

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE DRS35101-LYx-134 (3/1)

Short Title: Tax Increment Financing Changes.

(Public)

Sponsors: Senator Clodfelter.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE TYPES OF REVENUES THAT MAY BE USED TO
PROVIDE ADDITIONAL SECURITY FOR PROJECT DEVELOPMENT
FINANCING INSTRUMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-111(b) reads as rewritten:

"(b) In order to provide additional security for debt instruments issued pursuant to this Article, and in lieu of pledging its faith and credit for that purpose pursuant to subsection (a) of this section, a unit of local government may agree to apply to the payment of the instruments any available sources of revenues of the unit, as long as the agreement to use the sources to make payment does not constitute a pledge of the unit's taxing power or of the unit's revenues derived from local sales taxes power. In addition, to the extent the generation of the revenues is within the power of the unit, the unit may enter into covenants to take action in order to generate the revenues, as long as the covenant does not constitute a pledge of the unit's taxing power."

SECTION 2. This act is effective when it becomes law.