

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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1

SENATE BILL 1463

Short Title: Public School Building Bond Act. (Public)

Sponsors: Senator Cunningham.

Referred to: Finance.

June 18, 2002

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF
3 THE STATE, TO PROVIDE FUNDS FOR GRANTS TO COUNTIES FOR
4 PUBLIC SCHOOL CAPITAL OUTLAY PROJECTS, IN ORDER TO PROMOTE
5 EQUITY IN LOCAL SCHOOL FACILITIES ACROSS THE STATE AND TO
6 ENABLE LOCAL GOVERNMENTS TO GIVE LOCAL PROPERTY TAX
7 RELIEF.

8
9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** Short Title. – This act is the Public School Building Bond Act
11 of 2002.

12 **SECTION 2.(a)** Purpose. – It is the intent of the General Assembly by this
13 act to provide for the issuance of six billion two hundred five million dollars
14 (\$6,205,000,000) general obligation bonds of the State to facilitate the providing of
15 public school buildings by making grants to counties to provide funds for public school
16 capital outlay projects.

17 **SECTION 2.(b)** Revenue Source. – Notwithstanding any other provision of
18 law, there is annually appropriated from the General Fund to the Public School Building
19 Bonds Fund an amount equal to the amount that would otherwise have been distributed
20 to local governments pursuant to the following sections of the General Statutes,
21 repealed by Section 34.15 of S.L. 2001-424, in the fiscal year their repeal becomes
22 effective:

- 23 (1) G.S. 105-164.44C. Reimbursement for sales taxes on food stamp foods
24 and supplemental foods.
25 (2) G.S. 105-275.1. Reimbursement for exclusion of manufacturers'
26 inventories and poultry and livestock.
27 (3) G.S. 105-275.2. Reimbursement to counties and municipalities for
28 repeal of State tax on intangible personal property.

- 1 (4) G.S. 105-277.001. Reimbursement for exclusion of retailers' and
2 wholesalers' inventories.
- 3 (5) G.S. 105-277.1A. Property classified for taxation at reduced valuation;
4 duties of tax collectors; reimbursement of localities for portion of tax
5 lost.

6 These funds may be used only for debt service on the Public School Building
7 Bonds authorized by this act. This subsection is repealed effective on the date that the
8 State Treasurer certifies to the Office of State Budget and Management that the
9 retirement of all outstanding obligations under this act has been provided for. Any funds
10 appropriated under this subsection and not needed as of that date for debt service on the
11 Public School Building Bonds authorized by this act revert to the General Fund.

12 **SECTION 3.** Definitions. – The following definitions apply in this act:

- 13 (1) Bonds. – Bonds issued under this act.
- 14 (2) Cost. – Any of the following in financing the cost of public school
15 capital outlay projects authorized by this act:
- 16 a. The cost of constructing, reconstructing, enlarging, acquiring,
17 and improving projects, and acquiring equipment and land
18 therefor,
- 19 b. The cost of engineering, architectural, and other consulting
20 services as may be required,
- 21 c. Administrative expenses and charges,
- 22 d. Finance charges and interest prior to and during construction
23 and, if deemed advisable by the State Treasurer, for a period not
24 exceeding two years after the estimated date of completion of
25 construction,
- 26 e. The cost of bond insurance, investment contracts, credit
27 enhancement and liquidity facilities, interest-rate swap
28 agreements or other derivative products, financial and legal
29 consultants, and related costs of bond and note issuance, to the
30 extent and as determined by the State Treasurer,
- 31 f. The cost of reimbursing the State for any payments made for
32 any cost described above, and
- 33 g. Any other costs and expenses necessary or incidental to the
34 purposes of this act.

35 Allocations in this act of proceeds of bonds to the costs of a project or
36 undertaking in each case may include allocations to pay the costs set
37 forth in items c., d., e., f., and g. in connection with the issuance of
38 bonds for the project or undertaking.

- 39 (3) Credit facility. – An agreement entered into by the State Treasurer on
40 behalf of the State with a bank, savings and loan association, or other
41 banking institution, an insurance company, reinsurance company,
42 surety company, or other insurance institution, a corporation,
43 investment banking firm, or other investment institution, or any
44 financial institution or other similar provider of a credit facility, which

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

9 (4) Notes. – Notes issued under this act.

10 (5) Par formula. – Any provision or formula adopted by the State to
11 provide for the adjustment, from time to time, of the interest rate or
12 rates borne by any bonds or notes, including:

13 a. A provision providing for such adjustment so that the purchase
14 price of such bonds or notes in the open market would be as
15 close to par as possible,

16 b. A provision providing for such adjustment based upon a
17 percentage or percentages of a prime rate or base rate, which
18 percentage or percentages may vary or be applied for different
19 periods of time, or

20 c. Such other provision as the State Treasurer may determine to be
21 consistent with this act and will not materially and adversely
22 affect the financial position of the State and the marketing of
23 bonds or notes at a reasonable interest cost to the State.

