

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2015**

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**HOUSE BILL 943**  
**Committee Substitute Favorable 8/4/15**

Short Title: Connect NC Bond Act of 2015.

(Public)

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Sponsors:

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Referred to:

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August 3, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

**SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion eight hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars (\$2,859,076,952) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the twenty-first century, including, without limitation, construction, repair, renovation, and furnishing of new facilities and construction and renovation of highways, roads, bridges, and related road infrastructure in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

**SECTION 1.(c)** Findings. – The General Assembly finds the following:

- (1) The University of North Carolina is in need of new and renovated facilities to conduct research and recruit, retain, and prepare researchers, faculty, and students for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.
- (2) The North Carolina Community College System is in need of new and renovated facilities to train and prepare students and workers for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.
- (3) The public schools of the State are in need of new and renovated facilities to train and prepare students and teachers for the twenty-first century for the purpose of expanding opportunities for students by use of innovative educational programs that will attract new employers with workforces dependent on such programs.
- (4) New and renovated cultural resources and facilities and State Parks are vital to the attractiveness of the State for recruitment of new industry, business, technology, and tourists, thereby benefitting the State's economic development.



- 1 (5) New facilities for agriculture will assist current agricultural endeavors in the  
2 State and will attract bioscience and other related industries, thereby  
3 benefitting the State's economic development.
- 4 (6) Parks and public facilities that are accessible to children with disabilities and  
5 veterans with disabilities are essential for the twenty-first century to attract  
6 new and assist existing industry, business, technology, and tourism for the  
7 benefit of the State and its citizenry.
- 8 (7) Clean water and sewer systems are essential for the twenty-first century to  
9 attract new and assist existing industry, business, technology, and tourism  
10 for the benefit of the State and its citizenry.
- 11 (8) Adequate National Guard and military facilities attract new defense industry  
12 companies and suppliers.
- 13 (9) Adequate public safety and court facilities are essential for the twenty-first  
14 century to attract new and assist existing industry, business, technology, and  
15 tourism for the benefit of the State and its citizenry.
- 16 (10) State and local facilities need routine repair and renovations in order for the  
17 facilities to be up-to-date for the twenty-first century to attract new and assist  
18 existing industry, business, technology, and tourism for the benefit of the  
19 State and its citizenry.
- 20 (11) Highways, roads, bridges, and related road infrastructure of the State is vital  
21 for all the components set forth above, as well as individually, to help retain  
22 and attract new and assist existing industry, business, technology, and  
23 tourism for the benefit of the State and its citizenry.
- 24 (12) The components set forth above are all interrelated and united and comprise  
25 a single plan for updating the State's infrastructure for the twenty-first  
26 century and for providing the State with necessary economic development  
27 tools to attract new and assist existing industry, business, technology, and  
28 tourism for the benefit of the State and its citizenry.

29 **SECTION 1.(d)** Definitions. – Unless the context otherwise requires, the following  
30 definitions apply in this section:

- 31 (1) Bonds. – Bonds issued under this section.
- 32 (2) Cost. – Without intending thereby to limit or restrict any proper definition of  
33 this term in financing the cost of facilities or purposes authorized by this  
34 section, any of the following:
- 35 a. The cost of constructing, reconstructing, enlarging, acquiring, and  
36 improving facilities and acquiring equipment and land therefor.
- 37 b. The cost of engineering, architectural, and other consulting services  
38 as may be required.
- 39 c. Administrative expenses and charges. Nothing in this section shall  
40 permit use of bond funds to pay salaries or fees for bond  
41 administration; such salaries and fees shall come from funds  
42 appropriated by the General Assembly.
- 43 d. Finance charges and interest prior to and during construction and, if  
44 deemed advisable by the State Treasurer, for a period not exceeding  
45 three years after the estimated date of completion of construction.
- 46 e. The cost of bond insurance, investment contracts, credit enhancement  
47 and liquidity facilities, interest-rate swap agreements or other  
48 derivative products, financial and legal consultants, and related costs  
49 of bond and note issuance, to the extent and as determined by the  
50 State Treasurer.

- 1 f. The cost of reimbursing the State for any payments made for any cost  
2 described in this subdivision.  
3 g. Any other costs and expenses necessary or incidental to the purposes  
4 of this section.

5 Allocations in this section of proceeds of bonds to the costs of a project or  
6 undertaking in each case may include allocations to pay the costs set forth in  
7 sub-subdivisions c. through g. of this subdivision in connection with the  
8 issuance of bonds for the project or undertaking.

- 9 (3) Credit facility agreement. – An agreement entered into by the State  
10 Treasurer on behalf of the State with a bank, savings and loan association, or  
11 other banking institution; an insurance company, reinsurance company,  
12 surety company, or other insurance institution; a corporation, investment  
13 banking firm, or other investment institution; or any financial institution or  
14 other similar provider of a credit facility agreement, which provider may be  
15 located within or without the United States of America, such agreement  
16 providing for prompt payment of all or any part of the principal or purchase  
17 price (whether at maturity, presentment or tender for purchase, redemption,  
18 or acceleration), redemption premium, if any, and interest on any bonds or  
19 notes payable on demand or tender by the owner, in consideration of the  
20 State agreeing to repay the provider of the credit facility agreement in  
21 accordance with the terms and provisions of such agreement.

- 22 (4) Notes. – Notes issued under this section.

- 23 (5) Par formula. – Any provision or formula adopted by the State to provide for  
24 the adjustment, from time to time, of the interest rate or rates borne by any  
25 bonds or notes, including the following:

- 26 a. A provision providing for such adjustment so that the purchase price  
27 of such bonds or notes in the open market would be as close to par as  
28 possible;  
29 b. A provision providing for such adjustment based upon a percentage  
30 or percentages of a LIBOR rate, a prime rate, or base rate, which  
31 percentage or percentages may vary or be applied for different  
32 periods of time; or  
33 c. Such other provision as the State Treasurer may determine to be  
34 consistent with this section and will not materially and adversely  
35 affect the financial position of the State and the marketing of bonds  
36 or notes at a reasonable interest cost to the State.

- 37 (6) State. – The State of North Carolina.

