

Article 1A.

Issuance Accountability.

§ 142-15.15. Findings.

The General Assembly hereby finds as follows:

- (1) From time to time, the General Assembly has authorized the State and State entities to acquire or lease assets and has structured the acquisition or leasing of those assets in ways that obligate the State to make payments similar to the obligation of the State to make payments for borrowed money.
- (2) Some of these arrangements have been made pursuant to specific legislative authorization of the General Assembly, such as the financing of assets pursuant to the State Capital Facilities Finance Act, the State Energy Conservation Act, and the State and Local Government Revenue Bond Act, while other arrangements have been entered into pursuant to broader and more general legislative authorization, such as general powers to lease property.
- (3) Depending upon the terms, some arrangements may be treated as similar to obligating the State to make payments for borrowed money and, therefore, have an impact on the State's credit ratings, the future debt affordability, the ability to address budgetary shortfalls, the ability to enforce its contract rights regarding the quality, the durability and performance of the assets acquired, the management of federal income tax compliance requirements, the management of federal securities law compliance, and on the other matters of State finances.
- (4) Due to these consequences, the General Assembly enacts this Article to set forth limitations on the ability of State entities to enter into financing arrangements that constitute State-supported financing arrangements in order to assure that the General Assembly is involved in reviewing and authorizing these transactions and that the transactions are properly managed by State departments and officials. (2016-94, s. 37.8(a).)