24 (6) Public School Capital Outlay Projects. – The construction of new
25 public school buildings or additions to existing buildings, the
26 renovation of existing public school buildings, the purchase of
27 equipment for a newly constructed public school building or addition,
28 the purchase of equipment related to the improvement of an existing
29 public school building, the purchase of land necessary for immediate
30 construction of school buildings, and other related capital outlay
31 projects constituting facilities for individual schools that are used for
32 instructional and related purposes, but not including centralized
33 administration, maintenance, trailers, relocatable classrooms, or
34 mobile classrooms.

35 (7) State. – The State of North Carolina.

36 **SECTION 4.** Authorization of Bonds and Notes. – Subject to a favorable
37 vote of a majority of the qualified voters of the State who vote on the question of
38 issuing Public School Building Bonds in the election held as provided in this act, the
39 State Treasurer is authorized, by and with the consent of the Council of State, to issue
40 and sell, at one time or from time to time, general obligation bonds of the State to be
41 designated "State of North Carolina Public School Building Bonds", with any additional
42 designations as may be determined to indicate the issuance of bonds from time to time,
43 or notes of the State as provided in this act, in the aggregate principal amount not
44 exceeding six billion two hundred five million dollars (\$6,205,000,000) for the purposes

1 authorized in this act. The principal amounts of bonds or notes issued in any 12-month
2 period shall not exceed one billion two hundred forty-one million dollars
3 (\$1,241,000,000). In determining whether this limit has been reached, the issuance of a
4 note or bond to pay an outstanding note is not considered an issuance.

5 **SECTION 5.** Uses of Bond and Note Proceeds. – The proceeds of Public
6 School Building Bonds and notes shall be used for the purpose of making grants to
7 counties for paying the cost of public school capital outlay projects.

8 Any additional moneys that may be received by means of a grant from the
9 United States of America or any of its agencies or departments or from any other source
10 to aid in financing the cost of any public school capital outlay projects authorized by
11 this act may be placed by the State Treasurer in the Public School Building Bonds Fund
12 or in a separate account or fund and shall be disbursed, to the extent permitted by the
13 terms of the grant, without regard to any limitations imposed by this act.

14 Moneys in the Public School Building Bonds Fund or in any separate fund or
15 account may be invested from time to time by the State Treasurer in the same manner
16 permitted for investment of moneys belonging to the State or held in the State treasury
17 except with respect to grant money to the extent otherwise directed by the terms of the
18 grant, and any investment earnings shall be credited to the Public School Building
19 Bonds Fund or the particular fund or account from which the investment was made.

20 All moneys deposited in, or accruing to the credit of, the Public School
21 Building Bonds Fund, other than moneys set aside for administrative expenses,
22 including expenses related to determining compliance with applicable requirements of
23 the federal tax law and cost of issuance, shall be used to pay the cost of public school
24 capital outlay projects in the manner authorized by this act.

25 The proceeds of Public School Building Bonds and notes may be used with
26 any other moneys made available by the General Assembly for public school capital
27 outlay projects, including the proceeds of any other State bond issues, whether
28 heretofore made available or that may be made available at the session of the General
29 Assembly at which this act is ratified or any subsequent sessions. The proceeds of
30 Public School Building Bonds and notes shall be expended and disbursed under the
31 direction and supervision of the Director of the Budget. The funds provided by this act
32 for public school capital outlay projects shall be disbursed for the purposes provided in
33 this act upon warrants drawn on the State Treasurer by the State Controller, which
34 warrants shall not be drawn until requisition has been approved by the Director of the
35 Budget and which requisition shall be approved only after full compliance with the
36 Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

37 The Director of the Budget shall provide quarterly reports to the State Board
38 of Education, the Superintendent of Public Instruction, and the General Assembly on the
39 expenditure of moneys from the Public School Building Bonds Fund. Reports to the
40 General Assembly shall be filed with the Legislative Library, the Speaker of the House
41 of Representatives, the President Pro Tempore of the Senate, and the Fiscal Research
42 Division.

43 **SECTION 6.(a)** Allocation of Proceeds. – The proceeds of Public School
44 Building Bonds and notes, including premium thereon, if any, except the proceeds of

bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Public School Building Bonds Fund". Moneys in the Public School Building Bonds Fund shall be used for the purposes set forth in this act. The proceeds of Public School Building Bonds and notes shall be allocated to counties and expended for paying the cost of public school capital outlay projects, to the extent and as provided in this act and subject to change as provided in this act.