38 **SECTION 1.(e)** Authorization of Bonds and Notes. – Subject to a favorable vote of  
39 a majority of the qualified voters of the State who vote on the question of issuing public  
40 improvement bonds in the election called and held as provided in this section, the State  
41 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and  
42 sell, at one time or from time to time, general obligation bonds of the State to be designated  
43 "State of North Carolina Public Improvement Bonds," with any additional designations as may  
44 be determined to indicate the issuance of bonds from time to time, or notes of the State as  
45 provided in this section, in an aggregate principal amount not exceeding two billion eight  
46 hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars  
47 (\$2,859,076,952) for the purpose of providing funds, with any other available funds, for the  
48 purposes authorized in this section. For public improvement bonds authorized by this section  
49 for transportation projects, although such bonds will constitute general obligation bonds,  
50 secured by the faith and credit and taxing power of the State, and although the funds deposited  
51 to the Highway Trust Fund are not specifically pledged to pay debt service on such bonds, it is

the intent of the General Assembly that the debt service on such bonds will be provided from amounts deposited to the Highway Trust Fund.

**SECTION 1.(f)** Use of Public Improvement Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

**Agriculture**

NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	\$85,000,000
Agriculture and Consumer Services	Wake	Veterinary/Food/Drug/Motor Fuels Lab	\$110,000,000
<b>Total for Agriculture (2 projects)</b>			<b>\$195,000,000</b>

**Attractions, Parks, and Historic Sites**

Cultural Resources	New Hanover	USS NC Battleship – Visitor's Center	\$10,800,000
State Parks	Cumberland	Carvers Creek	\$7,601,000
State Parks	Durham/ Orange	Eno River	\$3,774,000
State Parks	Washington/ Beaufort	Goose Creek	\$1,970,000
State Parks	Onslow	Hammocks Beach	\$1,500,000
State Parks	Dare	Jockeys Ridge	\$1,002,000
State Parks	Vance/ Warren	Kerr Lake State Recreational Area	\$5,000,000
State Parks	Burke/ McDowell	Lake James	\$4,028,000
State Parks	Iredell	Lake Norman	\$3,076,000
State Parks	Yancey	Mount Mitchell	\$800,000
State Parks	Various	Mountain-To-Sea/Other State Trails	\$6,000,000
State Parks	Surry/ Yadkin	Pilot Mountain	\$5,975,800
State Parks	Camden	Dismal Swamp	\$1,321,000

1	State Parks	Watauga	Elk Knob	\$1,200,000
2				
3	State Parks	Durham/ Wake	Falls Lake	\$1,053,000
4				
5				
6	State Parks	New Hanover	Fort Fisher State Recreational Area	\$1,500,000
7				
8	State Parks	Transylvania	Gorges State	\$3,341,000
9				
10	State Parks	Stokes	Hanging Rock	\$2,800,000
11				
12	State Parks	Guilford/ Rockingham	Haw River	\$2,000,000
13				
14				
15	State Parks	Chatham/ Wake	Jordan Lake State Recreational Area	\$4,000,000
16				
17				
18	State Parks	Columbus	Lake Waccamaw	\$2,008,000
19				
20	State Parks	Scotland/ Hoke/ Robeson/ Columbus	Lumber River	\$3,505,000
21				
22				
23				
24				
25	State Parks	Rockingham	Mayo River	\$1,000,000
26				
27	State Parks	Tyrell/ Washington	Pettigrew	\$3,774,000
28				
29				
30	State Parks	Burke	South Mountain	\$3,000,000
31				
32	State Parks	Alleghany/ Wilkes	Stone Mountain	\$1,784,000
33				
34				
35	State Parks	Wake	William B. Umstead State Park	\$2,300,000
36				
37	State Parks	Avery	Yellow Mountain Natural Area	\$3,000,000
38				
39	State Parks	Watauga	Beech Creek Bog State Natural Area	\$800,000
40				
41	State Parks	New Hanover	Carolina Beach State Park	\$1,140,000
42				
43	State Parks	Rutherford	Chimney Rock	\$2,000,000
44				
45	State Parks	Wayne	Cliffs of the Neuse	\$923,200
46				
47	State Parks	Gaston	Crowders Mountain	\$1,000,000
48				
49	State Parks	Chatham	Deep River State Trail	\$1,708,000
50				
51	State Parks	Carteret	Fort Macon	\$180,000

1				
2	State Parks	Watauga	Grandfather Mountain	\$2,002,000
3				
4	State Parks	Bladen	Jones Lake	\$869,000
5				
6	State Parks	Chatham	Lower Haw River Natural Area	\$271,000
7				
8	State Parks	Halifax	Medoc Mountain	\$1,845,000
9				
10	State Parks	Gates	Merchants Millpond	\$1,161,000
11				
12	State Parks	Stanly	Morrow Mountain	\$2,050,000
13				
14	State Parks	Ashe	Mount Jefferson State Natural Area	\$2,000,000
15				
16	State Parks	Ashe	New River	\$900,000
17				
18	State Parks	Harnett	Raven Rock	\$1,500,000
19				
20	State Parks	Bladen	Singletary Lake	\$767,000
21				
22	State Parks	Moore	Weymouth Woods State Natural Area	\$571,000
23				
24	Zoo	Randolph	Australasia Exhibit Complex	\$15,000,000
25				
26	Zoo	Randolph	Australasia Exhibit Complex	\$9,000,000
27			Replace Africa Pavilion	
28				
29	Zoo	Randolph	Africa Plains Safari	\$250,000
30				
31	<b>Total for Attractions, Parks, and Historic Sites (49 projects)</b>			<b>\$135,050,000</b>
32				
33				
34	<b><u>Local Parks and Infrastructure</u></b>			
35				
36	DENR	Statewide	Children With Disabilities and	\$10,000,000
37			Veterans With Disabilities Local	
38			Parks (Matching Grants)	
39				
40	DENR	Statewide	Water/Sewer Loans	\$75,000,000
41				
42	<b>Total for Local Parks and Infrastructure</b>			<b>\$85,000,000</b>
43				
44				
45	<b><u>National Guard and Military</u></b>			
46				
47	Military	Durham/ Granville	Camp Butner Buffer Zones	\$500,000
48				
49				
50	National Guard	Wake	JFHQ Heli-Pads	\$746,000
51				

1	National Guard	Davidson/	High Point Armory Major	\$625,000
2		Forsyth/	Renovations	
3		Guilford/		
4		Randolph		
5				
6	National Guard	Franklin	Louisburg Armory	\$2,377,288
7				
8	National Guard	Rockingham	Reidsville Armory	\$2,377,288
9				
10	National Guard	Richmond	Hamlet Armory	\$2,108,334
11				
12	National Guard	Union	Monroe Armory	\$2,658,334
13				
14	National Guard	Wayne	Goldsboro Armory	\$1,558,334
15				
16	National Guard	Cumberland	Fayetteville Armory	\$2,658,334
17				
18	National Guard	Lee	Sanford Armory	\$2,108,334
19				
20	National Guard	Surry/Wilkes	Elkin Armory	\$1,558,334
21				
22	National Guard	Macon	Franklin Armory	\$1,558,334
23				
24	National Guard	Halifax	Scotland Neck Armory	\$1,558,334
25				
26	National Guard	Guilford	McLeansville Regional Readiness Ctr.	\$43,959,375
27				
28	National Guard	Burke	Western Youth Institution Renovation	\$26,400,000
29				
30	<b>Total for National Guard and Military (15 projects)</b>			<b>\$92,751,623</b>

