

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 657  
HOUSE BILL 415

AN ACT TO AUTHORIZE THE ISSUANCE OF \$300,000,000 IN BONDS OF THE STATE TO PROVIDE FUNDS FOR PUBLIC SCHOOL FACILITIES IN THE COUNTIES OF THE STATE SUBJECT TO A VOTE OF THE PEOPLE OF THE STATE.

Whereas, pursuant to the provisions of Chapter 1020, as amended by Chapter 1249 of the Session Laws of 1949, the State of North Carolina made available to the several counties of the State fifty million dollars (\$50,000,000) for the purpose of providing funds for the construction, improvement and repair of school plant facilities, of which twenty-five million dollars (\$25,000,000) was made available from the then existing Post-War Reserve Fund and twenty-five million dollars (\$25,000,000) from a bond issue approved by a vote of the people of the State; and

Whereas, recognizing the acute and continuing need for substantial improvement in school facilities, the State of North Carolina, pursuant to the provisions of Chapter 1046 of the Session Laws of 1953, made available to the several counties another fifty million dollars (\$50,000,000) provided from a bond issue approved by a vote of the people of the State; and

Whereas, in response to a continuing need for improved and expanded school facilities, the State of North Carolina, pursuant to the provisions of Chapter 1079 of the Session Laws of 1963, made available to the several counties an additional one hundred million dollars (\$100,000,000) provided from a bond issue approved by a vote of the people of the State; and

Whereas, said State grants gave encouragement and impetus to local efforts in providing capital funds for school improvement; and

Whereas, by utilizing local capital outlay funds and local bond issues, substantial progress has been made in the several counties in the addition and improvement of school plant facilities, particularly during the past decade; and

Whereas, in spite of continuing financial efforts at the local level, there remains in the various counties of the State a serious shortage of school plant facilities; and

Whereas, needed consolidation of schools, changing instructional patterns and rapidly approaching obsolescence of some existing school plants have intensified the need for additional school plant facilities; and

Whereas, the financing of capital school improvement at the local school level has become difficult and in some instances, beyond the resources of the counties, many of which have already reached or are approaching the legal limits of borrowing capacity; and

Whereas, the local financing is complicated further by rising interest rates; and

Whereas, pending court decisions may require new methods of school support placing less emphasis on local property taxes; and

Whereas, the State of North Carolina with its superior resources can aid the several counties in financing urgently needed school improvements; Now, therefore,

The General Assembly of North Carolina enacts:

**Section 1.** Subject to a favorable vote of a majority of the qualified voters of the State who shall vote thereon in an election called and held as hereinafter provided, the State Treasurer is hereby authorized, by and with the consent of the Governor and Council of State,

to issue and sell, at one time or from time to time, bonds of the State to be designated "State of North Carolina Public School Facilities Bonds of 1973" in an aggregate principal amount not exceeding three hundred million dollars (\$300,000,000), for the purpose of providing grants-in-aid to the various counties of the State for the construction, reconstruction, enlargement, improvement, repair and renovation of public school facilities, and for the purchase of equipment essential to the efficient operation of the facilities.

Provided: In the event the State Board of Education determines and finds as a fact that any funds hereinafter allocated to the respective administrative units are not needed, in whole or in part by an administrative unit for the construction, reconstruction, enlargement, improvement, repair or renovation of public school facilities or the purchase of equipment for school facilities, such unneeded funds allocated to the administrative unit may be used for the retirement of school bonds heretofore issued by the county in which such administrative unit is located. The proceeds of the sale of the bonds authorized by this act are hereby appropriated for the purposes set forth in this act; and this appropriation shall be in addition to all other appropriations heretofore made or which may be made at the 1973 Session of the General Assembly.

**Sec. 2.** There shall be allocated and distributed to the county and city administrative units of the State from the proceeds of sale of said bonds the following amounts, respectively, such allocation being on the basis of the per capita average daily membership within each such administrative unit for the school year 1971-1972, as herein set forth and as conclusively determined and certified by the State Superintendent of Public Instruction.

DISTRIBUTION OF FUNDS FOR PUBLIC SCHOOL FACILITIES

<u>County and City Administrative Units</u>	<u>1971-72 Average Daily Membership</u>	<u>Allocation to Administrative Unit</u>
Alamance	12,809	\$ 3,328,039.89
Burlington	9,384	2,438,154.93
Alexander	4,582	1,190,497.23
Alleghany	1,793	465,858.03
Anson	5,650	1,467,985.44
Ashe	4,307	1,119,046.62
Avery	3,022	785,177.34
Beaufort	4,539	1,179,324.96
Washington	3,783	982,900.71
Bertie	5,506	1,430,571.30
Bladen	6,976	1,812,507.33
Brunswick	6,553	1,702,603.29
Buncombe	21,569	5,604,066.87
Asheville	7,594	1,973,076.36
Burke	13,224	3,435,865.38
Cabarrus	8,312	2,159,627.43
Concord	3,529	916,906.32
Kannapolis	5,967	1,550,348.52
Caldwell	12,107	3,145,645.95
Lenoir	1,875	487,163.31
Camden	1,465	380,636.94
Carteret	7,115	1,848,622.38
Caswell	4,875	1,266,624.60
Catawba	11,002	2,858,544.39
Hickory	6,087	1,581,526.98
Newton	3,025	785,956.80
Chatham	6,609	1,717,153.23

