

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1343\*

Short Title: Comm. College Revolving Loan Fund.

(Public)

Sponsors: Representatives Black; McLawhorn and Bowman.

Referred to: Appropriations.

May 11, 1993

A BILL TO BE ENTITLED

AN ACT TO CREATE A COMMUNITY COLLEGE EQUIPMENT REVOLVING  
LOAN FUND AND TO APPROPRIATE SIXTY MILLION DOLLARS TO THE  
FUND.

The General Assembly of North Carolina enacts:

Section 1. Chapter 115D of the General Statutes is amended by adding a new  
section to read:

**"§ 115D-41. Community College Equipment Revolving Loan Fund.**

(a) Creation and Purpose. – The Community College Equipment Revolving Loan  
Fund is established as a special revenue fund within the Department of Community  
Colleges. The Fund shall consist of money appropriated to it by the General Assembly,  
interest and other investment income earned by it, and any other funds made available  
to it. The cash available in the Fund may be used only to make loans to community  
colleges to purchase instructional equipment. The State Board shall administer the  
Fund. It may loan up to seventy-five percent (75%) of the unencumbered cash balance  
in the Fund on the first day of the fiscal year during that fiscal year.

(b) Application. – A community college may submit an application to the State  
Board for a loan from the Community College Equipment Revolving Loan Fund. Two  
or more community colleges may submit a joint application for instructional equipment  
to be used jointly by them in offering a regional program. An application must include  
all of the following:

- (1) A description of the instructional equipment for which the application  
is submitted.

1           (2) An explanation of why the instructional equipment is needed to enable  
2           the community college to offer a curriculum or literacy program  
3           approved by the State Board and the benefits the community college  
4           expects to derive from the instructional equipment.

5           (3) The amount of the loan requested.

6           (4) Any other information needed by the State Board to enable it to make  
7           a decision on the application.

8           (c) Selection. – The State Board must select the applications that are to receive  
9           loans from the Community College Equipment Revolving Loan Fund based on the  
10           estimated needs of the various community colleges throughout the State. The State  
11           Board must give priority to loans for instructional equipment to be used in a regional  
12           program and to instructional equipment to be used in programs with high or critical  
13           occupational demands.

14           (d) Terms. – The State Board shall establish the terms and conditions of the  
15           revolving loans with the assistance of the State Treasurer. The interest rate shall be the  
16           same as the percentage increase of the current year's Consumer Price Index over the  
17           previous year's Consumer Price Index. A loan to two or more community colleges shall  
18           establish each community college's liability. The board of trustees of a community  
19           college entering into a loan under this section is authorized to adopt resolutions and  
20           execute agreements to evidence the loan, including the source of payment for repayment  
21           of the loan. A community college may repay a loan from the proceeds of appropriations  
22           made by the General Assembly for the purchase of equipment. The State Board is  
23           authorized to withhold State funds from a community college that fails to repay its loan  
24           in accordance with the terms of the loan. A community college that receives a loan  
25           under this section may not transfer funds from its equipment allocation during the  
26           period of the loan except to facilitate the repayment of a loan made under the provisions  
27           of this section."

28           Sec. 2. There is appropriated from the General Fund to the Department of  
29           Community Colleges for the Community College Equipment Revolving Loan Fund,  
30           established by this act, the sum of sixty million dollars (\$60,000,000) for the 1993-94  
31           fiscal year. Notwithstanding G.S. 115D-41, as enacted by this act, the State Board of  
32           Community Colleges may loan up to seventy-five percent (75%) of the amount  
33           appropriated to the Fund during the 1993-94 fiscal year.

34           Sec. 3. This act becomes effective July 1, 1993.