

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-380
HOUSE BILL 1471

AN ACT TO ADJUST THE MATURITY DATE OF THE 1996 HIGHWAY BONDS
TO REFLECT A CHANGE IN THE ESTIMATED COMPLETION DATE OF
HIGHWAY TRUST FUND PROJECTS.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

- (1) The State Highway Bond Act of 1996 provided, subject to a vote of the qualified voters of the State, for the issuance of nine hundred fifty million dollars (\$950,000,000) general obligation bonds of the State for certain highway purposes.
- (2) These bonds were approved by the voters.
- (3) The State Highway Bond Act of 1996 stated that the bonds could be used to expedite the completion of certain highway projects that would otherwise be funded from the Highway Trust Fund only when sufficient revenues were generated.
- (4) The State Highway Bond Act of 1996 also stated the intent of the General Assembly that the debt service on the bonds be paid for with the revenues that would otherwise be deposited to the Highway Trust Fund to fund highway construction.
- (5) The State Highway Bond Act of 1996 recognized that these revenues would be available only until the Highway Trust Fund sunset upon completion of the highway construction it funds, estimated to occur at the end of 2013, and thus required that the bonds must mature not later than that date.
- (6) Since 1996, it has been determined that the Highway Trust Fund construction projects will not be completed by 2013 but instead could take until at least 2020.
- (7) Accordingly, the 2013 deadline set for the maturity of the highway bonds is no longer appropriate, and should be extended to the current estimated date for completion of Highway Trust Fund projects, which is 2020.

Section 2. Section 2(b) of Chapter 590 of the 1995 Session Laws (1996) reads as rewritten:

"(b) Findings and determinations. – The General Assembly finds that:

- (1) Pursuant to Chapter 692 of the 1989 Session Laws, the General Assembly created the Highway Trust Fund, provided for revenues to be deposited to the Highway Trust Fund, and designated how the revenues may be expended.
- (2) As contemplated by Chapter 692, highway construction to be funded from the Highway Trust Fund is funded on a "pay-as-you-go" basis, with highway construction proceeding based upon the amount of funds to be available to pay the costs of the construction on a current basis, and this highway construction is expected to be completed and funded by December 31, ~~2013~~, 2020.
- (3) Providing funds from the proceeds of bonds as authorized in this act will expedite the completion of construction of urban loops, Intrastate System highways, and necessary improvements to the State secondary road highway system that otherwise would be constructed only when sufficient revenues were generated to fund this construction.
- (4) The State could issue the bonds authorized by this act, expediting this construction, and could provide sufficient funds to pay debt service on the bonds from the moneys otherwise to be deposited to the Highway Trust Fund to fund highway construction.
- (5) Sufficient moneys are expected to be deposited to the Highway Trust Fund to pay anticipated debt service on the bonds authorized by this act.
- (6) Although the bonds authorized by this act will constitute general obligation bonds, secured by the faith and credit and taxing power of the State, and although the funds deposited to the Highway Trust Fund are not specifically pledged to pay debt service on the bonds, it is the intent of the General Assembly that the debt service on the bonds authorized by this act will be provided from amounts deposited to the Highway Trust Fund, and certain amendments to Chapter 692 of the 1989 Session Laws are necessary to facilitate this funding of payments."

Section 3. Section 10(a) of Chapter 590 of the 1995 Session Laws (1996) reads as rewritten:

"(a) Terms and conditions. Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not later than December 1, ~~2013~~, 2020, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State."

Section 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of July, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 9:49 p.m. this 4th day of August, 1999