

May 18, 2010

S 1209. NO NONVOTED LOCAL DEBT FOR COMPETING SYSTEM. Filed 5/18/10. *TO ENSURE THAT A LOCAL GOVERNMENT THAT COMPETES WITH PRIVATE COMPANIES IN PROVIDING COMMUNICATION SERVICES HAS THE SUPPORT OF ITS CITIZENS IN FINANCING THOSE SERVICES AND TO CONTINUE THE REVENUE LAWS STUDY COMMITTEE'S REVIEW OF THE TAX AND ECONOMIC DEVELOPMENT IMPACTS OF LOCAL GOVERNMENT OWNED AND OPERATED COMMUNICATION SERVICES.*

Article 3 of GS Chapter 160A applies to a city's contracting authority. Amends GS 160A-20 to add a new subsection (e2) which provides that the provisions of GS 160A-20 regarding the authority of a unit of local government to contract for the purchase, financing, or refinancing of real or personal property do not apply to an *external communication system*. Defines a *communication system* as one that provides broadband service or other Internet access service, cable service, telecommunications service, video programming service, or a combination of these services. Defines a communication system as *external* if it provides services to a person who is not a unit of local government or a part of that unit. This act is effective when it becomes law; provides that this act does not affect contracts that were entered into under GS 160A-20 before the effective date of this act.

Provides that the Revenue Laws Study Committee may continue to exercise its authority under Sections 7.1 and 7.2 of SL 2009-574 to study local government owned and operated communication services and report to the 2011 General Assembly.

Intro. by Hoyle.

GS 160A

June 2, 2010

S 1209. STUDY COMPETING SYSTEMS/INTERIM DEBT (NEW). Filed 5/18/10. Senate committee substitute deletes all provisions of the 1st edition and replaces it with *AN ACT TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO CONTINUE ITS REVIEW OF LOCAL GOVERNMENT OWNED AND OPERATED COMMUNICATION SYSTEMS AND TO TEMPORARILY LIMIT THE FINANCING OPTIONS FOR THESE SYSTEMS.*

Directs the Revenue Laws Study Committee (Committee) to continue the study that it began in 2009 of local government owned and operated communication systems. Defines *communication system* to mean a system that provides high-speed broadband internet access service, other internet service, cable service, telecommunications service, video programming service or a combination of these services. Specifies that *cable service*, *telecommunications service*, and *video programming service* have the same meanings as in GS 105-164.3. Directs the Committee to consider specified matters and policies relevant to its study of local government owned and operated communication systems. Authorizes the Committee co-chairs to (1) appoint an advisory subcommittee to assist with conducting the study, and (2) ask the Local Government Commission to designate someone to participate in the subcommittee's deliberations in an ex-officio, nonvoting capacity. Limits the subcommittee to no more than 12 members and provides that the subcommittee should have members representing specified areas of interest relating to telecommunication services, cable systems, and municipalities.

Prohibits the Local Government Commission from approving an application (under GS 160A-20 or GS 160A-466) for financing by a local government or joint agency of a communication system that provides retail internet service to consumers until the following conditions are met: (1) a bill recommended as a result of the Committee's study to the 2011 Regular Session of the 2011 General Assembly becomes law; (2) or if a bill by the Committee is not recommended or enacted, until the 2011 Regular Session adjourns. Provides for exceptions to the interim financing prohibitions for units of local government or a joint agency meeting specified qualifications. Provides that if a local government unit or a joint agency qualify under a specified exception to the prohibition against interim financing, then prior to submitting an application, the unit of local government or joint agency must hold a public hearing on the proposed application and must send written notice to each person that provides consumer Internet service at retail within that unit that informing them of the intent to submit an application.

Also provides that a unit of local government whose application is approved under the same specified exception to the prohibition against interim financing will be fully subject to the

requirements of any bill recommended by the Committee as the result of its study that is enacted by the 2011 Regular Session of the 2011 General Assembly.

June 3, 2010

S 1209. STUDY COMPETING SYSTEMS/INTERIM DEBT. Filed 5/18/10. Senate amendment makes the following changes to 2nd edition.

Deletes all references to “consumer Internet service at retail” in the bill and replaces them with “communication system.” Amends the term *communication system*, as used in the bill, to mean a system that provides high-speed broadband internet access service or other internet access service, cable service, telecommunications service, video programming service, or a combination of these services *at retail* (new language in italics). Directs the Revenue Laws Study Committee to determine, as part of its study, whether varying or different provisions are needed to accommodate communication systems placed in service or financed under GS 160A-20 (security interests) by cities (previous version did not include statutory reference).

The amendment also prohibits the Local Government Commission from approving an application for financing under GS 160A-19 (pertaining to leases) or GS 160A-20 (was, GS 160A-20 only) for a communication system (was, community system providing consumer Internet service at retail) until a bill recommended to the 2011 Regular Session of the 2011 General Assembly under this act becomes law, or that Session otherwise adjourns. Provides that this prohibition does not apply to an application submitted by the recipient of a federal broadband stimulus grant, if the financing is needed to provide any matching funds required as a condition of the grant (was, if the recipient stated that it would provide any matching funds required to receive the grant).

June 7, 2010

S 1209. STUDY COMPETING SYSTEMS/INTERIM DEBT. Filed 5/18/10. Senate amendment makes the following change to 2nd edition, as amended. Amendment #3 clarifies language in Section 3(a), which prohibits the Local Government Commission from approving an application for financing under specified statutes for a communication system until (1) a bill recommended to the 2011 Regular Session of the 2011 General Assembly under this act becomes law or (2) if a bill is not recommended or enacted, that same session of the General Assembly adjourns by joint resolution for more than 10 days (was, until the adjournment of the 2011 Regular Session of the 2011 General Assembly).