Cherokee	3,660	950,942.79
Chowan/Edenton	2,843	738,669.51
Clay	1,121	291,258.72
Cleveland	8,619	2,239,392.30
Kings Mountain	4,129	1,072,798.56
Shelby	4,861	1,262,987.13
Columbus	9,390	2,439,713.85
Whiteville	3,257	846,235.14
Craven	8,656	2,249,005.65
New Bern	5,462	1,419,139.20
Cumberland	31,971	8,306,718.99
Fayetteville	12,184	3,165,652.14
Currituck	1,841	478,329.42
Dare	1,492	387,652.11
Davidson	14,209	3,691,788.51
Lexington	4,427	1,150,225.05
Thomasville	3,569	927,299.13
Davie	4,308	1,119,306.42
Duplin	9,397	2,441,532.60
Durham County	14,172	3,682,175.16
Durham City	11,994	3,116,286.24
Edgecombe	6,840	1,777,171.74
Tarboro	3,318	862,084.20
Forsyth/Winston-Salem	46,821	12,165,052.38
Franklin	4,901	1,273,379.94
Franklinton	1,411	366,606.63
Gaston	32,698	8,495,608.44
Gates	2,249	584,336.16
Graham	1,436	373,102.14
Granville	7,633	1,983,209.37
Greene	4,174	1,084,490.49
Guilford	23,565	6,122,668.44
Greensboro	29,146	7,572,726.27
High Point	11,383	2,957,535.96
Halifax	8,786	2,282,782.32
Roanoke Rapids	2,976	773,225.64
Weldon	1,848	480,148.14
Harnett	11,661	3,029,766.06
Haywood	8,921	2,317,858.08
Henderson	6,990	1,816,144.83
Hendersonville	1,860	483,266.01
Hertford	5,712	1,484,094.30
Hoke	4,799	1,246,878.27
Hyde	1,282	333,089.79
Iredell	10,089	2,621,328.33
Mooreville	2,465	640,457.37
Statesville	4,112	1,068,381.60
Jackson	3,419	888,326.04
Johnston	14,765	3,836,248.65
Jones	2,528	656,826.06
Lee	2,258	586,674.54

Sanford	5,279	1,371,592.05
Lenoir County	7,130	1,852,519.68
Kinston	5,520	1,434,208.77
Lincoln	5,541	1,439,664.99
Lincolnton	2,386	619,931.55
Macon	3,280	852,211.02
Madison	2,912	756,597.09
Martin	6,247	1,623,098.22
McDowell	6,573	1,707,799.68
Mecklenburg/Charlotte	78,931	20,507,886.36
Mitchell	2,814	731,134.28
Montgomery	4,584	1,101,016.86
Moore	9,567	2,485,702.05
Nash	11,094	2,882,447.85
Rocky Mount	6,758	1,755,866.46
New Hanover	19,144	4,974,002.31
Northampton	6,028	1,566,197.55
Onslow	15,281	3,970,315.98
Orange	4,728	1,228,431.00
Chapel Hill	4,876	1,266,884.43
Pamlico	2,367	614,994.96
Pasquotank/Elizabeth City	6,231	1,618,941.09
Pender	4,524	1,175,427.63
Perquimans	2,077	539,647.02
Person	6,811	1,769,636.94
Pitt	11,792	3,063,802.50
Greenville	5,710	1,483,574.67
Polk	1,801	467,936.58
Tryon	702	182,393.94
Randolph	12,429	3,229,308.12
Asheboro	4,684	1,216,998.90
Richmond	9,829	2,553,775.02
Robeson	12,549	3,260,486.58
Fairmont	2,798	726,977.55
Lumberton	4,767	1,238,563.98
Maxton	1,404	364,787.88
Red Springs	1,771	460,141.98
Saint Pauls	1,641	426,365.34
Rockingham	4,922	1,278,836.16
Eden	4,781	1,242,201.48
Madison/Mayodan	2,815	731,394.51
Reidsville	4,879	1,267,663.89
Rowan	13,931	3,619,558.41
Salisbury	3,694	959,776.68
Rutherford	10,544	2,739,546.60
Sampson	7,807	2,028,418.11
Clinton	3,328	864,682.38
Scotland/Laurinburg	6,937	1,802,374.32
Stanly	6,707	1,742,615.61
Albemarle	2,673	694,500.00
Stokes	5,759	1,496,305.86