SECTION 6.(b) Amounts. – The proceeds of six billion two hundred five million dollars (\$6,205,000,000) Public School Building Bonds and notes shall be allocated to each county on the basis of the distribution amounts provided in the following table for the local school administrative units in the State. In the case of a local school administrative unit located entirely in one county, the unit's total distribution amount shall be allocated to that county. In the case of a local school administrative unit located in more than one county, the unit's distribution amount shall be allocated among the counties in which the unit is located in proportion to average daily membership of the unit in each county. A unit's distribution amount allocated to a county may be used only with respect to public school facilities of that unit.

| Unit | New | Additions | Renovations | Furn/Eqpt | Land | Total |
|-------------------------|--------------|--------------|--------------|-------------|-------------|---------------|
| Alamance-Burlington | \$27,527,247 | \$38,519,390 | \$87,190,266 | \$6,417,732 | \$1,315,000 | \$160,969,635 |
| Alexander Co. | 6,389,009 | 12,115,702 | 274,512 | 1,884,416 | 0 | 20,663,639 |
| Alleghany Co. | 0 | 6,764,609 | 1,929,706 | 559,270 | 6,500 | 9,260,085 |
| Anson Co. | 0 | 7,796,073 | 1,431,698 | 777,901 | 0 | 10,005,672 |
| Ashe Co. | 7,990,278 | 388,486 | 4,477,538 | 781,414 | 0 | 13,637,716 |
| Avery Co. | 5,133,771 | 5,822,630 | 4,461,960 | 1,231,500 | 975,000 | 17,624,861 |
| Beaufort Co. | 26,457,710 | 18,369,636 | 8,157,686 | 4,283,020 | 102,000 | 57,370,052 |
| Bertie Co. | 23,440,079 | 8,472,363 | 6,802,607 | 2,866,681 | 518,000 | 42,099,730 |
| Bladen Co. | 0 | 5,597,636 | 1,835,115 | 469,802 | 0 | 7,902,553 |
| Brunswick Co. | 7,552,455 | 4,558,358 | 32,301,237 | 1,098,574 | 360,000 | 45,870,624 |
| Buncombe Co. | 0 | 3,177,985 | 7,659,660 | 266,723 | 0 | 11,104,368 |
| Asheville City | 0 | 7,657,283 | 8,060,245 | 1,817,065 | 0 | 17,534,593 |
| Burke Co. | 72,377,563 | 16,261,762 | 570,000 | 8,209,443 | 1,200,000 | 98,618,768 |
| Cabarrus Co. | 45,012,900 | 0 | 0 | 4,340,136 | 0 | 49,353,036 |
| Kannapolis City | 14,971,237 | 3,281,038 | 940,500 | 1,633,774 | 700,000 | 21,526,549 |
| Caldwell Co. | 37,213,318 | 6,251,688 | 9,500,361 | 4,051,767 | 1,170,000 | 58,187,134 |
| Camden Co. | 0 | 2,928,569 | 597,075 | 400,791 | 0 | 3,926,435 |
| Carteret Co. | 17,865,522 | 1,250,348 | 16,991,928 | 1,852,238 | 0 | 37,960,036 |
| Caswell Co. | 0 | 6,611,569 | 3,230,071 | 622,883 | 0 | 10,464,523 |
| Catawba Co. | 49,850,549 | 17,388,581 | 4,003,338 | 6,390,714 | 290,000 | 77,923,182 |
| Hickory City | 20,109,262 | 5,588,702 | 9,173,632 | 2,343,711 | 1,181,647 | 38,396,954 |
| Newton Conover City | 6,317,207 | 6,508,085 | 212,610 | 1,360,240 | 0 | 14,398,142 |
| Chatham Co. | 43,015,891 | 6,061,995 | 490,200 | 4,399,484 | 2,080,500 | 56,048,070 |
| Cherokee Co. | 0 | 23,213,394 | 9,793,487 | 2,794,967 | 2,234,992 | 38,036,840 |
| Chowan Co. | 0 | 4,428,049 | 5,419,156 | 389,645 | 0 | 10,236,850 |
| Clay Co. | 0 | 3,585,477 | 1,268,250 | 300,924 | 0 | 5,154,651 |
| Cleveland Co. | 0 | 43,610,028 | 13,144,456 | 3,969,502 | 0 | 60,723,986 |
| Kings Mountain District | 0 | 3,063,210 | 10,105,945 | 2,827,538 | 250,000 | 16,246,693 |
| Shelby City | 0 | 3,623,128 | 9,116,230 | 1,083,270 | 0 | 13,822,628 |

