

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 670*

Short Title: Special Obligation Bonds for UNC.-AB (Public)

Sponsors: Senator Hartsell.

Referred to: Finance.

March 17, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE REQUIREMENTS RELATING TO THE ISSUANCE OF
3 SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE FACILITIES
4 OF THE UNIVERSITY OF NORTH CAROLINA.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 116D-26(b) reads as rewritten:

7 "(b) Approval Required. – ~~The Board of Governors shall not issue any special~~
8 ~~obligation bonds for a project at an institution unless the board of trustees of that~~
9 ~~institution has approved the issuance of bonds for that project. The~~ Except for special
10 obligation bonds, (i) the proceeds of which are to be used solely for acquisition of
11 equipment, and (ii) the amount of which does not exceed five percent (5%) of the
12 operating and nonoperating revenues of the constituent institution for whose benefit the
13 special obligation bonds are to be issued, as shown in the constituent institution's most
14 recent audited financial statements, the Board of Governors shall not issue special
15 obligation bonds under this Article until (i) the effective date of legislation enacted by
16 the General Assembly authorizing the undertaking of the special obligation bond project
17 to be financed and fixing the maximum aggregate principal amount of special obligation
18 bonds that shall be issued for that purpose-purpose, and (ii) the board of trustees of the
19 constituent institution for whose benefit the special obligation bonds are to be issued has
20 approved the issuance of bonds for that project. In submitting proposed special
21 obligation bond projects to the General Assembly for approval, the Board of Governors
22 shall submit information on the need for each project, project costs, estimates of
23 increased operating costs upon completion, estimated debt service requirements, and the
24 sources and amounts of obligated resources to be pledged for the repayment of the
25 bonds. If the obligated resources to repay the bonds or to operate the proposed project
26 potentially involve increased costs to students or to the General Fund, these costs shall
27 be identified in the Board of Governors' submission.

28 Except as provided in this Article, special obligation bond projects may be
29 undertaken, special obligation bonds may be issued, and other powers vested in the

1 Board of Governors under this Article may be exercised by the Board without obtaining
2 the consent of any department, division, commission, board, bureau, or agency of the
3 State and without any other proceedings or the happening of any other conditions or
4 things other than those proceedings, conditions, or things which are specifically
5 required by this Article."

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