Surry	8,085	2,100,648.18
Elkin	1,175	305,289.00
Mount Airy	2,446	635,520.78
Swain	1,659	431,042.10
Transylvania	4,409	1,145,548.29
Tyrrell	1,008	261,898.98
Union	10,172	2,642,893.41
Monroe	3,104	806,482.62
Vance	7,543	1,959,825.51
Wake	28,078	7,295,238.03
Raleigh	21,846	5,676,037.11
Warren	4,116	1,069,420.89
Washington County	3,689	958,477.56
Watauga	4,308	1,119,306.42
Wayne	14,155	3,677,758.20
Goldsboro	6,736	1,750,150.41
Wilkes	9,555	2,482,584.21
North Wilkesboro	2,028	526,915.83
Wilson County	4,631	1,203,228.42
Elm City	1,487	386,352.99
Wilson City	7,092	1,842,646.50
Yadkin	5,492	1,426,933.80
Yancey	2,739	711,648.15
TOTALS	1,151,757	\$ 299,250,000.00

In the event two or more administrative units shall be consolidated into one administrative unit, the amount allocated above to such administrative units shall be appropriated to the merged administrative unit.

Funds received and disbursed under the provisions of this act shall be administered by the State Board of Education and shall be used only for the purposes specified in this act.

Each county and city school administrative unit shall submit to the State Board of Education for approval a plan or plans of school organization and of expenditure of funds available for school purposes; and the plan or plans may include joint expenditures by two or more administrative units for school facilities and equipment.

After approval of the plan or plans submitted by an administrative unit, the State Board of Education shall make available, at one time or from time to time, from the moneys herein allocated to an administrative unit, funds for the construction, reconstruction, enlargement, improvement, repair or renovation of public school facilities and for the purchase of any equipment essential to the efficient operation of the facilities.

**Sec. 3.** The proceeds of sale of the bonds authorized by this act may be used in conjunction with any federal funds available for the construction, reconstruction, enlargement, improvement, repair or renovation of public school facilities, and the State Board of Education and the county and city administrative units are authorized to apply for and accept any federal funds and to agree to the terms and conditions under which such funds shall be made available.

**Sec. 4.** There is hereby allocated from the proceeds of sale of the bonds authorized by this act to the State Board of Education the sum of seven hundred fifty thousand dollars (\$750,000) to be used, first, for paying any expenses necessarily incurred in the preparation and sale of the bonds and any bond anticipation notes herein authorized; and the remaining sum shall be used for providing educational surveys and technical assistance to local administrative units necessary to the construction and improvement of school plant facilities; and for evaluating the program of school construction made possible through this act; and for conducting such research and experimentation in school house planning and construction as

would be productive in the future design and construction of school facilities. In addition, there is appropriated to the Board of Education for such purposes any premiums received on the sale of the bonds and any bond anticipation notes authorized by this act. The Division of School Planning in the Department of Public Instruction shall provide the technical assistance and shall conduct or cause to be conducted the surveys, evaluations and research authorized by this section and shall make the results thereof available to the county and city administrative units.

**Sec. 5.** Bonds authorized by this act shall bear such date or dates, shall be serial bonds, and shall mature at such times and in such amounts, not exceeding 25 years from their date or respective dates, and may be made redeemable before maturity, at the option of the State, at such price or prices and under such terms and conditions, and shall bear interest at such rate or rates, payable semiannually, all as may be fixed by the State Treasurer with the approval of the Governor and Council of State.

**Sec. 6.** The bonds issued pursuant to this act shall be signed on behalf of the State of North Carolina by the Governor or shall bear his facsimile signature; shall be signed by the State Treasurer, or shall bear his facsimile signature; shall bear the Great Seal of the State or a facsimile thereof impressed or imprinted thereon; and shall carry interest coupons which shall bear a facsimile of the signature of the State Treasurer. In the event that the bonds shall bear the facsimile signature of the State Treasurer, the bonds shall also be signed by an assistant treasurer or a deputy treasurer as the State Treasurer shall determine. Should any officer whose signature or facsimile appears on any bonds or coupons cease to be such officer before the delivery of the bonds, such signature or facsimile shall nevertheless have same validity for all purposes as if the officer had remained in office until delivery. The form and denomination of the bonds shall be as the State Treasurer may determine in conformity with this act, and the bonds shall be subject to registration as is now or hereafter may be provided by law for State bonds, and provision may also be made for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

**Sec. 7.** Subject to determination by the Governor and Council of State as to the manner in which the bonds shall be offered for sale, whether by publishing notices in certain newspapers and financial journals or by mailing notices or by inviting bids by correspondence or otherwise, the State Treasurer is authorized to sell the bonds at one time or from time to time at the best price obtainable, but in no case for less than par and accrued interest. All expenses incurred in the preparation and sale of the bonds and any bond anticipation notes herein authorized shall be paid by the State Treasurer from the proceeds of sale allocated to the State Board of Education under Section 4 of this act.

