

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 528  
HOUSE BILL 489

AN ACT TO AMEND ARTICLE V OF THE CONSTITUTION OF NORTH CAROLINA TO AUTHORIZE MUNICIPALITIES OWNING OR OPERATING ELECTRIC SYSTEMS AND JOINT AGENCIES COMPOSED OF SUCH MUNICIPALITIES TO JOINTLY OR SEVERALLY OWN, OPERATE AND MAINTAIN ELECTRIC GENERATION AND TRANSMISSION FACILITIES WITH ANY PERSON, FIRM, ASSOCIATION OR CORPORATION, PUBLIC OR PRIVATE, ENGAGED IN THE GENERATION, TRANSMISSION OR DISTRIBUTION OF ELECTRIC POWER AND ENERGY FOR RESALE WITHIN THIS STATE OR ANY CONTIGUOUS STATE, AND TO ISSUE REVENUE BONDS TO FINANCE THE COST THEREOF, SUBJECT TO THE APPROVAL OF THE ELECTORATE.

The General Assembly of North Carolina enacts:

**Section 1.** Article V of the Constitution of North Carolina is hereby amended by adding a new section to be designated as Section 10 and to read as follows:

**"Sec. 10. Joint ownership of generation and transmission facilities.** In addition to other powers conferred upon them by law, municipalities owning or operating facilities for the generation, transmission or distribution of electric power and energy and joint agencies formed by such municipalities for the purpose of owning or operating facilities for the generation and transmission of electric power and energy (each, respectively, 'a unit of municipal government') may jointly or severally own, operate and maintain works, plants and facilities, within or without the State, for the generation and transmission of electric power and energy, or both, with any person, firm, association or corporation, public or private, engaged in the generation, transmission or distribution of electric power and energy for resale (each, respectively, 'a co-owner') within this State or any state contiguous to this State, and may enter into and carry out agreements with respect to such jointly owned facilities. For the purpose of financing its share of the cost of any such jointly owned electric generation or transmission facilities, a unit of municipal government may issue its revenue bonds in the manner prescribed by the General Assembly, payable as to both principal and interest solely from and secured by a lien and charge on all or any part of the revenue derived, or to be derived, by such unit of municipal government from the ownership and operation of its electric facilities; provided, however, that no unit of municipal government shall be liable, either jointly or severally, for any acts, omissions or obligations of any co-owner, nor shall any money or property of any unit of municipal government be credited or otherwise applied to the account of any co-owner or be charged with any debt, lien or mortgage as a result of any debt or obligation of any co-owner."

**Sec. 2.** The Constitutional amendment set forth in Section 1 shall be submitted to the qualified voters of the State for their ratification or rejection at the next State primary, general or other statewide election following enactment of this bill. At such election the State Board of Elections shall cause to be printed the following:

"FOR Constitutional amendment to permit municipalities owning or operating electric generation, transmission or distribution facilities and joint agencies composed of such municipalities to own, operate and maintain generation and transmission facilities with any person, firm, association or corporation, public or private, engaged in the generation,

transmission or distribution of electric power and energy for resale (each, respectively, 'a co-owner') within this State or any state contiguous to this State, and to issue electric revenue bonds to finance the cost of the ownership share of such municipalities or joint agencies, such bonds to be secured by and payable only from the electric revenues of such municipalities or joint agencies and providing that no money or property of such municipalities or joint agencies shall be credited or applied to the account of any such co-owner.

"**AGAINST** Constitutional amendment to permit municipalities owning or operating electric generation, transmission or distribution facilities and joint agencies composed of such municipalities to own, operate and maintain generation and transmission facilities with any person, firm, association or corporation, public or private, engaged in the generation, transmission or distribution of electric power and energy for resale (each, respectively, 'a co-owner') within this State or any state contiguous to this State, and to issue electric revenue bonds to finance the cost of the ownership share of such municipalities or joint agencies, such bonds to be secured by and payable only from the electric revenues of such municipalities or joint agencies and providing that no money or property of such municipalities or joint agencies shall be credited or applied to the account of any such co-owner."

Those qualified voters favoring the amendment shall vote by making an "X" or a check mark in the square beside the statement beginning "FOR", and those qualified voters opposed to the amendment shall vote by making an "X" or a check mark in the square beside the statement beginning "AGAINST".

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.

**Sec. 3.** If a majority of votes cast thereon are in favor of the amendment, the State Board of Elections shall certify the amendment to the Secretary of State, who shall enroll the amendment so certified among the permanent records of his office, and the amendment shall become effective upon such certification.

**Sec. 4.** All laws and clauses of laws in conflict with this act are repealed.

**Sec. 5.** If a statewide election is held prior to the general election to be held in November 1978, the State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding said election and registration therefor, the same to be paid out of the Contingency and Emergency Fund, unless the payment of such expenses is otherwise expressly provided for.

**Sec. 6.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 10th day of June, 1977.