

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 440

Short Title: Economic Development Bonds.

(Public)

Sponsors: Senator Odom.

Referred to: Constitution.

April 1, 1991

A BILL TO BE ENTITLED

**AN ACT TO AMEND THE CONSTITUTION TO PERMIT THE ISSUANCE OF
LOCAL GOVERNMENT BONDS TO FINANCE THE PUBLIC PORTION OF
URBAN REDEVELOPMENT OR ECONOMIC DEVELOPMENT PROJECTS.**

The General Assembly of North Carolina enacts:

Section 1. Article V of the Constitution of North Carolina is amended by adding a new section to read:

"Sec. 14. Development Financing Bonds. Notwithstanding Section 4 of this Article or any other provision of this Constitution, the General Assembly may enact general laws authorizing any county, city, or town to define territorial areas in the county, city, or town and borrow money, without need of voter approval, to be used to finance public activities associated with private development projects within the territorial areas, as provided in this section. When a territorial area is defined pursuant to this section, the current assessed value of taxable property in the area shall be determined. Thereafter, property in the territorial area continues to be subject to taxation to the same extent and in like manner as property not in the territorial area, but the net proceeds of taxes levied on the excess, if any, of the assessed value of taxable property in the area at the time the taxes are levied over the assessed value of taxable property in the area at the time the area was defined may be set aside. Unless the county, city, or town borrowing the money has also expressly pledged its faith and credit to secure the obligation, the proceeds set aside and any other revenues arising from the public activities undertaken in the territorial area and pledged in the bond order authorizing the bonds shall be the sole security for any obligations incurred pursuant to this section, and the obligation does not create a debt secured by the faith and credit of the county, city, or town."

1 Sec. 2. The amendment set out in Section 1 of this act shall be submitted to
2 the qualified voters of the State for their ratification or rejection in a referendum to be
3 held on November 5, 1991. At that referendum, each qualified voter desiring to vote
4 shall be provided a ballot on which shall be printed the following:

5 "[] FOR Constitutional amendment permitting the General Assembly to
6 enact general laws permitting issuance of bonds to finance public
7 projects associated with private development projects, with the bonds
8 to be retired from taxes levied on the benefited private development
9 and from other revenues arising from the public projects.

10 [] AGAINST Constitutional amendment permitting the General
11 Assembly to enact general laws permitting issuance of bonds to
12 finance public projects associated with private development projects,
13 with the bonds to be retired from taxes levied on the benefited private
14 development and from other revenues arising from the public
15 projects."

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

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

23 Sec. 3. If a majority of votes cast thereon are in favor of the amendment, the
24 State Board of Elections shall certify the amendment to the Secretary of State, who shall
25 enroll the amendment so certified among the permanent records of the Office of the
26 Secretary of State. The amendment shall become effective upon this certification.

27 Sec. 4. This act is effective upon ratification.