| | | | | | | | |
|----|----------------------|-------------|-------------|-------------|------------|------------|-------------|
| 1 | Columbus Co. | 0 | 22,179,049 | 21,656,808 | 1,926,402 | 40,000 | 45,802,259 |
| 2 | Whiteville City | 16,083,386 | 747,521 | 0 | 1,466,449 | 0 | 18,297,356 |
| 3 | Craven Co. | 38,194,898 | 17,885,495 | 47,282,333 | 5,062,388 | 1,260,000 | 109,685,114 |
| 4 | Cumberland Co. | 7,207,506 | 30,517,596 | 17,415,736 | 3,533,073 | 485,000 | 59,158,911 |
| 5 | Currituck Co. | 4,876,389 | 4,826,370 | 7,124,186 | 1,475,201 | 100,000 | 18,402,146 |
| 6 | Dare Co. | 26,932,131 | 2,046,221 | 10,792,905 | 3,581,949 | 0 | 43,353,206 |
| 7 | Davidson Co. | 55,775,200 | 5,205,900 | 0 | 10,142,965 | 2,700,000 | 73,824,065 |
| 8 | Lexington City | 0 | 4,881,908 | 4,733,812 | 718,532 | 0 | 10,334,252 |
| 9 | Thomasville City | 0 | 5,923,124 | 7,333,192 | 1,997,119 | 400,000 | 15,653,435 |
| 10 | Davie Co. | 40,716,320 | 10,713,685 | 3,088,773 | 4,862,542 | 1,080,000 | 60,461,320 |
| 11 | Duplin Co. | 0 | 22,029,657 | 16,674,780 | 2,245,922 | 30,000 | 40,980,359 |
| 12 | Durham Public | 31,399,303 | 46,962,981 | 84,341,951 | 9,562,563 | 2,000,000 | 174,266,798 |
| 13 | Edgecombe Co. | 18,729,543 | 26,022,394 | 23,395,218 | 4,626,789 | 595,000 | 73,368,944 |
| 14 | Forsyth Co. | 79,087,432 | 0 | 81,338,995 | 7,325,531 | 2,825,000 | 170,576,958 |
| 15 | Franklin Co. | 16,884,150 | 13,827,746 | 6,308,061 | 3,871,638 | 788,655 | 41,680,250 |
| 16 | Gaston Co. | 27,302,805 | 87,441,531 | 70,683,793 | 12,075,202 | 320,000 | 197,823,331 |
| 17 | Gates Co. | 0 | 14,769,899 | 6,961,310 | 1,703,453 | 0 | 23,434,662 |
| 18 | Graham Co. | 0 | 3,838,858 | 0 | 358,147 | 0 | 4,197,005 |
| 19 | Granville Co. | 0 | 16,675,049 | 6,519,665 | 1,699,513 | 0 | 24,894,227 |
| 20 | Greene Co. | 8,197,605 | 6,979,353 | 4,700,479 | 1,582,585 | 340,000 | 21,800,022 |
| 21 | Guilford Co. Public | 15,864,612 | 110,066,453 | 175,753,694 | 50,305,762 | 0 | 351,990,521 |
| 22 | Halifax Co. | 15,489,359 | 13,123,245 | 3,229,418 | 2,718,810 | 0 | 34,560,832 |
| 23 | Roanoke Rapids City | 9,832,871 | 5,224,220 | 5,554,523 | 2,154,790 | 500,000 | 23,266,404 |
| 24 | Weldon City | 0 | 494,123 | 0 | 41,471 | 0 | 535,594 |
| 25 | Harnett Co. | 56,623,873 | 0 | 0 | 5,322,030 | 0 | 61,945,903 |
| 26 | Haywood Co. | 0 | 23,054,978 | 33,680,286 | 2,243,976 | 260,000 | 59,239,240 |
| 27 | Henderson Co. Public | 9,312,836 | 16,742,962 | 4,868,370 | 2,785,759 | 255,000 | 33,964,927 |
| 28 | Hertford Co. | 0 | 29,873,591 | 13,848,925 | 3,335,010 | 0 | 47,057,526 |
| 29 | Hoke Co. | 0 | 16,889,440 | 6,251,366 | 2,632,163 | 300,000 | 26,072,969 |
| 30 | Hyde Co. | 0 | 3,700,539 | 285,000 | 310,581 | 0 | 4,296,120 |
| 31 | Iredell Statesville | 67,458,984 | 46,364,313 | 7,716,916 | 11,262,139 | 3,377,500 | 136,179,852 |
| 32 | Mooresville City | 6,345,340 | 971,222 | 0 | 738,450 | 0 | 8,055,012 |
| 33 | Jackson Co. | 0 | 396,788 | 0 | 33,302 | 0 | 430,090 |
| 34 | Johnston Co. | 118,088,731 | 21,649,760 | 14,497,836 | 18,196,476 | 4,245,000 | 176,677,803 |
| 35 | Jones Co. | 24,169,373 | 1,801,093 | 0 | 2,449,760 | 135,000 | 28,555,226 |
| 36 | Lee Co. | 43,492,142 | 1,232,806 | 3,987,079 | 4,045,368 | 1,400,000 | 54,157,395 |
| 37 | Lenoir Co. Public | 14,723,348 | 4,505,117 | 25,855,441 | 4,445,931 | 480,000 | 50,009,837 |
| 38 | Lincoln Co. | 50,800,513 | 3,657,756 | 2,183,100 | 5,174,423 | 2,750,000 | 64,565,792 |
| 39 | Macon Co. | 6,776,577 | 16,092,213 | 3,122,653 | 2,431,985 | 474,000 | 28,897,428 |
| 40 | Madison Co. | 0 | 1,507,234 | 1,341,210 | 484,501 | 0 | 3,332,945 |
| 41 | Martin Co. | 9,089,680 | 13,076,213 | 6,385,476 | 1,987,286 | 255,000 | 30,793,655 |
| 42 | McDowell Co. | 21,149,993 | 4,898,612 | 0 | 2,501,540 | 525,987 | 29,076,132 |
| 43 | Charlotte | | | | | | |
| 44 | Mecklenburg | 83,085,716 | 370,590,858 | 196,079,744 | 46,178,506 | 11,820,000 | 707,754,824 |
| 45 | Mitchell Co. | 0 | 2,099,759 | 6,662,541 | 504,230 | 0 | 9,266,530 |
| 46 | Montgomery Co. | 7,207,506 | 4,374,239 | 2,279,772 | 1,075,941 | 0 | 14,937,458 |
| 47 | Moore Co. | 0 | 12,612,202 | 14,663,770 | 1,078,138 | 0 | 28,354,110 |
| 48 | Nash Rocky Mount | | | | | | |
| 49 | Sch Adm Unit | 19,777,466 | 4,907,677 | 13,987,821 | 2,488,680 | 0 | 41,161,644 |
| 50 | New Hanover Co. | 28,782,333 | 34,527,264 | 103,852,682 | 18,281,104 | 2,000,000 | 187,443,383 |
| 51 | Northampton Co. | 6,160,525 | 3,562,459 | 12,362,274 | 3,554,012 | 160,000 | 25,799,270 |