**NC Community Colleges**

35	Alamance Comm. College		New Construction, Repairs, Renovations	\$4,316,608
36				
37	Asheville-Buncombe		New Construction, Repairs, Renovations	\$8,056,622
38	Technical Comm. College			
39				
40	Beaufort Co. Comm. College		New Construction, Repairs, Renovations	\$3,746,460
41				
42	Bladen Comm. College		New Construction, Repairs, Renovations	\$3,560,367
43				
44	Blue Ridge Comm. College		New Construction, Repairs, Renovations	\$2,605,366
45				
46	Brunswick Comm. College		New Construction, Repairs, Renovations	\$2,418,939
47				
48	Caldwell Comm. College		New Construction, Repairs, Renovations	\$4,303,524
49	and Technical Institute			
50				
51	Cape Fear Comm. College		New Construction, Repairs, Renovations	\$5,650,810

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2	Carteret Comm. College	New Construction, Repairs, Renovations	\$1,961,128
3			
4	Catawba Valley Comm. College	New Construction, Repairs, Renovations	\$4,901,484
5			
6	Central Carolina Comm. College	New Construction, Repairs, Renovations	\$4,846,230
7			
8	Central Piedmont Comm. College	New Construction, Repairs, Renovations	\$11,269,441
9			
10	Cleveland Comm. College	New Construction, Repairs, Renovations	\$3,751,987
11			
12	College of the Albermarle	New Construction, Repairs, Renovations	\$4,863,383
13			
14	Coastal Carolina Comm. College	New Construction, Repairs, Renovations	\$4,313,926
15			
16	Craven Comm. College	New Construction, Repairs, Renovations	\$3,607,717
17			
18	Davidson County Comm. College	New Construction, Repairs, Renovations	\$4,393,838
19			
20	Durham Tech. Comm. College	New Construction, Repairs, Renovations	\$4,072,442
21			
22	Edgecombe Comm. College	New Construction, Repairs, Renovations	\$4,353,522
23			
24	Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	\$10,264,710
25			
26	Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	\$6,288,257
27			
28	Gaston College	New Construction, Repairs, Renovations	\$4,935,995
29			
30	Guilford Tech. Comm. College	New Construction, Repairs, Renovations	\$9,071,603
31			
32	Halifax Comm. College	New Construction, Repairs, Renovations	\$3,737,553
33			
34	Haywood Comm. College	New Construction, Repairs, Renovations	\$2,374,457
35			
36	Isothermal Comm. College	New Construction, Repairs, Renovations	\$4,225,417
37			
38	James Sprunt Comm. College	New Construction, Repairs, Renovations	\$2,661,578
39			
40	Johnston Comm. College	New Construction, Repairs, Renovations	\$3,356,734
41			
42	Lenoir Comm. College	New Construction, Repairs, Renovations	\$6,851,267
43			
44	Martin Comm. College	New Construction, Repairs, Renovations	\$3,819,225
45			
46	Mayland Comm. College	New Construction, Repairs, Renovations	\$2,752,960
47			
48	McDowell Tech. Comm. College	New Construction, Repairs, Renovations	\$2,727,637
49			
50	Mitchell Comm. College	New Construction, Repairs, Renovations	\$2,824,345
51			



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1	Montgomery Comm. College	New Construction, Repairs, Renovations	\$3,327,420
2			
3	Nash Comm. College	New Construction, Repairs, Renovations	\$10,142,192
4			
5	Pamlico Comm. College	New Construction, Repairs, Renovations	\$8,496,536
6			
7	Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,031,602
8			
9	Pitt Comm. College	New Construction, Repairs, Renovations	\$12,692,701
10			
11	Randolph Comm. College	New Construction, Repairs, Renovations	\$3,632,718
12			
13	Richmond Comm. College	New Construction, Repairs, Renovations	\$12,938,769
14			
15	Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	\$3,407,445
16			
17	Robeson Comm. College	New Construction, Repairs, Renovations	\$4,492,942
18			
19	Rockingham Comm. College	New Construction, Repairs, Renovations	\$4,302,087
20			
21	Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	\$5,588,267
22			
23	Sampson Comm. College	New Construction, Repairs, Renovations	\$2,936,298
24			
25	Sandhills Comm. College	New Construction, Repairs, Renovations	\$3,423,123
26			
27	South Piedmont Comm. College	New Construction, Repairs, Renovations	\$2,987,899
28			
29	Southeastern Comm. College	New Construction, Repairs, Renovations	\$4,060,783
30			
31	Southwestern Comm. College	New Construction, Repairs, Renovations	\$4,381,169
32			
33	Stanly Comm. College	New Construction, Repairs, Renovations	\$3,600,740
34			
35	Surry Comm. College	New Construction, Repairs, Renovations	\$4,750,239
36			
37	Tri-County Comm. College	New Construction, Repairs, Renovations	\$3,322,734
38			
39	Vance-Granville Comm. College	New Construction, Repairs, Renovations	\$4,988,371
40			
41	Wake Tech. Comm. College	New Construction, Repairs, Renovations	\$24,286,276
42			
43	Wayne Comm. College	New Construction, Repairs, Renovations	\$4,591,238
44			
45	Western Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,783,579
46			
47	Wilkes Comm. College	New Construction, Repairs, Renovations	\$3,898,805
48			
49	Wilson Comm. College	New Construction, Repairs, Renovations	\$4,050,535
50			
51	<b>Total for NC Community Colleges</b>		<b>\$300,000,000</b>

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**Public Instruction**

Public Schools	Statewide	New Schools, Additions, Renovations	\$500,000,000
Capital Assistance Program			

<b>Total for Public Instruction</b>			<b>\$500,000,000</b>
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**Public Safety**

DPS	Wake	Highway Patrol Training Academy	\$38,225,000
DPS	Moore	Samarcand Training Academy	\$8,500,000

<b>Total for Public Safety (2 projects)</b>			<b>\$46,725,000</b>
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**State Government Agencies**

Various	Statewide	Capital Repairs and Renovations	\$200,000,000
AOC	Statewide	Courthouse Grants	\$15,000,000

<b>Total for State Agencies</b>			<b>\$215,000,000</b>
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**Transportation**

