

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 884
House Committee Substitute Favorable 5/22/97

Short Title: DOT Infrastructure Bank Program.

(Public)

Sponsors:

Referred to:

April 15, 1997

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE DEPARTMENT OF TRANSPORTATION TO
3 ESTABLISH A STATE INFRASTRUCTURE BANK.

Whereas, the General Assembly finds that the improvement, rehabilitation, expansion, and construction of transportation facilities by governmental units contribute to the economic welfare of the State by enhancing economic development, providing employment opportunities, and improving transportation systems; and

Whereas, additional financial assistance is required to support the improvement, rehabilitation, expansion, and construction of transportation facilities by governmental units; and

Whereas, the Federal Intermodal Transportation Efficiency Act of 1991, Pub. L. No. 102-240, as amended, and the National Highway System Designation Act of 1995, Pub. L. 104-59, as amended, make federal funds available to provide such financial assistance through infrastructure banking programs; and

Whereas, the General Assembly finds it to be in the State's best interest to utilize available federal funds to assist governmental units in the improvement, rehabilitation, expansion, and construction of transportation facilities through the establishment of a State infrastructure banking program within the Department of Transportation; Now, therefore,

1 The General Assembly of North Carolina enacts:

2 Section 1. G.S. 136-18 is amended by adding a new subsection to read:

3 "(12a) The Department of Transportation shall have such powers as are
4 necessary to establish, administer, and receive federal funds for a
5 transportation infrastructure banking program as authorized by the
6 Intermodal Surface Transportation Efficiency Act of 1991, Pub. L. 102-
7 240, as amended, and the National Highway System Designation Act of
8 1995, Pub. L. 104-59, as amended. The Department of Transportation
9 is authorized to apply for, receive, administer, and comply with all
10 conditions and requirements related to federal financial assistance
11 necessary to fund the infrastructure banking program. The
12 infrastructure banking program established by the Department of
13 Transportation may utilize federal and available State funds for the
14 purpose of providing loans or other financial assistance to governmental
15 units, including toll authorities, to finance the costs of transportation
16 projects authorized by the above federal aid acts. Such loans or other
17 financial assistance shall be subject to repayment and conditioned upon
18 the establishment of such security and the payment of such fees and
19 interest rates as the Department of Transportation may deem necessary.
20 The Department of Transportation is authorized to apply a
21 municipality's share of funds allocated under G.S. 136-41.1 or G.S. 136-
22 44.20 as necessary to ensure repayment of funds advanced under the
23 infrastructure banking program. The Department of Transportation
24 shall establish jointly, with the State Treasurer, a separate infrastructure
25 banking account with necessary fiscal controls and accounting
26 procedures. The Department of Transportation may establish such rules
27 and policies as are necessary to establish and administer the
28 infrastructure banking program. The infrastructure banking program
29 authorized under this provision shall not modify the regional
30 distribution formula for the distribution of funds established by G.S.
31 136-17.2A. Governmental units may apply for loans and execute debt
32 instruments payable to the State in order to obtain loans or other
33 financial assistance provided for in this subsection. The Department of
34 Transportation shall require that applicants shall pledge as security for
35 such obligations revenues derived from operation of the benefited
36 facilities or systems, other sources of revenue, or their faith and credit,
37 or any combination thereof. The faith and credit of such governmental
38 units shall not be pledged or be deemed to have been pledged unless the
39 requirements of Article 4, Chapter 159 of the General Statutes have
40 been met. The State Treasurer, with the assistance of the Local
41 Government Commission, shall develop and adopt appropriate debt
42 instruments for use under this subsection. The Local Government
43 Commission shall develop and adopt appropriate procedures for the

1 delivery of debt instruments to the State without any public bidding
2 therefor. The Local Government Commission shall review and approve
3 proposed loans to applicants pursuant to this subsection under the
4 provisions of Articles 4 and 5, Chapter 159 of the General Statutes, as if
5 the issuance of bonds was proposed, so far as those provisions are
6 applicable. Loans authorized by this subsection shall be outstanding
7 debt for the purpose of Article 10, Chapter 159 of the General Statutes."

8 Section 2. This act is effective when it becomes law.