

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S

4

SENATE BILL 586

Education/Higher Education Committee Substitute Adopted 4/28/99

House Committee Substitute Favorable 6/29/00

House Committee Substitute #2 Favorable 7/6/00

Short Title: UNC Millennial Campuses.

(Public)

Sponsors:

Referred to:

March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CREATION OF MILLENNIAL CAMPUSES AT THE
CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA
AND TO PERMIT THE STATE EDUCATION ASSISTANCE AUTHORITY TO
INVEST A PORTION OF THE PARENTAL SAVINGS TRUST FUND IN
PREFERRED OR COMMON STOCKS ISSUED BY A COMPANY
INCORPORATED OR OTHERWISE LOCATED WITHIN OR WITHOUT THE
UNITED STATES.

The General Assembly of North Carolina enacts:

Section 1. The catch line of G.S. 116-36.5 reads as rewritten:

"§ 116-36.5. Centennial Campus trust fund; Horace Williams Campus trust fund.
fund; Millennial Campuses' trust funds."

Section 2. G.S. 116-36.5 is amended by adding a new subsection to read:

"(c) All moneys received through development of a Millennial Campus of a
constituent institution of The University of North Carolina as defined by G.S. 116-
198.33(4b), from whatever source, including the net proceeds from the lease or rental of
real property on a Millennial Campus, shall be placed in a special, continuing, and

1 nonreverting trust fund having the sole and exclusive use for further development of that
2 Millennial Campus, including its operational development. This fund shall be treated in
3 the manner of institutional trust funds as provided in G.S. 116-36.1. This fund shall be
4 deemed an additional and alternative method of funding the Millennial Campus and not
5 an exclusive one. To the extent that any general, special, or local law is inconsistent with
6 this section, it is declared inapplicable to this section."

7 Section 3. The title of Article 21B of Chapter 116 of the General Statutes
8 reads as rewritten:

9 **"THE CENTENNIAL CAMPUS AND CAMPUS, THE HORACE WILLIAMS**
10 **CAMPUS**
11 **CAMPUS, AND THE MILLENNIAL CAMPUSES FINANCING ACT."**

12 Section 4. G.S. 116-198.31 reads as rewritten:

13 **"§ 116-198.31. Purpose of Article.**

14 The purpose of this Article is to authorize the Board of Governors of The University
15 of North Carolina to issue revenue bonds, payable from any leases, rentals, charges, fees,
16 and other revenues but with no pledge of taxes or the faith and credit of the State or any
17 agency or political subdivision thereof, to pay the cost, in whole or part, of buildings,
18 structures, or other facilities for the Centennial Campus, located at North Carolina State
19 University at ~~Raleigh and Raleigh,~~ for the Horace Williams Campus located at the
20 University of North Carolina at Chapel ~~Hill.~~ Hill, and for any Millennial Campus as
21 defined by G.S. 116-198.33(4b)."

22 Section 5. G.S. 116-198.33 reads as rewritten:

23 **"§ 116-198.33. Definitions.**

24 As used in this Article, the following words and terms shall have the following
25 meanings, unless the context shall indicate another or different meaning or intent:

26 (1) The word 'Board' shall mean the Board of Governors of The University
27 of North Carolina.

28 (2) The word 'cost' as applied to any project, shall include the cost of
29 acquisition or construction; the cost of acquisition of all property, both
30 real and personal, or interests therein; the cost of demolishing,
31 removing, or relocating any buildings or structures on land so acquired,
32 including the cost of acquiring any lands to which such buildings or
33 structures may be removed or relocated; the cost of all labor, materials,
34 equipment and furnishings, financing charges, interest prior to and
35 during construction and, if deemed advisable by the Board, for a period
36 not exceeding one year after completion of such construction;
37 provisions for working capital, reserves for debt service and for
38 extensions, enlargements, additions, and improvements; cost of
39 engineering, financial, and legal services, plans, specifications, studies,
40 surveys, and estimates of cost and of revenues; administrative expenses;
41 expenses necessary or incident to determining the feasibility or
42 practicability of constructing the project; and such other expenses as
43 may be necessary or incident to acquisition or construction with respect

1 to the project or to the placing of the project in operation. Any
2 obligation or expense incurred by the Board prior to the issuance of
3 bonds under the provisions of this Article in connection with any of the
4 foregoing items of cost may be regarded as a part of such cost.

5 (3) The word 'Institution' shall mean North Carolina State University at
6 Raleigh and the University of North Carolina at Chapel ~~Hill~~-Hill, or a
7 constituent institution of The University of North Carolina with a
8 Millennial Campus as defined by G.S. 116-198.33(4b).

9 (4) The term 'Centennial Campus' means all of the following properties:

10 a. The real property and appurtenant facilities bounded by Blue
11 Ridge Road, Hillsborough Street, Wade Avenue, and Interstate
12 440 that are the sites of the College of Veterinary Medicine, the
13 University Club, and the Agricultural Turf Grass Management
14 Program.

15 b. The real property and appurtenant facilities that are the former
16 Dix Hospital properties and other contiguous parcels of property
17 that are adjacent to Centennial Boulevard.

18 c. All other real property and appurtenant facilities designated by
19 the Board of Governors as part of the Centennial Campus. The
20 properties designated by the Board of Governors do not have to
21 be contiguous with the Centennial Campus to be designated as
22 part of that Campus.