Transportation	Statewide	Supplemental Highway Funding	\$400,000,000
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<b>Total for Transportation</b>			<b>\$400,000,000</b>
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**University of North Carolina**

Appalachian State University	Watauga	New Health Sciences Building	\$70,781,681
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East Carolina University	Pitt	Life Sciences & Biotech. Building	\$124,522,662
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Elizabeth City State University	Pasquotank	School of Aviation	\$15,794,660
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Fayetteville State University	Cumberland	Lyons Science Bldg. Renovation	\$10,616,373
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NC Central	Durham	Taylor Building Renovation	\$7,500,000
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1	University			
2				
3	NC State University	Wake	Engineering Building	\$65,100,000
4				
5	North Carolina	Guilford	Engineering Building	\$96,676,418
6	A & T State			
7	University			
8				
9	North Carolina	Durham	Discovery Center Residence Hall	\$7,410,000
10	School of Science			
11	and Math			
12				
13	North Carolina	Burke	Western North Carolina School of	\$58,792,500
14	School of Science		Science and Math	
15	and Math			
16				
17	UNC – Asheville	Buncombe	Owens Hall Renovation/Addition	\$15,150,000
18				
19	UNC – Chapel Hill	Orange	Medical Education Bldg. Replacement	\$68,835,000
20				
21	UNC – Charlotte	Mecklenburg	New Sciences Building	\$90,000,000
22				
23	UNC – Greensboro	Guilford	Jackson Library Renovation	\$20,000,000
24				
25	UNC – Pembroke	Robeson	West Hall Comprehensive Renovation	\$10,000,000
26				
27	UNC – School of	Forsyth	Old Library Renovation	\$7,350,000
28	the Arts			
29				
30	UNC – Wilmington	New Hanover	Allied Health and Human Services/	\$65,655,041
31			Nursing Building	
32				
33	Western Carolina	Jackson	Science/STEM Building	\$102,858,929
34	University			
35				
36	Winston-Salem	Forsyth	Sciences Building	\$52,507,065
37	State University			
38				
39	<b>Total for UNC System (18 projects)</b>			<b>\$889,550,329</b>
40				
41				
42	<b>Grand Total</b>			<b>\$2,859,076,952</b>
43				

- (2) Special Allocation Provisions. – In determining the use of the proceeds of public improvement bonds and notes, including premium thereon, if any, set forth in subdivision (1) of this subsection, the following special allocation provisions apply:
  - a. The proceeds of public improvement bonds and notes, including premium thereon, if any, for State Parks, as provided in subdivision (1) of this subsection, shall be used for capital improvements, as defined in G.S. 143C-1-1(d)(5). Any items purchased with such

- 1 proceeds and installed or replaced as part of a renovation or  
2 rehabilitation must have a useful life of at least 10 years or must  
3 extend the life of the facility by at least 10 years once renovated or  
4 rehabilitated.
- 5 b. The proceeds of public improvement bonds and notes, including  
6 premium thereon, if any, for the Department of Environment and  
7 Natural Resources for Statewide Children With Disabilities and  
8 Veterans With Disabilities Local Parks (Matching Grants), as  
9 provided in subdivision (1) of this subsection, shall be allocated to  
10 the Parks and Recreation Trust Fund established in G.S. 113-44.15  
11 and shall be used exclusively for grants to local government units or  
12 public authorities, as defined in G.S. 159-7, for construction of  
13 special facilities or adaptation of existing facilities that meet the  
14 unique needs of children with physical and developmental disabilities  
15 and veterans with physical and developmental disabilities and enable  
16 them to participate in recreational and sporting activities, regardless  
17 of their abilities. In order to receive such proceeds under this  
18 sub-subdivision, a local government unit or public authority shall  
19 provide matching funds in the amount of one dollar (\$1.00) of local  
20 funds for every four dollars (\$4.00) of such proceeds. Grants made  
21 using such proceeds under this sub-subdivision shall not exceed five  
22 hundred thousand dollars (\$500,000) per project.
- 23 c. The proceeds of public improvement bonds and notes, including  
24 premium thereon, if any, for the Department of Environment and  
25 Natural Resources for Statewide Water/Sewer Loans, as provided in  
26 subdivision (1) of this subsection, shall be allocated to the Water  
27 Infrastructure Fund established in G.S. 159G-22 and shall be used  
28 exclusively and in equal proportion for low-interest loans from the  
29 Clean Water State Revolving Fund and the Drinking Water State  
30 Revolving Fund.
- 31 d. The proceeds of public improvement bonds and notes, including  
32 premium thereon, if any, for NC Community Colleges, as provided  
33 in subdivision (1) of this subsection, shall be used for new  
34 construction or rehabilitation of existing facilities and repairs and  
35 renovations. Any items purchased with such proceeds and installed  
36 or replaced as part of a renovation or rehabilitation must have a  
37 useful life of at least 10 years or must extend the life of the facility  
38 by at least 10 years once renovated or rehabilitated.
- 39 e. The proceeds of public improvement bonds and notes, including  
40 premium thereon, if any, for public instruction for public schools  
41 capital assistance, as provided in subdivision (1) of this subsection,  
42 shall be allocated as follows:
- 43 1. One hundred fifty million dollars (\$150,000,000) of such  
44 proceeds shall be allocated equally to each county. Each  
45 county's allocation shall be distributed to the local school  
46 administrative units located in whole or in part in the county  
47 based on the average daily membership of the county's  
48 students in the school units.
  - 49 2. Two hundred eighty million dollars (\$280,000,000) of such  
50 proceeds shall be allocated among local school administrative  
51 units located in counties whose wealth is less than the State