| | | | | | | | |
|----|-------------------------------|-----------------|-----------------|-----------------|---------------|--------------|-----------------|
| 1 | Onslow Co. | 16,548,103 | 29,563,990 | 18,625,935 | 4,240,224 | 699,960 | 69,678,212 |
| 2 | Orange Co. | 16,653,378 | 0 | 10,645,389 | 5,821,778 | 361,000 | 33,481,545 |
| 3 | Chapel Hill Carrboro | 18,682,818 | 4,397,820 | 21,836,782 | 2,161,694 | 0 | 47,079,114 |
| 4 | Pamlico Co. | 0 | 387,153 | 800,462 | 102,493 | 0 | 1,290,108 |
| 5 | Elizabeth City/ Pasquotank | 19,463,771 | 1,661,517 | 24,688,141 | 2,298,341 | 750,000 | 48,861,770 |
| 7 | Pender Co. | 7,487,423 | 9,792,087 | 8,656,875 | 2,046,037 | 0 | 27,982,422 |
| 8 | Perquimans Co. | 23,155,792 | 0 | 1,572,760 | 2,149,624 | 195,000 | 27,073,176 |
| 9 | Person Co. | 0 | 1,599,009 | 5,829,505 | 134,203 | 0 | 7,562,717 |
| 10 | Pitt Co. | 19,379,782 | 24,807,441 | 21,281,025 | 4,160,113 | 220,000 | 69,848,361 |
| 11 | Polk Co. | 10,009,341 | 1,851,021 | 2,772,803 | 1,078,142 | 0 | 15,711,307 |
| 12 | Randolph Co. | 0 | 36,900,992 | 0 | 3,958,060 | 0 | 40,859,052 |
| 13 | Asheboro City | 0 | 4,365,832 | 3,048,973 | 526,218 | 0 | 7,941,023 |
| 14 | Richmond Co. | 5,627,268 | 23,855,899 | 19,830,442 | 2,992,679 | 0 | 52,306,288 |
| 15 | Robeson Co. | 6,416,245 | 4,025,817 | 0 | 1,113,096 | 175,000 | 11,730,158 |
| 16 | Rockingham Co. | 33,321,064 | 3,736,976 | 3,320,616 | 3,596,445 | 1,020,200 | 44,995,301 |
| 17 | Rowan Salisbury | 20,998,266 | 64,297,709 | 16,650,506 | 12,176,255 | 1,410,000 | 115,532,736 |
| 18 | Rutherford Co. | 27,205,595 | 1,727,034 | 1,835,400 | 2,933,436 | 0 | 33,701,465 |
| 19 | Sampson Co. | 54,561,201 | 9,144,467 | 7,071,477 | 5,765,133 | 0 | 76,542,278 |
| 20 | Clinton City | 11,517,028 | 2,910,438 | 7,359,744 | 1,270,570 | 90,000 | 23,147,780 |
| 21 | Scotland Co. | 0 | 15,333,356 | 15,715,275 | 2,707,059 | 0 | 33,755,690 |
| 22 | Stanly Co. | 52,133,801 | 10,014,810 | 2,685,099 | 5,938,667 | 500,000 | 71,272,377 |
| 23 | Stokes Co. | 19,036,396 | 5,465,870 | 1,860,981 | 2,778,621 | 290,000 | 29,431,868 |
| 24 | Surry Co. | 20,236,863 | 38,444,736 | 11,617,295 | 8,767,256 | 670,000 | 79,736,150 |
| 25 | Elkin City | 0 | 4,142,290 | 3,209,100 | 284,129 | 0 | 7,635,519 |
| 26 | Mount Airy City | 0 | 867,132 | 4,876,829 | 72,777 | 0 | 5,816,738 |
| 27 | Swain Co. | 0 | 5,268,598 | 11,288,843 | 422,189 | 0 | 16,979,630 |
| 28 | Transylvania Co. | 0 | 0 | 2,970,604 | 315,000 | 0 | 3,285,604 |
| 29 | Tyrrell Co. | 0 | 7,252,727 | 3,233,795 | 579,105 | 100,000 | 11,165,627 |
| 30 | Union Co. Public | 48,938,112 | 11,045,667 | 9,636,924 | 5,194,659 | 7,250,000 | 82,065,362 |
| 31 | Vance Co. | 23,588,223 | 8,647,281 | 12,454,906 | 3,278,790 | 120,000 | 48,089,200 |
| 32 | Wake Co. | 134,732,392 | 35,571,472 | 138,747,226 | 21,134,747 | 12,400,000 | 342,585,837 |
| 33 | Warren Co. | 0 | 8,133,815 | 2,079,854 | 682,660 | 0 | 10,896,329 |
| 34 | Washington Co. | 394,041 | 1,437,450 | 0 | 300,173 | 0 | 2,131,664 |
| 35 | Watauga Co. | 21,666,666 | 383,320 | 2,887,912 | 1,831,383 | 3,310,000 | 30,079,281 |
| 36 | Wayne Co. Public | 9,089,680 | 23,300,063 | 7,725,484 | 3,067,499 | 300,000 | 43,482,726 |
| 37 | Wilkes Co. | 0 | 23,509,069 | 16,907,920 | 2,239,346 | 0 | 42,656,335 |
| 38 | Wilson Co. | 9,838,242 | 5,244,636 | 3,670,943 | 1,545,651 | 0 | 20,299,472 |
| 39 | Yadkin Co. | 0 | 27,179,333 | 3,270,651 | 3,848,880 | 530,000 | 34,828,864 |
| 40 | Yancey Co. | 4,877,082 | 2,768,752 | 1,868,346 | 1,069,421 | 560,000 | 11,143,601 |
| 41 | Reserve for Cost Overruns | | | | | | 896,266 |
| 42 | Totals | \$2,032,401,017 | \$1,843,402,826 | \$1,770,476,185 | \$472,587,765 | \$85,235,941 | \$6,205,000,000 |

