GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

H D

HOUSE DRH50411-LC-236 (05/20)

Short Title: Modify UNC Special Obligation Bonds. (Public)

Sponsors: Representative McComas.

Referred to:

1 2

3 4

5

6 7

8

9

10

11

12

13 14

15

16

17

18

19

20

21 22

23

24

25

26

27

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO ISSUE SPECIAL OBLIGATION BONDS FOR CERTAIN EQUIPMENT PROJECTS WITHOUT PRIOR APPROVAL OF THE GENERAL ASSEMBLY OR THE BOARD OF TRUSTEES OF THE INSTITUTION WHERE THE PROJECT IS LOCATED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116D-26(b) reads as rewritten:

Approval Required. – Prior approval by a board of trustees or by the General Assembly is not required for the issuance of special obligation bonds, the proceeds of which are to be used solely for acquiring equipment and the aggregate amount of which does not exceed five percent (5%) of the annual operating revenues of the institution for whose benefit the special obligation bonds are to be issued, as shown in its most recent audited financial statements. The Board of Governors shall not issue any other special obligation bonds for a project at an institution unless the board of trustees of that institution has approved the issuance of bonds for that project. The Board of Governors shall not issue special obligation bonds under this Article until (i) the board of trustees of each institution for whose benefit the bonds are to be issued have approved the issuance of the bonds, and (ii) the effective date of legislation enacted by the General Assembly authorizing the undertaking of the special obligation bond project to be financed and fixing the maximum aggregate principal amount of special obligation bonds that shall be issued for that purpose. In submitting proposed special obligation bond projects to the General Assembly for approval, the Board of Governors shall submit information on the need for each project, project costs, estimates of increased operating costs upon completion, estimated debt service requirements, and the sources and amounts of obligated resources to be pledged for the repayment of the bonds. If the obligated resources to repay the bonds or to operate the proposed project potentially 1 2

3

4

5 6

7 8

9

10

involve increased costs to students or to the General Fund, these costs shall be identified in the Board of Governors' submission.

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

SECTION 2. This act is effective when it becomes law.