- 1 average wealth, as computed pursuant to Section 8.3 of  
2 House Bill 97 of the 2015 Regular Session of the General  
3 Assembly. The portion of such proceeds allocated pursuant to  
4 this sub-sub-subdivision shall be initially proportionally  
5 allocated to each county according to average daily  
6 membership. Each county's allocation shall be distributed to  
7 the local school administrative units located in whole or in  
8 part in the county based on the average daily membership of  
9 the county's students in the school units.
- 10 3. Seventy million dollars (\$70,000,000) of such proceeds shall  
11 be allocated among local school administrative units that have  
12 increased average daily membership when comparing the  
13 average daily membership for fiscal year 2005-2006 with the  
14 average daily membership for fiscal year 2015-2016. The  
15 portion of the proceeds allocated pursuant to this  
16 sub-sub-subdivision to each unit is calculated by multiplying  
17 seventy million dollars (\$70,000,000) by a fraction, the  
18 numerator of which is the increased average daily  
19 membership of the local school administrative unit for the  
20 time period specified in this sub-subdivision and the  
21 denominator of which is the collective increased average  
22 daily membership of all local school administrative units with  
23 increased average daily membership in the State for the time  
24 period specified in this sub-sub-subdivision.
- 25 4. In order to receive proceeds under this sub-subdivision, a  
26 county shall provide matching funds. The amount of  
27 matching funds for a local school administrative unit  
28 otherwise eligible to receive such proceeds under  
29 sub-sub-subdivision 2. of this sub-subdivision shall be one  
30 dollar (\$1.00) of local funds for every four dollars (\$4.00)  
31 of such proceeds. The amount of matching funds for all other  
32 local school administrative units shall be one dollar (\$1.00) of  
33 local funds for every one dollar (\$1.00) of such proceeds. The  
34 match requirement may be satisfied by non-State  
35 expenditures for public school facilities made on or after July  
36 1, 2014. A non-State expenditure has been made for the  
37 purpose of the match if funds, including funds expended for  
38 debt service, have been budgeted, earmarked, or committed  
39 for the general purpose of public school facilities. If a debt  
40 has been authorized or incurred since July 1, 2014, for the  
41 general purpose of public school facilities, then the face  
42 amount of the debt shall be considered as a non-State  
43 expenditure for public school facilities for the purpose of the  
44 match.
- 45 5. A local school administrative unit that receives proceeds  
46 under this section shall ensure that such proceeds are used (i)  
47 for acquisition of real property and construction, acquisition,  
48 reconstruction, enlargement, renovation, or replacement of  
49 buildings and other structures and (ii) to supplement local  
50 funds for public school capital outlay projects and shall not  
51 decrease local funds for those projects from one fiscal year to

- 1 the next fiscal year, as measured by the most recent five-year  
2 annual average capital outlay expenditure. Any items  
3 purchased with such proceeds and installed or replaced as  
4 part of a renovation or rehabilitation must have a useful life  
5 of at least 10 years or must extend the life of the facility by at  
6 least 10 years once renovated or rehabilitated.
- 7 f. The proceeds of public improvement bonds and notes, including  
8 premium thereon, if any, for statewide capital repairs and renovations  
9 for State government agencies, as provided in subdivision (1) of this  
10 subsection, shall be issued only if all of the following conditions are  
11 satisfied:
- 12 1. The facility being renovated or rehabilitated is owned by or  
13 allocated to a State agency other than The University of North  
14 Carolina or the Department of Agriculture and Consumer  
15 Services.
  - 16 2. The project is one that is eligible under G.S. 143C-4-3(b) to  
17 receive funds from the Repairs and Renovations Reserve.
  - 18 3. Any items purchased with such proceeds and installed or  
19 replaced as part of a renovation or rehabilitation will have a  
20 useful life of at least 10 years or the life of the facility will be  
21 extended by at least 10 years once renovated or rehabilitated.
- 22 g. The proceeds of public improvement bonds and notes, including  
23 premium thereon, if any, for AOC Statewide Courthouse Grants, as  
24 provided in subdivision (1) of this subsection, shall be allocated by  
25 the Director of the Administrative Office of the Courts for grants for  
26 courthouses in the State. In making grants, the Director shall comply  
27 with all of the following requirements:
- 28 1. Priority for grants shall be, in descending priority, for (i)  
29 repair and renovation, (ii) security, and (iii) new construction.
  - 30 2. Grants for projects for courthouses in development tier one  
31 areas shall not exceed one million dollars (\$1,000,000).  
32 Grants for projects for courthouses in development tier two  
33 areas shall not exceed seven hundred fifty thousand dollars  
34 (\$750,000). Grants for projects for courthouses in  
35 development tier three areas shall not exceed two hundred  
36 fifty thousand dollars (\$250,000). For purposes of this  
37 sub-subdivision, development tier area is defined in  
38 G.S. 143B-437.08.
  - 39 3. Projects for courthouses in development tier one areas shall  
40 be eligible for a grant if the county in which the project is  
41 located provides matching funds in the amount of one dollar  
42 (\$1.00) for every four grant dollars (\$4.00). Projects for  
43 courthouses in development tier two areas shall be eligible for  
44 a grant if the county in which the project is located provides  
45 matching funds in the amount of one dollar (\$1.00) for every  
46 two grant dollars (\$2.00). All other projects for courthouses  
47 are eligible for a grant if the county in which the project is  
48 located provides matching funds in the amount equal to the  
49 grant.
  - 50 4. Grants for projects may be awarded only upon submission of  
51 a completed application received by the Director no later than

- 1 July 1, 2016. The application shall be in the form prescribed  
2 and made available by the Director.
- 3 5. Any items purchased with the proceeds of public  
4 improvement bonds and notes, including premium thereon, if  
5 any, and installed or replaced as part of a renovation or  
6 rehabilitation must have a useful life of at least 10 years or  
7 must extend the life of the facility by at least 10 years once  
8 renovated or rehabilitated.
- 9 h. The proceeds of public improvement bonds and notes, including  
10 premium thereon, if any, for statewide supplemental highway  
11 funding for transportation, as provided in subdivision (1) of this  
12 subsection, shall be issued only for highway projects satisfying all of  
13 the following conditions:
- 14 1. An environmental impact statement, if required by law, was  
15 completed prior to January 1, 2015.
- 16 2. Construction on the project is projected by the Department of  
17 Transportation to commence by January 1, 2017.
- 18 3. The project meets the requirements set forth in Article 14B of  
19 Chapter 136 of the General Statutes.
- 20 (3) Reallocation. – For public improvement bonds authorized by this section for  
21 projects other than transportation projects, the General Assembly may at this  
22 session or at any subsequent session increase or decrease the allocations of  
23 the proceeds of public improvement bonds and notes, including premium  
24 thereon, if any, for such projects set forth in subdivision (1) of this  
25 subsection or reallocate any amounts among agencies or nontransportation  
26 projects, including nontransportation projects not listed in this subsection but  
27 listed in the six-year capital improvement plan developed pursuant to  
28 G.S. 143C-8-5, so long as the aggregate amount of the allocations does not  
29 exceed two billion four hundred fifty-nine million seventy-six thousand nine  
30 hundred fifty-two dollars (\$2,459,076,952). For public improvement bonds  
31 authorized by this section for transportation projects, the General Assembly  
32 may at this session or at any subsequent session increase or decrease the  
33 allocations of the proceeds of public improvement bonds and notes,  
34 including premium thereon, if any, for such projects set forth in subdivision  
35 (1) of this subsection or reallocate any amounts among transportation  
36 projects, including transportation projects not listed in this subsection but  
37 listed as the next-highest-scoring Strategic Mobility-funded category project  
38 under G.S. 136-189.11 that is shovel-ready, so long as the aggregate amount  
39 of the allocations does not exceed four hundred million dollars  
40 (\$400,000,000).