If two or more local school administrative units are consolidated into one unit, the distribution amounts provided above for the units shall be considered the distribution amount for the merged unit.

SECTION 6.(c) Match. – A county is not required to match bond proceeds allocated under subsection (b) of this section.

SECTION 6.(d) Administration. – Funds disbursed under this act shall be administered and supervised by the State Board of Education and shall be used only for

1 the purposes provided in this act. Each school administrative unit shall submit to the
2 State Board of Education its plans for the expenditure of funds allocated under this act.
3 After the State Board of Education determines that a school administrative unit's
4 planned expenditure of part or all of the funds allocated to it is within the purposes
5 provided in this act, the State Board of Education shall make the funds to which the
6 plans apply available to the school administrative unit.

7 Allocations to the costs of a capital improvement or undertaking in each case
8 may include allocations to pay the costs set forth in Section 3(2)c., d., e., f., and g. of
9 this act in connection with the issuance of bonds for that capital improvement or
10 undertaking.

11 **SECTION 7.** Election. – The question of the issuance of the bonds
12 authorized by this act shall be submitted to the qualified voters of the State at a
13 statewide general election to be held in November 2002. Any other primary, election,
14 or referendum validly called or scheduled by law at the time the election on the bond
15 question provided for in this section is held, may be held as called or scheduled. Notice
16 of the election shall be given in the manner and at the times required by G.S. 163-33(8).
17 The election and the registration of voters shall be held under and in accordance with
18 the general laws of the State. Absentee ballots shall be authorized in the election.

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

23 " FOR AGAINST

24 The issuance of six billion two hundred five million dollars (\$6,205,000,000) State
25 of North Carolina Public School Building Bonds constituting general obligation bonds
26 of the State secured by a pledge of the faith and credit and taxing power of the State for
27 the purpose of providing funds to counties, with any other available funds, to pay the
28 cost of public school building capital improvements."

