

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SESSION LAW 2013-200
HOUSE BILL 248

AN ACT TO REQUIRE DISCLOSURE ON THE BALLOT THAT AUTHORIZATION OF INDEBTEDNESS INCLUDES INTEREST AND THAT TAXES MAY BE LEVIED TO REPAY THE INDEBTEDNESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-55 reads as rewritten:

"§ 159-55. **Sworn statement of debt; ~~debt limitation~~limitation; statement of estimated interest on the bonds.**

...
(d) At the time the bond order is introduced, the finance officer (or some other officer designated by the governing board for this purpose) shall file with the clerk a statement of the finance officer estimating the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, and a summary of the assumptions upon which the estimate is based. The statement shall include a statement to the effect that the amount estimated is preliminary and is for general informational purposes only, that there is no assurance that the assumptions upon which the estimate is based will occur, that the occurrence of certain of the assumptions is beyond the control of the unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the estimate could result in significant differences between the estimated interest and the actual interest on the bonds. The statement may include other qualifications as the finance officer deems appropriate. The validity of the bonds authorized by the order is not subject to challenge on the grounds that the actual interest cost of the bonds when issued is different than the amount set forth in the statement. The statement shall be filed with the Local Government Commission and maintained by the Clerk."

SECTION 2. G.S. 159-56 reads as rewritten:

"§ 159-56. **Publication of bond order as introduced.**

After the introduction of the bond order, the clerk shall publish it once with the following statement appended:

"The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of the [issuing unit] to be \$ _____ and the net debt thereof, including the proposed bonds, to be \$ _____. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$ _____. The estimate is preliminary, is for general informational purposes only, and may differ from the actual interest paid on the bonds. A tax will [may] be levied to pay the principal of and interest on the bonds if they are issued. Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at _____

Clerk"

The publication may include a summary of the assumptions upon which the estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is based, and may further state that there is no assurance that the circumstances included in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the control of the issuing unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the estimate could result in significant differences between the estimated interest and the actual interest on the bonds. The statement



may include additional qualifications as the unit deems appropriate. The validity of bonds authorized to be issued pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the bonds when issued is different than the amount set forth in the estimate referenced in the publication of the bond order as introduced."

SECTION 3. G.S. 159-58 reads as rewritten:

"§ 159-58. Publication of bond order as adopted.

After adoption, the clerk shall publish the bond order once, with the following statement appended:

"The foregoing order was adopted on the _____ day of _____, _____, and is hereby published this _____ day of _____, _____. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$ _____. The estimate is preliminary, is for general informational purposes only, and may differ from the actual interest paid on the bonds.

Clerk"

The publication may include a summary of the assumptions upon which the estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is based, and may further state that there is no assurance that the circumstances included in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the control of the issuing unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the estimate could result in significant differences between the estimated interest and the actual interest on the bonds. The statement may include such additional qualifications as the unit deems appropriate. The validity of bonds authorized to be issued pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the bonds when issued is different than the amount set forth in the estimate referenced in the publication of the bond order as adopted."

SECTION 4. G.S. 159-61(d) reads as rewritten:

"(d) The form of the question as stated on the ballot shall be in substantially the following words: "Shall the order authorizing \$ _____ bonds plus interest for (briefly stating the purpose) and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the bonds be approved?

[] YES
[] NO""

SECTION 5. This act becomes effective September 1, 2013, and applies to bonds for which a bond order authorizing the issuance of such bonds is introduced on or after that date. This act does not affect the validity of any bonds that are issued under bond orders introduced prior to the effective date of this act.

In the General Assembly read three times and ratified this the 18th day of June, 2013.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:35 p.m. this 26th day of June, 2013