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SENATE BILL 129

Short Title:	Limit State Facilities Finance Act Debt.	(Public)
Sponsors:	Senators Tucker (Primary Sponsor); Bingham, Cook, J. Davis, Meredith, and Pate.	
Referred to:	Finance.	

February 26, 2013

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT ISSUANCE OF DEBT UNDER THE STATE CAPITAL FACILITIES FINANCE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 142-84(c) reads as rewritten:

"(c) Final Approval. – Before any special indebtedness may be incurred or issued pursuant to this Article, the Council of State must authorize the indebtedness by resolution, either as part of or separate from the resolution required by subsection (b) of this section. The resolution must do all of the following:

(1) Authorize the providing of a particular capital facility or, in general terms, the types or classifications of capital facilities to be provided.

(1a) Make a determination that the sum of the special indebtedness proposed to be issued and all other outstanding special indebtedness of the State authorized after July 1, 2013, does not exceed twenty-five percent (25%) of the total amount of outstanding debt of the State that is supported by the General Fund. The determination required to be made by this subdivision is not required in connection with the issuance of bonds and notes for refunding purposes pursuant to G.S. 142-89(f).

(2) Set the aggregate principal amount or maximum principal amount of the special indebtedness authorized.

(3) Set the maturity or maximum maturity of the special indebtedness authorized.

(4) Set the rate, rates, or maximum rate of interest, which may be fixed or vary over a period of time, of the special indebtedness authorized.

(5) Include any other conditions or matters not inconsistent with the provisions of this Article in the discretion of the Council of State, which may include the adoption or approvals as may be authorized in G.S. 142-88 and G.S. 142-89."

SECTION 2. This act becomes effective July 1, 2013, and applies to special indebtedness to finance the cost of capital facilities incurred on or after that date.