41 **SECTION 1.(g) Allocation and Tracking of Proceeds. –**

- 42 (1) Public improvement bonds. – The proceeds of public improvement bonds  
43 and notes, including premium thereon, if any, except the proceeds of bonds  
44 the issuance of which has been anticipated by bond anticipation notes or the  
45 proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
46 in a special fund to be designated "Public Improvement Bonds Fund," which  
47 may include such appropriate special accounts therein as may be determined  
48 by the State Treasurer and shall be disbursed as provided in this section.  
49 Monies in the Public Improvement Bonds Fund shall be allocated and  
50 expended as provided in this section.

1 Any additional monies that may be received by means of a grant or  
2 grants from the United States of America or any agency or department  
3 thereof or from any other source for deposit to the Public Improvement  
4 Bonds Fund may be placed in the Public Improvement Bonds Fund or in a  
5 separate account or fund and shall be disbursed, to the extent permitted by  
6 the terms of the grant or grants, without regard to any limitations imposed by  
7 this section.

8 Monies in the Public Improvement Bonds Fund or any separate account  
9 established under this section may be invested from time to time by the State  
10 Treasurer in the same manner permitted for investment of monies belonging  
11 to the State or held in the State treasury, except with respect to grant money  
12 to the extent otherwise directed by the terms of the grant. Investment  
13 earnings, except investment earnings with respect to grant monies to the  
14 extent otherwise directed or restricted by the terms of the grant, may be (i)  
15 credited to the Public Improvement Bonds Fund, (ii) used to pay debt service  
16 on the bonds authorized by this section, (iii) used to satisfy compliance with  
17 applicable requirements of the federal tax law, or (iv) transferred to the  
18 General Fund of the State.

19 The proceeds of public improvement bonds and notes, including  
20 premium thereon, if any, may be used with any other monies made available  
21 by the General Assembly for funding the projects authorized by this section,  
22 including the proceeds of any other State bond issues, whether heretofore  
23 made available or that may be made available at the session of the General  
24 Assembly at which this section is ratified or any subsequent sessions. The  
25 proceeds of public improvement bonds and notes, including premium  
26 thereon, if any, shall be expended and disbursed under the direction and  
27 supervision of the Director of the Budget. The funds provided by this section  
28 shall be disbursed for the purposes provided in this section upon warrants  
29 drawn on the State Treasurer by the State Controller, which warrants shall  
30 not be drawn until requisition has been approved by the Director of the  
31 Budget and which requisition shall be approved only after full compliance  
32 with the State Budget Act, Chapter 143C of the General Statutes.

33 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's  
34 designee is hereby authorized and directed to set up a comprehensive system  
35 of tracking the proceeds of the public improvement bonds and notes,  
36 including premium thereon, if any, to the extent necessary to enable the State  
37 Treasurer or the State Treasurer's designee to properly account for the use of  
38 such proceeds for compliance with applicable requirements of the federal tax  
39 law or otherwise. All recipients of such proceeds shall comply with any  
40 tracking system implemented by the State Treasurer or the State Treasurer's  
41 designee for this purpose. The State Treasurer may withhold such proceeds  
42 from any State agency or department not complying with this subdivision.

43 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in  
44 each case may include allocations to pay the costs set forth in  
45 sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this  
46 section in connection with the issuance of bonds for that capital  
47 improvement or undertaking.

48 **SECTION 1.(i) Election.** – The question of the issuance of the bonds authorized by  
49 this section shall be submitted to the qualified voters of the State at an election to be held in  
50 November of 2015. Any other primary, election, or referendum validly called or scheduled by  
51 law at the time the election on the bond question provided for in this subsection is held may be



1 held as called or scheduled. Notice of the election shall be given in the manner and at the times  
2 required by G.S. 163-33(8). The election and the registration of voters therefor shall be held  
3 under and in accordance with the general laws of the State. Absentee ballots shall be authorized  
4 in the election.

5 The State Board of Elections shall reimburse the counties of the State for all  
6 necessary expenses incurred in holding the election that are in addition to those that would have  
7 otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund or  
8 other funds available to the State Board of Elections.

9 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General  
10 Statutes, or both may be used in accordance with rules prescribed by the State Board of  
11 Elections. The bond question to be used in the ballots or voting systems shall be in substantially  
12 the following form:

13 "[ ] FOR [ ] AGAINST

14 The issuance of two billion eight hundred fifty-nine million seventy-six thousand  
15 nine hundred fifty-two dollars (\$2,859,076,952) State of North Carolina Public Improvement  
16 Bonds constituting general obligation bonds of the State secured by a pledge of the faith and  
17 credit and taxing power of the State for the purpose of providing funds, with any other  
18 available funds, to fund capital improvements and new facilities for the State, including,  
19 without limitation, the construction and furnishing of new facilities; renovation and  
20 rehabilitation of existing facilities; the construction and renovation of highways, roads, bridges,  
21 and related road infrastructure for, without limitation, the University of North Carolina System,  
22 the North Carolina Community College System, the public schools in the State, cultural  
23 resources and State Parks, water and sewer systems, the State's National Guard, the Department  
24 of Public Safety, the Administrative Office of the Courts, the Department of Agriculture and  
25 Consumer Services, and the Department of Transportation."

26 If a majority of those voting on a bond question in the election vote in favor of the  
27 issuance of the bonds described in the question, those bonds may be issued as provided in this  
28 section. If a majority of those voting on a bond question in the election do not vote in favor of  
29 the issuance of the bonds described in the question, those bonds shall not be issued.

30 The results of the election shall be canvassed and declared as provided by law for  
31 elections for State officers; the results of the election shall be certified by the State Board of  
32 Elections to the Secretary of State in the manner and at the time provided by the general  
33 election laws of the State.

34 **SECTION 1.(j)** Issuance of Bonds and Notes. –

35 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be  
36 serial or term bonds or notes, or any combination thereof, may mature in  
37 such amounts and at such time or times, not exceeding 40 years from their  
38 date or dates, may be payable at such place or places, either within or  
39 without the United States of America, in such coin or currency of the United  
40 States of America as at the time of payment is legal tender for payment of  
41 public and private debts, may bear interest at such rate or rates, which may  
42 vary from time to time, and may be made redeemable before maturity, at the  
43 option of the State or otherwise as may be provided by the State, at such  
44 price or prices, including a price less than the face amount of the bonds or  
45 notes, and under such terms and conditions, all as may be determined by the  
46 State Treasurer by and with the consent of the Council of State.

