§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings Reserve.

(a) Whenever general obligation bonds issued or incurred by the State are refinanced:

   (1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

   (2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

   (3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f).

(c) This section does not apply to general obligation bond indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements.

(d) If, and to the extent that, the balance of the Savings Reserve is at or above the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f), whenever general obligation bonds issued or incurred by the State are refinanced, the following shall apply:

   (1) The General Assembly shall not reduce the funds appropriated for serving the refinanced debt during the fiscal biennium in which the refinancing occurs.

   (2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Unfunded Liability Solvency Reserve, established under G.S. 143C-4-10, during the fiscal biennium in which the refinancing occurs.

   (3) In the fiscal biennium immediately following the refinancing, the Director of the Budget shall adjust the amount of debt service funded in the base budget so that it aligns with the actual debt service needs. (2015-241, s. 6.23(a); 2017-5, s. 3; 2018-30, s. 2(a).)