

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SENATE BILL 247
RATIFIED BILL**

AN ACT TO REALLOCATE THE PROCEEDS OF THE CLEAN WATER BONDS
AND TO DEFER THE ISSUANCE OF THE CLEAN WATER BONDS,
NATURAL GAS BONDS, AND PUBLIC SCHOOL BUILDING BONDS UNTIL
AFTER JANUARY 1, 2002.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding any other provision of law, the State Treasurer shall defer the issuance of any of the following until after January 1, 2002:

- (1) State of North Carolina Clean Water Bonds authorized in S.L. 1998-132.
- (2) State of North Carolina Natural Gas Bonds authorized for the construction of natural gas facilities in S.L. 1998-132.
- (3) State of North Carolina Public School Building Bonds authorized for public school building capital improvements in S.L. 1995-631.

SECTION 1.(b) Payments to local government units or payments to match federal funds that otherwise would have been made from the proceeds of Clean Water Bonds issued during the period between September 1, 2001, and January 1, 2002, may, at the discretion of the Director of the Budget, be paid from General Fund cash balances. The total of the payments shall not exceed fifty million dollars (\$50,000,000). Any payment from General Fund cash balances made pursuant to this authorization shall be repaid to the General Fund from the proceeds of Clean Water Bonds issued after January 1, 2002.

SECTION 2. Withdrawal of Loan Funds. – Pursuant to Section 5.1(i) of S.L. 1998-132, the following amounts of the Clean Water Bond proceeds allocated for loans in Section 5.1(h) of S.L. 1998-132 are withdrawn from allocation under Section 5.1(h) of S.L. 1998-132 and reallocated as provided in this act:

- (1) Water supply and distribution systems and water conservation projects:
 - a. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating\$ 340,000
 - b. Reserved for loans to local government units whose bond rating is 75 or more\$28,483,251
 - (2) Wastewater collection systems and wastewater treatment works:
 - a. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating\$ 2,900,000
 - b. Reserved for loans to local government units whose bond rating is 75 or more\$39,701,795
- Total Withdrawn for Reallocation\$71,425,046

SECTION 3. Reallocation for Unsewered Community Grants. – Of the funds withdrawn pursuant to this act from allocation under Section 5.1(h) of S.L. 1998-132, the sum of thirty-five million six hundred twelve thousand five hundred twenty-three dollars (\$35,612,523) is reallocated to be used to provide unsewered community grants to eligible local government units to assist with wastewater treatment works and wastewater collection systems for the same purpose and in accordance with Section 5.1(g) of S.L. 1998-132. Grants from amounts reallocated shall be awarded and administered by the Rural Economic Development Center in accordance with Section 5.1(g) of S.L. 1998-132. The funds reallocated under this section shall be awarded on the criteria set out in Section 5.1(g) of S.L. 1998-132.

SECTION 4. Reallocation for Supplemental Grants. – Of the funds withdrawn pursuant to this act from allocation under Section 5.1(h) of S.L. 1998-132, the sum of thirty-five million six hundred twelve thousand five hundred twenty-three dollars (\$35,612,523) is reallocated to be used to provide supplemental grants to eligible local government units to match federal, State, and other grant or loan program funds to plan or improve needed water and sewer projects. Grants from amounts reallocated shall be awarded and administered by the Rural Economic Development Center in accordance with Section 5.1(f) of S.L. 1998-132 and this act. The funds reallocated under this section shall be awarded on the criteria set out in Section 5.1(f) of S.L. 1998-132.

SECTION 5. Cap on Supplemental Grants. – Notwithstanding the provisions of Section 5.1(f) of S.L. 1998-132 and Section 2(b) of S.L. 2000-156, a maximum of twenty-one million five hundred thousand dollars (\$21,500,000) of supplemental grant funds may be certified by the Rural Economic Development Center to the State Treasurer each fiscal year through June 30, 2005, and the State Treasurer may issue the amount certified up to this maximum each fiscal year through June 30, 2005. Upon certification for the fiscal year ending June 30, 2005, the State Treasurer may issue the remaining balance of the funds allocated under Section 5.1(f) of S.L. 1998-132, Section 2(b) of S.L. 2000-156, and this act for any purpose authorized under Section 5.1(f) of S.L. 1998-132.

SECTION 6. Reallocation by Rural Economic Development Center. – Notwithstanding the provisions of S.L. 1998-132, S.L. 2000-156, and Sections 3 and 4 of this act, if the Rural Economic Development Center determines that there has been a change in any fiscal year in the relative needs between the purposes provided in Section 3 of this act and the purposes provided in Section 4 of this act, the Rural Economic Development Center may reallocate funds from Section 3 purposes to Section 4 purposes or from Section 4 purposes to Section 3 purposes. The Board of Directors of the Rural Economic Development Center must approve in advance any reallocation under this section. At least 30 days before making a reallocation under this section, the Rural Economic Development Center must consult with the Joint Legislative Commission on Governmental Operations.

SECTION 7.(a) Reallocation for Administrative Expenses. – Of the funds withdrawn pursuant to this act from allocation under Section 5.1(h) of S.L. 1998-132, the sum of two hundred thousand dollars (\$200,000) is reallocated to the Rural Economic Development Center to be used in the 2001-2002 fiscal year to administer bond funds allocated for grants pursuant to S.L. 1998-132, S.L. 2000-156, and this act. This amount shall be remitted to the Rural Economic Development Center as soon as possible after July 1, 2001.

SECTION 7.(b) Reports. – Section 11(a) of S.L. 1998-132 reads as rewritten:

"Section 11. Reports on Grants.

(a) The Rural Economic Development Center shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year concerning the allocation and making of grants authorized by this act. The report shall be signed by the

Chair of the Board of Directors of the Rural Economic Development Center. The report shall set forth for the preceding fiscal year:

- (1) Itemized and total allocations of grants authorized and unallocated funds for the grant program as of the end of the preceding fiscal ~~year;~~ year.
- (2) Identification of each grant agreement entered into by the Rural Economic Development Center during the preceding fiscal year and the total amount of grants authorized by the grant ~~agreements;~~ agreements.
- (3) The amount disbursed to each local government unit pursuant to the grant agreements during the preceding fiscal year and the total amount of the ~~disbursements;~~ and disbursements.
- (4) A summary for the five preceding years of the information required by subdivisions (1) through (3) of this subsection.
- (5) An itemized accounting of the Center's expenditures of bond funds allocated for administering grants under this act, as amended, and a certification that bond funds allocated for this purpose have been used for no other purpose.
- (6) A detailed description of the criteria and point system used for awarding grants.

(a1) The Rural Economic Development Center shall report to the Joint Legislative Commission on Governmental Operations at least 60 days before making any change to the criteria or point system used for awarding grants authorized by this act."

SECTION 8. Effective Date. – This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of September, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____ .m. this _____ day of _____, 2001