**Sec. 8.** The proceeds of the bonds and of the bond anticipation notes herein authorized, except the proceeds of bonds the issuance of which has been anticipated by such bond anticipation notes, shall be placed by the State Treasurer in a special fund known as the "Public School Facilities Fund of 1973", and shall be disbursed, under the direction and supervision of the State Board of Education, as herein provided.

**Sec. 9.** By and with consent of the Governor and Council of State, who shall determine the rate or rates or maximum rate of interest and the date or approximate date of payment, the State Treasurer is hereby authorized to borrow money at the lowest rate of interest obtainable, and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

- (1) For anticipating the sale of any of said bonds to the issuance of which the Governor and Council of State shall have given consent, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds;
- (2) For the payment of interest upon or any installment of principal of any of the bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay such interest or installment of principal as they respectively become due;

(3) For the renewal of any loan evidenced by notes herein authorized.

**Sec. 10.** Funds derived from the sale of bonds herein authorized shall be used in the payment of any bond anticipation notes that may have been issued in anticipation of the sale of bonds and any renewals of such notes; and funds provided by the General Assembly for payment of the interest on or principal of bonds herein authorized shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds. Interest payments upon the notes may be evidenced by interest coupons in the State Treasurer's discretion.

**Sec. 11.** The full faith, credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on the bonds and notes herein authorized.

**Sec. 12.** The coupons appertaining to the bonds and notes after maturity shall be receivable in payment of all taxes, debts, dues, licenses, fines and demands of any kind whatsoever due to the State.

**Sec. 13.** All of the bonds and notes and coupons authorized by this act shall be exempt from all State, county and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, and the interest on the bonds and notes shall not be subject to taxation as to income, nor shall the bonds or notes or coupons be subject to taxation when constituting a part of the surplus of any bank, trust company or other corporation.

**Sec. 14.** It shall be lawful for all executors, administrators, guardians and fiduciaries generally, and all sinking fund commissions, to invest any moneys in their hands in said bonds and notes.

**Sec. 15.** The question of the issuance of the three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973 authorized by this act shall be submitted to the qualified voters of the State of North Carolina at an election to be held on a date not later than November 30, 1973 to be fixed by the Governor by a proclamation issued by him; provided, that the election herein provided for may be held on the same day as any other State, county, municipal or district election, and any other State, county, municipal or district election may be validly held on the same day as the bond election provided for in this act. Notice of the bond election shall be given by publication at least twice in a newspaper published in each county in the State or having a general circulation therein, and the election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. The State shall reimburse the counties of the State for all necessary expenses incurred in holding the election and registration therefor, the same to be paid out of the Contingency and Emergency Fund. The State Board of Elections shall cause to be printed and distributed the ballots which 981 are to be used in the election, which said ballots shall be substantially in the following form:

OFFICIAL BALLOT  
THREE HUNDRED MILLION DOLLARS STATE OF NORTH CAROLINA  
PUBLIC SCHOOL  
FACILITIES BONDS OF 1973  
Instructions for Marking Ballot

(a) To vote in favor of the issuance of the bonds, make a cross (x) mark in the square opposite the words "For the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973."

(b) To vote against the issuance of the bonds, make a cross (x) mark in the square opposite the words "Against the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973."

(c) If you tear or deface or wrongly mark this ballot, return it and get another.

For the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973.

Against the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973.

(Facsimile signature)

Chairman, State Board of Elections

Those voting in the election who are in favor of the issuance of the bonds shall vote by making an X in the square opposite the words "For the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973."

Those opposed to the issuance of said bonds shall vote by making an X in the square opposite the words "Against the issuance of three hundred million dollars (\$300,000,000) State of North Carolina Public School Facilities Bonds of 1973."

Notwithstanding the foregoing provisions of this section, voting machines may be used in accordance with rules and regulations prescribed by the State Board of Elections.

If a majority of those voting thereon in the election shall vote in favor of the issuance of the bonds, the bonds shall be issued as hereinbefore provided. In the event a majority of those voting thereon in the election shall vote against the issuance of the bonds, the bonds shall not be issued.

The result of the election shall be canvassed and declared as provided by law for the holding of elections for State officers and the result thereof certified by the State Board of Elections to the Secretary of State of North Carolina, in the manner and at the time provided by the general election laws of the State.

**Sec. 16.** All laws and clauses of laws in conflict with this act are hereby repealed.

**Sec. 17.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 22nd day of May, 1973.