March 24, 2005

S 1079. CONST'L AMENDMENT LIMITING NONVOTED DEBT. *TO LIMIT THE AMOUNT OF NONVOTED INDEBTEDNESS THE GENERAL ASSEMBLY IS AUTHORIZED TO INCUR OR ISSUE IN A SINGLE FISCAL YEAR TO TWENTY-FIVE MILLION DOLLARS UNLESS IT IS APPROVED BY A VOTE OF THE PEOPLE*. Current Section 3(1) of Article V of the NC Constitution requires approval by the voters before the State can issue debt secured by its faith and credit, with limited exceptions. The State can issue debt without voter approval if the debt is not secured by its faith and credit—for example, if the debt is unsecured, secured by a mortgage, or secured by revenues of the facility being financed. Act proposes constitutional amendment to Section 3 of Article V to require voter approval to for the State to authorize more than $25 million a year of debt that is unsecured or secured by anything other than revenues of the facility being financed. Proposed amendment to be submitted to the voters at the next statewide election or primary.

Intro. by Berger of Rockingham.

Ref. to Ways & Means CONST