

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 97
Finance Committee Substitute Adopted 5/4/09

Short Title: Critical Infrastructure Assm't Changes.

(Public)

Sponsors:

Referred to:

February 11, 2009

A BILL TO BE ENTITLED

AN ACT TO ALIGN THE AUTHORIZED PURPOSES FOR SPECIAL ASSESSMENTS FOR CRITICAL INFRASTRUCTURE NEEDS WITH THE PURPOSES OF PROJECT DEVELOPMENT FINANCING, CLARIFY THE LAW CONCERNING FINANCING A PROJECT FOR WHICH ASSESSMENTS MAY BE PLEDGED, AND EXEMPT PRIVATE ENTITIES THAT IMPLEMENT PROJECTS FOR WHICH ASSESSMENTS MAY BE PLEDGED FROM THE COMPETITIVE BIDDING REQUIREMENTS OF LOCAL GOVERNMENTS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 153A-210.2(a) reads as rewritten:

"(a) Projects. – The board of commissioners of a county may make special assessments as provided in this Article against benefited property within the county for the purpose of financing the capital costs of projects for which project development financing debt instruments may be issued under G.S. 159-103. ~~bonds may be issued under any of the following:~~

- (1) ~~G.S. 159-48(b)(17), sanitary sewer systems.~~
- (2) ~~G.S. 159-48(b)(19), storm sewers and flood control facilities.~~
- (3) ~~G.S. 159-48(b)(21), water systems.~~
- (4) ~~G.S. 159-48(b)(23), public transportation facilities.~~
- (5) ~~G.S. 159-48(e)(4), school facilities.~~
- (6) ~~G.S. 159-48(d)(5), streets and sidewalks."~~

SECTION 1.(b) G.S. 153A-210.4 reads as rewritten:

§ 153A-210.4. Financing a project for which an assessment is imposed.

(a) Financing Sources. – A board of commissioners may provide for the payment of the cost of a project for which an assessment may be imposed under this Article from one or more of the financing sources listed in this subsection. ~~solely from revenue bonds to be repaid from the assessments or from a combination of financing sources that include the revenue bonds.~~ Other financing sources include general obligation bonds and general revenues. The assessment resolution must include the estimated cost of the project and the amount of the cost to be derived from revenue bonds and any other financing source. ~~each respective financing source.~~

- (1) Revenue bonds issued under G.S. 153A-210.6.
- (2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.
- (3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.
- (4) General revenues.



1 (b) Assessments Pledged. – An assessment imposed under this Article may be pledged
2 to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project
3 development financing debt instrument under G.S. 159-111. If an assessment imposed under
4 this Article is pledged to secure financing, the board of commissioners must covenant to
5 enforce the payment of the assessments."

6 **SECTION 1.(c)** Article 9A of Chapter 153A is amended by adding a new section
7 to read:

8 **"§ 153A-210.7. Project implementation.**

9 A county may act directly, through one or more contracts with other public agencies,
10 through one or more contracts with private agencies, or by any combination thereof to
11 implement the project financed in whole or in part by the imposition of an assessment imposed
12 under this Article. A private agency that enters into a contract with a county for the
13 implementation of all or part of the project is subject to the provisions of Article 8 of Chapter
14 143 of the General Statutes only to the extent specified in the contract."

15 **SECTION 2.(a)** G.S. 160A-239.2(a) reads as rewritten:

16 "(a) Projects. – The council of a city may make special assessments as provided in this
17 Article against benefited property within the city for the purpose of financing the capital costs
18 of projects for which project development financing debt instruments may be issued under
19 G.S. 159-103. bonds may be issued under any of the following:

- 20 (1) G.S. 159-48(b)(17), sanitary sewer systems.
- 21 (2) G.S. 159-48(b)(19), storm sewers and flood control facilities.
- 22 (3) G.S. 159-48(b)(21), water systems.
- 23 (4) G.S. 159-48(b)(23), public transportation facilities.
- 24 (5) G.S. 159-48(c)(4), school facilities.
- 25 (6) G.S. 159-48(d)(5), streets and sidewalks."

26 **SECTION 2.(b)** G.S. 160A-239.4 reads as rewritten:

27 **"§ 160A-239.4. Financing a project for which an assessment is imposed.**

28 (a) Financing Sources. – A city council may provide for the payment of the cost of a
29 project for which an assessment may be imposed under this Article from one or more financing
30 sources listed in this subsection. solely from revenue bonds to be repaid from the assessments
31 or from a combination of financing sources that include the revenue bonds. Other financing
32 sources include general obligation bonds and general revenues. The assessment resolution must
33 include the estimated cost of the project and the amount of the cost to be derived from revenue
34 bonds and any other financing source. the respective financing source.

- 35 (1) Revenue bonds issued under G.S. 160A-239.6.
- 36 (2) Project development financing debt instruments issued under the North
37 Carolina Project Development Financing Act, Article 6 of Chapter 159 of
38 the General Statutes.
- 39 (3) General obligation bonds issued under the Local Government Bond Act,
40 Article 4 of Chapter 159 of the General Statutes.
- 41 (4) General revenues.

42 (b) Assessments Pledged. – An assessment imposed under this Article may be pledged
43 to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project
44 development financing debt instrument under G.S. 159-111. If an assessment imposed under
45 this Article is pledged to secure financing, the city council must covenant to enforce the
46 payment of the assessments."

47 **SECTION 2.(c)** Article 10A of Chapter 160A of the General Statutes is amended
48 by adding a new section to read:

49 **"§ 160A-239.7. Project implementation.**

50 A city may act directly, through one or more contracts with other public agencies, through
51 one or more contracts with private agencies, or by any combination thereof to implement the

1 project financed in whole or in part by the imposition of an assessment imposed under this
2 Article. A private agency that enters into a contract with a city for the implementation of all or
3 part of the project is subject to the provisions of Article 8 of Chapter 143 of the General
4 Statutes only to the extent specified in the contract."

5 **SECTION 3.** This act is effective when it becomes law.