29 If a majority of those voting on the Public School Building Bond question in
30 the election vote in favor of the issuance of the bonds, the bonds may be issued as
31 provided in this act. If a majority of those voting on the Public School Building Bond
32 question in the election vote against the issuance of the bonds, the bonds shall not be
33 issued.

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

38 **SECTION 8.(a)** Issuance of Bonds and Notes. – (a) Terms and Conditions.
39 – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or
40 any combination thereof, may mature in such amounts and at such time or times, not
41 exceeding 40 years from their date or dates, may be payable at such place or places,
42 either within or without the United States of America, in such coin or currency of the
43 United States of America as at the time of payment is legal tender for payment of public
44 and private debts, may bear interest at such rate or rates, which may vary from time to

1 time, and may be made redeemable before maturity, at the option of the State or
2 otherwise as may be provided by the State, at such price or prices, including a price less
3 than the face amount of the bonds or notes, and under such terms and conditions, all as
4 may be determined by the State Treasurer, by and with the consent of the Council of
5 State.

6 **SECTION 8.(b)** Signatures; Form and Denomination; Registration. – Bonds
7 or notes may be issued as certificated or uncertificated obligations. If issued as
8 certificated obligations, bonds or notes shall be signed on behalf of the State by the
9 Governor or shall bear his facsimile signature, shall be signed by the State Treasurer or
10 shall bear his facsimile signature, and shall bear the Great Seal of the State or a
11 facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the
12 facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall
13 also bear a manual signature which may be that of a bond registrar, trustee, paying
14 agent, or designated assistant of the State Treasurer. Should any officer whose
15 signature or facsimile signature appears on bonds or notes cease to be such officer
16 before the delivery of the bonds or notes, the signature or facsimile signature shall
17 nevertheless have the same validity for all purposes as if the officer had remained in
18 office until delivery and bonds or notes may bear the facsimile signatures of persons
19 who at the actual time of the execution of the bonds or notes shall be the proper officers
20 to sign any bond or note although at the date of the bond or note such persons may not
21 have been such officers. The form and denomination of bonds or notes, including the
22 provisions with respect to registration of the bonds or notes and any system for their
23 registration, shall be as the State Treasurer may determine in conformity with this act;
24 provided, however, that nothing in this act shall prohibit the State Treasurer from
25 proceeding, with respect to the issuance and form of the bonds or notes, under the
26 provisions of Chapter 159E of the General Statutes, the Registered Public Obligations
27 Act, as well as under this act.

28 **SECTION 8.(c)** Manner of Sale; Expenses. – Subject to determination by
29 the Council of State as to the manner in which bonds or notes shall be offered for sale,
30 whether at public or private sale, whether within or without the United States of
31 America, and whether by publishing notices in certain newspapers and financial
32 journals, mailing notices, inviting bids by correspondence, negotiating contracts of
33 purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one
34 time or from time to time at such rate or rates of interest, which may vary from time to
35 time, and at such price or prices, including a price less than the face amount of the
36 bonds or the notes, as the State Treasurer may determine. All expenses incurred in
37 preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer
38 from the proceeds of bonds or notes or other available moneys.

39 **SECTION 8.(d)** Notes; Repayment.

- 40 (1) By and with the consent of the Council of State, the State Treasurer is
41 authorized to borrow money and to execute and issue notes of the State
42 for the same, but only in the following circumstances and under the
43 following conditions:

- 1 a. For anticipating the sale of bonds to the issuance of which the
2 Council of State shall have given consent, if the State Treasurer
3 shall deem it advisable to postpone the issuance of the bonds;
4 b. For the payment of interest on or any installment of principal of
5 any bonds then outstanding, if there shall not be sufficient funds
6 in the State treasury with which to pay the interest or
7 installment of principal as they respectively become due;
8 c. For the renewal of any loan evidenced by notes herein
9 authorized;
10 d. For the purposes authorized in this act; and
11 e. For refunding bonds or notes as herein authorized.
12 (2) Funds derived from the sale of bonds or notes may be used in the
13 payment of any bond anticipation notes issued under this act. Funds
14 provided by the General Assembly for the payment of interest on or
15 principal of bonds shall be used in paying the interest on or principal
16 of any notes and any renewals thereof, the proceeds of which shall
17 have been used in paying interest on or principal of the bonds.

18 **SECTION 8.(e)** Refunding Bonds and Notes. – By and with the consent of
19 the Council of State, the State Treasurer is authorized to issue and sell refunding bonds
20 and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of
21 refunding bonds or notes issued pursuant to this act. The refunding bonds and notes
22 may be combined with any other issues of State bonds and notes similarly secured.

23 **SECTION 8.(f)** Tax Exemption. – Bonds and notes shall be exempt from all
24 State, county, and municipal taxation or assessment, direct or indirect, general or
25 special, whether imposed for the purpose of general revenue or otherwise, excluding
26 inheritance and gift taxes, income taxes on the gain from the transfer of bonds and
27 notes, and franchise taxes. The interest on bonds and notes shall not be subject to
28 taxation as to income.

