to funding for the
18 Repairs and Renovations Reserve Account to determine whether it adequately takes into
19 account all of the appropriate maintenance needs of each constituent and affiliated
20 institution, and shall recommend to the Joint Legislative Commission on Governmental
21 Operations and the Joint Legislative Education Oversight Committee any changes
22 necessary to improve the formula. The Board shall make recommendations on the scope
23 and adequacy of the methodology used to calculate the funding for the repairs and
24 renovations reserve as specified in G.S. 143-15.2.

25 Section 7.(a) Minority Business Participation. – The goals set by G.S. 143-128 for
26 participation in projects by minority businesses apply to projects funded by the proceeds
27 of bonds or notes issued under this act. The following State agencies shall monitor
28 compliance with this requirement and shall report to the General Assembly by January 1
29 of each year on the participation by minority businesses in these projects. The State
30 Construction Office, Department of Administration, shall monitor compliance with
31 regard to projects funded by the proceeds of university improvement general obligation
32 bonds and notes and special obligation bonds and notes; the Board of Governors of The
33 University of North Carolina shall provide the State Construction Office any information
34 required by the State Construction Office to monitor compliance. The Community
35 Colleges System Office shall monitor compliance with regard to projects funded by the
36 proceeds of community college general obligation bonds and notes.

37 Section 7.(b) The Department of State Treasurer shall provide contracting
38 opportunities for historically underutilized businesses in providing professional services
39 in connection with the issuance of bonds and notes authorized by this act. As used in this
40 subsection, the term "historically underutilized business" means a business described in
41 G.S. 143-48. The Department of State Treasurer shall strive to increase the amount of
42 legal, financial, and other professional services acquired by it from historically
43 underutilized businesses. With the assistance of the Office for Historically Underutilized

1 Businesses in the Department of Administration, the Department of State Treasurer shall
2 set objectives for contracting with these businesses, identify and eliminate barriers or
3 constraints that may restrict these businesses from contracting with the Department, and
4 develop a plan for meeting its objectives. The Department of State Treasurer shall report
5 quarterly to the Office for Historically Underutilized Businesses on its progress in
6 carrying out the requirements of this subsection.

7 Section 8. Private Resources for University Improvements. – The Board of
8 Governors of The University of North Carolina shall review the recommendations in the
9 "Capital Equity and Adequacy Study" regarding the potential for increased use of private
10 resources in providing University facilities. The Board of Governors shall study the
11 potential for private development of these facilities as student housing, public/private
12 partnerships for joint development of facilities, establishment of a private nonprofit
13 corporation to assist in development of University facilities, and any other alternatives
14 the Board considers appropriate and feasible. The Board of Governors shall develop
15 recommendations and proposals to implement these recommendations and report these
16 proposals to the Joint Legislative Education Oversight Committee by April 15, 2000.

17 Section 9. Article 36 of Chapter 143 of the General Statutes is amended by
18 adding a new section to read:

19 **"§ 143-342.2. Restriction on naming construction projects funded by the State.**

20 Notwithstanding any other provision of law, no construction project funded in whole
21 or in part from State funds shall be named for a member of the General Assembly or the
22 Council of State during the time the person is holding office either as a member of the
23 General Assembly or the Council of State."

24 Section 10. The question of the issuance of the bonds authorized by Articles 2
25 and 4 of Chapter 116D of the General Statutes, as enacted by this act, and authorized by
26 Sections 2 and 3 of this act, shall be submitted to the qualified voters of the State at the
27 statewide primary election to be held in May 2000. Any other primary, election, or
28 referendum validly called or scheduled by law at the time the election on the bond
29 question provided for in this section is held may be held as called or scheduled. Notice of
30 the election shall be given in the manner and at the times required by G.S. 163-33(8).
31 The election and the registration of voters therefor shall be held under and in accordance
32 with the general laws of the State. Absentee ballots shall be authorized in the election.

33 The State Board of Elections shall reimburse the counties of the State for all
34 necessary expenses incurred in holding the election that are in addition to those that
35 would have otherwise been incurred, the same to be paid out of the Contingency and
36 Emergency Fund or other funds available to the State Board of Elections.

37 Ballots, voting systems authorized by Article 14 of Chapter 163 of the General
38 Statutes, or both may be used in accordance with rules prescribed by the State Board of
39 Elections. The bond question to be used in the ballots or voting systems shall be in
40 substantially the following form:

41 [] FOR [] AGAINST

42 the issuance of one billion two hundred million dollars (\$1,200,000,000) State of North
43 Carolina Higher Education Improvement General Obligation Bonds constituting general

1 obligation bonds of the State secured by a pledge of the faith and credit and taxing power
2 of the State for the purpose of providing funds, with any other available funds, to pay the
3 cost of capital improvements for constituent or affiliated institutions and the Center for
4 Public Television of The University of North Carolina and to make grants to community
5 colleges to pay all or a portion of the cost of providing capital improvements.

6 If a majority of those voting on the bond question in the election vote in favor
7 of the issuance of the bonds, the bonds may be issued as provided in this act. If a
8 majority of those voting on the bond question in the election do not vote for the issuance
9 of the bonds, the bonds shall not be issued.

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

14 Section 11. This act is effective when it becomes law.