47 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
48 issued as certificated or uncertificated obligations. If issued as certificated  
49 obligations, bonds or notes shall be signed on behalf of the State by the  
50 Governor or shall bear the Governor's facsimile signature, shall be signed by  
51 the State Treasurer or shall bear the State Treasurer's facsimile signature, and

1 shall bear the Great Seal of the State of North Carolina or a facsimile thereof  
2 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile  
3 signatures of the Governor and the State Treasurer, the bonds or notes shall  
4 also bear a manual signature, which may be that of a bond registrar, trustee,  
5 paying agent, or designated assistant of the State Treasurer. Should any  
6 officer whose signature or facsimile signature appears on bonds or notes  
7 cease to be such officer before the delivery of the bonds or notes, the  
8 signature or facsimile signature shall nevertheless have the same validity for  
9 all purposes as if the officer had remained in office until delivery, and bonds  
10 or notes may bear the facsimile signatures of persons who at the actual time  
11 of the execution of the bonds or notes shall be the proper officers to sign any  
12 bond or note, although at the date of the bond or note such persons may not  
13 have been such officers. The form and denomination of bonds or notes,  
14 including the provisions with respect to registration of the bonds or notes  
15 and any system for their registration, shall be as the State Treasurer may  
16 determine in conformity with this section; provided, however, that nothing in  
17 this section shall prohibit the State Treasurer from proceeding, with respect  
18 to the issuance and form of the bonds or notes, under the provisions of  
19 Chapter 159E of the General Statutes, the Registered Public Obligations Act,  
20 as well as under this section.

21 (3) Manner of sale; expenses. – Subject to the consent of the Council of State,  
22 the State Treasurer shall determine the manner in which bonds or notes shall  
23 be offered for sale, whether at public or private sale, whether within or  
24 without the United States of America, and whether by publishing notices in  
25 certain newspapers and financial journals, mailing notices, inviting bids by  
26 correspondence, negotiating contracts of purchase, or otherwise, and the  
27 State Treasurer is authorized to sell bonds or notes at one time or from time  
28 to time at such rate or rates of interest, which may vary from time to time,  
29 and at such price or prices, including a price less than the face amount of the  
30 bonds or the notes, as the State Treasurer may determine. All expenses  
31 incurred in preparation, sale, and issuance of bonds or notes shall be paid by  
32 the State Treasurer from the proceeds of bonds or notes or other available  
33 monies.

34 (4) Notes; repayment. –  
35 a. Subject to the consent of the Council of State, the State Treasurer is  
36 hereby authorized to borrow money and to execute and issue notes of  
37 the State for the same, but only in the following circumstances and  
38 under the following conditions:  
39 1. For anticipating the sale of bonds to the issuance of which the  
40 Council of State shall have given consent, if the State  
41 Treasurer shall deem it advisable to postpone the issuance of  
42 the bonds.  
43 2. For the payment of interest on or any installment of principal  
44 of any bonds then outstanding, if there shall not be sufficient  
45 funds in the State treasury with which to pay the interest or  
46 installment of principal as they respectively become due.  
47 3. For the renewal of any loan evidenced by notes herein  
48 authorized.  
49 4. For the purposes authorized in this section.  
50 5. For refunding bonds or notes as herein authorized.

1           b.       Funds derived from the sale of bonds or notes may be used in the  
2                    payment of any bond anticipation notes issued under this section.  
3                    Funds provided by the General Assembly for the payment of interest  
4                    on or principal of bonds shall be used in paying the interest on or  
5                    principal of any notes and any renewals thereof, the proceeds of  
6                    which shall have been used in paying interest on or principal of the  
7                    bonds.

8           (5)     Refunding bonds and notes. – By and with the consent of the Council of  
9                    State, the State Treasurer is authorized to issue and sell refunding bonds and  
10                  notes pursuant to the provisions of the State Refunding Bond Act for the  
11                  purpose of refunding bonds or notes issued pursuant to this section. The  
12                  refunding bonds and notes may be combined with any other issues of State  
13                  bonds and notes similarly secured.

14          (6)     Tax exemption. – Bonds and notes shall be exempt from all State, county,  
15                  and municipal taxation or assessment, direct or indirect, general or special,  
16                  whether imposed for the purpose of general revenue or otherwise, excluding  
17                  inheritance and gift taxes, income taxes on the gain from the transfer of  
18                  bonds and notes, and franchise taxes. The interest on bonds and notes shall  
19                  not be subject to taxation as to income.

20          (7)     Investment eligibility. – Bonds and notes are hereby made securities in  
21                  which all public officers, agencies, and public bodies of the State and its  
22                  political subdivisions; all insurance companies, trust companies, investment  
23                  companies, banks, savings banks, savings and loan associations, credit  
24                  unions, pension or retirement funds, other financial institutions engaged in  
25                  business in the State; executors, administrators, trustees, and other  
26                  fiduciaries may properly and legally invest funds, including capital in their  
27                  control or belonging to them. Bonds and notes are hereby made securities  
28                  that may properly and legally be deposited with and received by any officer  
29                  or agency of the State or political subdivision of the State for any purpose  
30                  for which the deposit of bonds, notes, or obligations of the State or any  
31                  political subdivision of the State is now or may hereafter be authorized by  
32                  law.

33          (8)     Faith and credit. – The faith and credit and taxing power of the State are  
34                  hereby pledged for the payment of the principal of and the interest on bonds  
35                  and notes. In addition to the State's right to amend any provision of this  
36                  section to the extent it does not impair any contractual right of a bond owner,  
37                  the State expressly reserves the right to amend any provision of this section  
38                  with respect to the making and repayment of loans, the disposition of any  
39                  repayments of loans, and any intercept provisions relating to the failure of a  
40                  local government unit to repay a loan, the bonds not being secured in any  
41                  respect by loans, any repayments thereof, or any intercept provisions with  
42                  respect thereto.

