

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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HOUSE BILL 1629  
Committee Substitute Favorable 6/5/00

Short Title: Butner Water & Sewer Bonds.

(Public)

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Sponsors:

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Referred to:

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May 18, 2000

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF STATE REVENUE BONDS TO  
FINANCE IMPROVEMENTS TO THE WATER AND SEWER SYSTEM FOR  
THE COMMUNITY OF BUTNER AND THE CAMP BUTNER RESERVATION.

The General Assembly of North Carolina enacts:

Section 1. Findings and purpose. The General Assembly finds and determines  
as follows:

(1) The Community of Butner and the Camp Butner reservation constitute a  
unique State resource administered by the State of North Carolina  
through the Secretary of the North Carolina Department of Health and  
Human Services and regulated by Parts 1 through 1B of Article 6 of  
Chapter 122C of the General Statutes.

(2) Pursuant to G.S. 122C-407, the Department is authorized to acquire,  
construct, establish, enlarge, maintain, operate, and contract for the  
operation of a water supply and distribution system and a sewage  
collection and disposal system for the Camp Butner reservation. Acting  
pursuant to this authority, the Department has so established a water and  
sewer system for the Camp Butner reservation. While historically the  
Department has been able to construct, acquire, maintain, and operate

1 the water and sewer system from funds appropriated to the Department  
2 by the General Assembly, from rates, fees, and charges collected from  
3 the users of the system, and from other funds available to the  
4 Department, significant capital outlay is now required for the  
5 improvement and maintenance of the water and sewer system and at  
6 present there are not sufficient resources available for that purpose.

7 (3) The Secretary of Health and Human Services has proposed that the State  
8 finance improvements to the Camp Butner reservation through the  
9 issuance of revenue bonds issued by the State pursuant to The State and  
10 Local Government Revenue Bond Act, Article 5 of Chapter 159 of the  
11 General Statutes. G.S. 159-88(c) mandates that prior to the adoption of  
12 a bond order authorizing the issuance of revenue bonds of the State  
13 under The State and Local Government Revenue Bond Act, the General  
14 Assembly must enact legislation authorizing the undertaking of the  
15 revenue bond project to be financed and fixing the maximum aggregate  
16 principal amount of revenue bonds that will be issued for that purpose.

17 (4) It is the intent of the General Assembly to enact the legislation  
18 necessary so that the State may issue revenue bonds for the purpose of  
19 paying (i) the costs of acquisition, construction, reconstruction,  
20 improvement, enlargement, betterment, and extension of the water  
21 supply and distribution system and sewage collection and disposal  
22 system for the Community of Butner and the Camp Butner reservation  
23 and (ii) certain costs of issuance of the revenue bonds.

24 Section 2. Definitions. The following definitions apply in this act:

25 (1) "Department" means the North Carolina Department of Health and  
26 Human Services.

27 (2) "Secretary" means the Secretary of the North Carolina Department of  
28 Health and Human Services, or any successor office.

29 (3) "Project" means the water supply and distribution system and sewer  
30 collection and disposal system serving an area including, but not limited  
31 to, the Community of Butner and the Camp Butner reservation pursuant  
32 to G.S. 122C-407.

33 Section 3. General grant of powers. The State of North Carolina, acting  
34 through the Secretary, is authorized, subject to the provisions of this act, to issue revenue  
35 bonds pursuant to The State and Local Government Revenue Bond Act to pay the costs  
36 of the project and associated costs. The project is a "revenue bond project" within the  
37 meaning of The State and Local Government Revenue Bond Act. Except as otherwise  
38 provided in this act, these revenue bonds shall be issued in compliance with The State  
39 and Local Government Revenue Bond Act, and in administering the project the  
40 provisions of The State and Local Revenue Bond Act shall be in full force and effect.

41 Section 4. Issuance of revenue bonds. The total amount of bonds to be issued  
42 pursuant to this act shall not exceed forty million dollars (\$40,000,000). These bonds  
43 may be issued at one time or from time to time as the Secretary considers necessary.

1 Bonds issued pursuant to this act shall be issued pursuant to an order adopted by the  
2 Council of State under G.S. 159-88 of The State and Local Government Revenue Bond  
3 Act. Bonds issued pursuant to this act shall be sold by the Local Government  
4 Commission pursuant to the provisions of Article 7 of Chapter 159 of the General  
5 Statutes.

6 Section 5. Negotiable instruments. Notwithstanding any of the foregoing  
7 provisions of this act or any recitals in any bonds issued under the provisions of this act,  
8 all these bonds are negotiable instruments under the laws of this State, subject only to any  
9 applicable provisions for registration.

10 Section 6. Tax exemptions. Bonds issued under this act shall at all times be  
11 free from taxation by the State or any political subdivision or any of their agencies,  
12 excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of  
13 the securities, and franchise taxes. The interest on the bonds is not subject to taxation as  
14 income.

15 Section 7. Interpretation of act. (a) Additional method. This act provides an  
16 additional and alternative method for the doing of the things authorized by the act and is  
17 supplemental and additional to powers conferred by other laws, and, except as expressly  
18 provided, does not derogate any powers now existing.

19 Section 7.(b) Statutory references. References in this act to specific sections or  
20 Chapters of the General Statutes are intended to be references to these sections or  
21 Chapters as they may be amended from time to time by the General Assembly.

22 Section 7.(c) Liberal construction. This act, being necessary for the health and  
23 welfare of the people of the State, shall be liberally construed to effect its purposes.

24 Section 7.(d) Severability. If any provision of this act or its application to any  
25 person or circumstance is held invalid, that invalidity does not affect other provisions or  
26 applications of the act that can be given effect without the invalid provision or  
27 application, and to this end the provisions of this act are severable.

28 Section 8. Effective date. This act is effective when it becomes law.