

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 440
Second Edition Engrossed 4/24/91

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

1 this section, and the obligation does not create a debt secured by the faith and credit of
2 the county, city, or town."

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

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

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

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

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

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

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