29 **SECTION 8.(g)** Investment Eligibility. – Bonds and notes are securities in
30 which all public officers, agencies, and public bodies of the State and its political
31 subdivisions, all insurance companies, trust companies, investment companies, banks,
32 savings banks, savings and loan associations, credit unions, pension or retirement funds,
33 other financial institutions engaged in business in the State, executors, administrators,
34 trustees, and other fiduciaries may properly and legally invest funds, including capital in
35 their control or belonging to them. Bonds and notes are securities which may properly
36 and legally be deposited with and received by any officer or agency of the State or
37 political subdivision of the State for any purpose for which the deposit of bonds, notes,
38 or obligations of the State or any political subdivision is now or may hereafter be
39 authorized by law.

40 **SECTION 8.(h)** Faith and Credit. – The faith and credit and taxing power of
41 the State are pledged for the payment of the principal of and the interest on bonds and
42 notes.

43 **SECTION 9.** Variable Interest Rates. – In fixing the details of bonds and
44 notes, the State Treasurer may provide that any of the bonds or notes may:

- 1 (1) Be made payable from time to time on demand or tender for purchase
2 by the owner thereof provided a credit facility supports the bonds or
3 notes, unless the State Treasurer specifically determines that a credit
4 facility is not required upon a finding and determination by the State
5 Treasurer that the absence of a credit facility will not materially or
6 adversely affect the financial position of the State and the marketing of
7 the bonds or notes at a reasonable interest cost to the State;
- 8 (2) Be additionally supported by a credit facility;
- 9 (3) Be made subject to redemption or a mandatory tender for purchase
10 prior to maturity;
- 11 (4) Bear interest at a rate or rates that may vary for such period or periods
12 of time, all as may be provided in the proceedings providing for the
13 issuance of the bonds or notes, including, without limitation, such
14 variations as may be permitted pursuant to a par formula; and
- 15 (5) Be made the subject of a remarketing agreement whereby an attempt is
16 made to remarket bonds or notes to new purchasers prior to their
17 presentment for payment to the provider of the credit facility or to the
18 State.

19 If the aggregate principal amount repayable by the State under a credit facility
20 is in excess of the aggregate principal amount of bonds or notes secured by the credit
21 facility, whether as a result of the inclusion in the credit facility of a provision for the
22 payment of interest for a limited period of time or the payment of a redemption
23 premium or for any other reason, then the amount of authorized but unissued bonds or
24 notes during the term of such credit facility shall not be less than the amount of such
25 excess, unless the payment of such excess is otherwise provided for by agreement of the
26 State executed by the State Treasurer.

27 **SECTION 10.** Other Agreements. – The State Treasurer may authorize,
28 execute, obtain, or otherwise provide for bond insurance, investment contracts, credit
29 and liquidity facilities, interest rate swap agreements and other derivative products, and
30 any other related instruments and matters the State Treasurer determines to be desirable
31 in connection with the issuance of bonds and notes.

32 **SECTION 11.(a)** Interpretation of Act. – (a) Additional Method. The
33 foregoing sections of this act shall be deemed to provide an additional and alternative
34 method for the doing of the things authorized thereby and shall be regarded as
35 supplemental and additional to powers conferred by other laws, and shall not be
36 regarded as in derogation of any powers now existing.

37 **SECTION 11.(b)** Statutory References. – References in this act to specific
38 sections or Chapters of the General Statutes or to specific acts are intended to be
39 references to these sections, Chapters, or acts as they may be amended from time to
40 time by the General Assembly.

41 **SECTION 11.(c)** Liberal Construction. – This act, being necessary for the
42 health and welfare of the people of the State, shall be liberally construed to effect the
43 purposes thereof.

1 **SECTION 11.(d)** Inconsistent Provisions. – Insofar as the provisions of this
2 act are inconsistent with the provisions of any general laws, or parts thereof, the
3 provisions of this act shall be controlling.

4 **SECTION 11.(e)** Severability. – If any provision of this act or the
5 application thereof to any person or circumstance is held invalid, such invalidity shall
6 not affect other provisions or applications of the act which can be given effect without
7 the invalid provision or application, and to this end the provisions of this act are
8 declared to be severable.

9 **SECTION 12.** Local Property Taxes. – The General Assembly recognizes
10 that the State's numerous forms of assistance to local governments in funding school
11 facilities and other needs in the past 30 years have led to a substantial reduction in local
12 property tax rates. It is the intent of the General Assembly that the assistance provided
13 in this act, if approved by the voters, shall further reduce local property tax rates.

14 **SECTION 13.** Effective Dates. – This act is effective when it becomes law.
15 This act does not obligate the General Assembly to appropriate funds.