43           **SECTION 1.(k)** Variable Interest Rates. – In fixing the details of bonds and notes,  
44           the State Treasurer may provide that any of the bonds or notes may:

45           (1)     Be made payable from time to time on demand or tender for purchase by the  
46                  owner thereof, provided a credit facility agreement supports the bonds or  
47                  notes, unless the State Treasurer specifically determines that a credit facility  
48                  agreement is not required, upon a finding and determination by the State  
49                  Treasurer, that the absence of a credit facility agreement will not materially  
50                  or adversely affect the financial position of the State and the marketing of  
51                  the bonds or notes at a reasonable interest cost to the State;

- 1 (2) Be additionally supported by a credit facility agreement;
- 2 (3) Be made subject to redemption or a mandatory tender for purchase prior to
- 3 maturity;
- 4 (4) Bear interest at a rate or rates that may vary for such period or periods of
- 5 time, all as may be provided in the proceedings providing for the issuance of
- 6 the bonds or notes, including, without limitation, such variations as may be
- 7 permitted pursuant to a par formula; and
- 8 (5) Be made the subject of a remarketing agreement whereby an attempt is made
- 9 to remarket bonds or notes to new purchasers prior to their presentment for
- 10 payment to the provider of the credit facility agreement or to the State.

11 If the aggregate principal amount repayable by the State under a credit facility  
12 agreement is in excess of the aggregate principal amount of bonds or notes secured by the  
13 credit facility agreement, whether as a result of the inclusion in the credit facility agreement of  
14 a provision for the payment of interest for a limited period of time or the payment of a  
15 redemption premium or for any other reason, then the amount of authorized but unissued bonds  
16 or notes during the term of such credit facility agreement shall not be less than the amount of  
17 such excess, unless the payment of such excess is otherwise provided for by agreement of the  
18 State executed by the State Treasurer.

19 **SECTION 1.(I)** Interpretation of Section. –

- 20 (1) Additional method. – The foregoing subsections of this section shall be
- 21 deemed to provide an additional and alternative method for the doing of the
- 22 things authorized thereby and shall be regarded as supplemental and
- 23 additional to powers conferred by other laws and shall not be regarded as in
- 24 derogation of any powers now existing.
- 25 (2) Statutory references. – References in this section to specific sections or
- 26 Chapters of the General Statutes or to specific acts are intended to be
- 27 references to these sections, Chapters, or acts as they may be amended from
- 28 time to time by the General Assembly.
- 29 (3) Broad construction. – The General Assembly specifically has chosen to
- 30 combine what otherwise might be considered differing projects to be
- 31 financed into one bond bill and bond question because the General
- 32 Assembly finds that such differing projects, when taken together, constitute
- 33 an interrelated, united, and single plan for the State's infrastructure as stated
- 34 aforesaid. Accordingly, this section, being necessary for the health, welfare,
- 35 and advancement of the people of the State, shall be broadly construed to
- 36 affect the purposes thereof.
- 37 (4) Inconsistent provisions. – Insofar as the provisions of this section are
- 38 inconsistent with the provisions of any general laws, or parts thereof, the
- 39 provisions of this section shall be controlling.
- 40 (5) Severability. – If any provision of this section or the application thereof to
- 41 any person or circumstance is held invalid, such invalidity shall not affect
- 42 other provisions or applications of the section that can be given effect
- 43 without the invalid provision or application, and to this end the provisions of
- 44 this section are declared to be severable.

45 **SECTION 2.** Other than community colleges and local school administrative units,  
46 each entity receiving the proceeds of public improvement bonds and notes, including premium  
47 thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by  
48 January 1, 2017, and quarterly thereafter, to the Joint Legislative Capital Oversight Committee  
49 on the projects funded from public improvement general obligation bonds authorized by  
50 Section 1 of this act. Each local school administrative unit receiving the proceeds of public  
51 improvement bonds and notes, including premium thereon, if any, issued pursuant to and for

1 projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter,  
2 to the Department of Public Instruction on the projects funded from public improvement  
3 general obligation bonds authorized by Section 1 of this act, and the Department of Public  
4 Instruction shall combine the reports and submit them to the Joint Legislative Capital Oversight  
5 Committee. Community colleges receiving the proceeds of public improvement bonds and  
6 notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1  
7 of this act shall report by January 1, 2017, and quarterly thereafter, to the North Carolina  
8 Community Colleges System Office on the projects funded from public improvement general  
9 obligation bonds authorized by Section 1 of this act, and the System Office shall combine the  
10 reports and submit them to the Joint Legislative Capital Oversight Committee. Each report shall  
11 include the total project costs, the amount to be funded from the bonds, the expenditures to date  
12 from the bonds and other sources, and the percentage of each project completed.

13 **SECTION 3.** The State Treasurer shall not issue bonds or notes otherwise  
14 authorized by Section 1 of this act in an amount or year where the issuance of the bonds or  
15 notes would violate the Debt Affordability Advisory Committee's recommendations on debt  
16 capacities required under G.S. 142-101.

17 **SECTION 4.(a)** Other than for projects for DENR Statewide Children With  
18 Disabilities and Veterans With Disabilities Local Parks (Matching Grants), NC Community  
19 Colleges, projects for Public Instruction, DENR Statewide Water/Sewer Loans, and AOC  
20 Statewide Courthouse Grants, projects funded in whole or in part with the proceeds of public  
21 improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1  
22 of this act, that portion of funds estimated to be needed for escalation of costs shall remain with  
23 the Office of State Budget and Management and shall be disbursed only for the following  
24 purposes:

- 25 (1) To address unforeseen contingencies related to the specific project for which  
26 the funds were made available.
- 27 (2) To address inflation costs related to that specific project.

28 **SECTION 4.(b)** Any funds retained by the Office of State Budget and  
29 Management pursuant to subsection (a) of this section at the time a project is completed shall  
30 be retained by the Office of State Budget and Management until reallocated for other purposes  
31 by the General Assembly. The Office of State Budget and Management shall report on any  
32 funds retained pursuant to this subsection within 90 days of a project's completion.

33 **SECTION 5.** Notwithstanding the period of time provided in G.S. 163-128(a) for  
34 which transfers are effective, transfers of voters from a given precinct, for the purpose of  
35 voting, to an adjacent precinct for the election held in November of 2015 shall be for that  
36 election only and shall not apply to any subsequent election.

37 **SECTION 6.** The Department of Public Safety shall take appropriate measures,  
38 including maximizing the use of the Inmate Construction Program, to reduce costs related to  
39 construction of correctional projects authorized in S.L. 2007-323, as amended by S.L.  
40 2009-209 and S.L. 2009-451, and S.L. 2008-107, as amended by S.L. 2009-209 and S.L.  
41 2009-451. The Department, with the approval of the Office of State Budget and Management,  
42 may use the funds from any savings generated, together with available funds, to finance the  
43 capital facility costs of renovating existing space at Central Prison for bed space for long-term  
44 palliative care. No additional special indebtedness may be issued or incurred to finance the  
45 construction of bed space for such care. The use of funds authorized by this section shall not  
46 require further approval by the Council of State pursuant to Chapter 142 of the General  
47 Statutes.

48 **SECTION 7.** This act is effective when it becomes law.