

State infrastructure banking program within the Department of Transportation; Now, therefore,

1 The General Assembly of North Carolina enacts:

2 Section 1. G.S. 136-18 is amended by adding a new subdivision to read:

3 "(12a) The Department of Transportation shall have such powers as are
4 necessary to establish, administer, and receive federal funds for a
5 transportation infrastructure banking program as authorized by the
6 Intermodal Surface Transportation Efficiency Act of 1991, Pub. L. 102-
7 240, as amended, and the National Highway System Designation Act of
8 1995, Pub. L. 104-59, as amended. The Department of Transportation
9 is authorized to apply for, receive, administer, and comply with all
10 conditions and requirements related to federal financial assistance
11 necessary to fund the infrastructure banking program. The
12 infrastructure banking program established by the Department of
13 Transportation may utilize federal and available State funds for the
14 purpose of providing loans or other financial assistance to governmental
15 units, including toll authorities, to finance the costs of transportation
16 projects authorized by the above federal aid acts. Such loans or other
17 financial assistance shall be subject to repayment and conditioned upon
18 the establishment of such security and the payment of such fees and
19 interest rates as the Department of Transportation may deem necessary.
20 The Department of Transportation is authorized to apply a
21 municipality's share of funds allocated under G.S. 136-41.1 or G.S. 136-
22 44.20 as necessary to ensure repayment of funds advanced under the
23 infrastructure banking program. The Department of Transportation
24 shall establish jointly, with the State Treasurer, a separate infrastructure
25 banking account with necessary fiscal controls and accounting
26 procedures. Funds credited to this account shall not revert, and interest
27 and other investment income shall accrue to the account and may be
28 used to provide loans and other financial assistance as provided under
29 this subdivision. The Department of Transportation may establish such
30 rules and policies as are necessary to establish and administer the
31 infrastructure banking program. The infrastructure banking program
32 authorized under this subdivision shall not modify the regional
33 distribution formula for the distribution of funds established by G.S.
34 136-17.2A. Governmental units may apply for loans and execute debt
35 instruments payable to the State in order to obtain loans or other
36 financial assistance provided for in this subdivision. The Department of
37 Transportation shall require that applicants shall pledge as security for
38 such obligations revenues derived from operation of the benefited
39 facilities or systems, other sources of revenue, or their faith and credit,
40 or any combination thereof. The faith and credit of such governmental
41 units shall not be pledged or be deemed to have been pledged unless the

1 requirements of Article 4, Chapter 159 of the General Statutes have
2 been met. The State Treasurer, with the assistance of the Local
3 Government Commission, shall develop and adopt appropriate debt
4 instruments for use under this subdivision. The Local Government
5 Commission shall develop and adopt appropriate procedures for the
6 delivery of debt instruments to the State without any public bidding
7 therefor. The Local Government Commission shall review and approve
8 proposed loans to applicants pursuant to this subdivision under the
9 provisions of Articles 4 and 5, Chapter 159 of the General Statutes, as if
10 the issuance of bonds was proposed, so far as those provisions are
11 applicable. Loans authorized by this subdivision shall be outstanding
12 debt for the purpose of Article 10, Chapter 159 of the General Statutes."

13 Section 2. This act is effective when it becomes law.