23 (4a) The term 'Horace Williams Campus' means all of the following
24 properties:

25 a. The real property and appurtenant facilities left to the University
26 of North Carolina at Chapel Hill by the Will of Henry Horace
27 Williams.

28 b. All other real property and appurtenant facilities designated by
29 the Board of Governors as part of the Horace Williams Campus.
30 The properties designated by the Board of Governors do not have
31 to be contiguous with the Horace Williams Campus to be
32 designated as part of that Campus.

33 (4b) The term 'Millennial Campus' means all real property and appurtenant
34 facilities designated by the Board of Governors as part of a Millennial
35 Campus of a constituent institution of The University of North Carolina
36 other than North Carolina State University or the University of North
37 Carolina at Chapel Hill. The properties designated by the Board of
38 Governors do not have to be contiguous with the constituent institution
39 to be designated as part of the institution's Millennial Campus.

40 (5) The term 'existing facilities' shall mean buildings and facilities, then
41 existing, any part of the revenues of which are pledged under the
42 provisions of any resolution authorizing the issuance of revenue bonds
43 hereunder to the payment of such bonds.

- 1 (6) The word 'project' shall mean and shall include any one or more
2 buildings, structures, administration buildings, libraries, research or
3 instructional facilities, housing maintenance, storage, or utility facilities,
4 and any facilities related thereto or required or useful for conducting of
5 research or the operation of the Centennial ~~Campus or Campus,~~ the
6 Horace Williams Campus, or of a Millennial Campus as defined by G.S.
7 116-198.33(4b), including roads, water, sewer, power, gas, greenways,
8 parking, or any other support facilities essential or convenient for the
9 orderly conduct of the Centennial ~~Campus or Campus,~~ the Horace
10 Williams ~~Campus-Campus,~~ or a Millennial Campus, respectively.
- 11 (7) The word 'revenues' shall mean all or any part of the rents, leases,
12 charges, fees, and other income revenues derived from or in connection
13 with any project or projects and existing facilities."

14 Section 6. G.S. 116-198.34 reads as rewritten:

15 **"§ 116-198.34. General powers of Board of Governors.**

16 The Board may exercise any one or more of the following powers:

- 17 (1) To determine the location and character of any project or projects, and
18 to acquire, construct, and provide the same, and to maintain, repair, and
19 operate, and to enter into contracts for the management, lease, use, or
20 operation of all or any portion of any project or projects and any
21 existing facilities.
- 22 (2) To issue revenue bonds as hereinafter provided to pay all or any part of
23 the cost of any project or projects, and to fund or refund the same.
- 24 (3) To fix and revise from time to time and charge and collect rates, fees,
25 rents, and charges for the use of, and for the services furnished by, all or
26 any portion of any project or projects.
- 27 (4) To establish and enforce, and to agree through any resolution or trust
28 agreement authorizing or securing bonds under this Article to make and
29 enforce, rules and regulations for the use of and services rendered by
30 any project or projects and any existing facilities, to provide for the
31 maximum use of any project or projects and any existing facilities.
- 32 (5) To acquire, hold, lease, and dispose of real and personal property in the
33 exercise of its powers and the performance of its duties hereunder and to
34 lease all or any part of any project or projects and any existing facilities
35 upon such terms and conditions as the Board determines, subject to the
36 provisions of G.S. 143-341 and Chapter 146 of the General Statutes.

37 Notwithstanding G.S. 143-341 and Chapter 146 of the General
38 Statutes, a disposition by easement, lease, or rental agreement of space
39 in any building on the Centennial ~~Campus or Campus,~~ on the Horace
40 Williams ~~Campus-Campus,~~ or on a Millennial Campus made for a period
41 of 10 years or less shall not require the approval of the Governor and the
42 Council of State. All other acquisitions and dispositions made under this

1 subdivision are subject to the provisions of G.S. 143-341 and Chapter
2 146 of the General Statutes.

3 (6) To employ consulting engineers, architects, attorneys, accountants,
4 construction and financial experts, superintendents, managers, and such
5 other employees and agents as may be necessary in its judgment in
6 connection with any project or projects and existing facilities, and to fix
7 their compensation.

8 (7) To make and enter into all contracts and agreements necessary or
9 incidental to the performance of its duties and the execution of its
10 powers under this Article.

11 (8) To receive and accept from any federal, State, or other public agency
12 and any private agency, person or other entity donations, loans, grants,
13 aid, or contributions of any money, property, labor, or other things of
14 value for any project or projects, and to agree to apply and use the same
15 in accordance with the terms and conditions under which the same are
16 provided.

17 (8a) To designate the real property and appurtenant facilities to be included
18 as part of the Centennial ~~Campus~~ or ~~Campus~~, the Horace Williams
19 ~~Campus~~ ~~Campus~~, or a Millennial Campus.

20 (8b) Acting on recommendation made by the President of The University of
21 North Carolina after consultation by the President with the Chancellor
22 and the Board of Trustees of a constituent institution, to designate real
23 property held by, or to be acquired by, a constituent institution as a
24 'Millennial Campus' of the institution. That designation shall be based
25 on an express finding by the Board of Governors that the institution
26 desiring to create a 'Millennial Campus' has the administrative and fiscal
27 capability to create and maintain such a campus and provided further,
28 that the Board of Governors has found that the creation of the
29 constituent institution's 'Millennial Campus' will enhance the
30 institution's research, teaching, and service missions as well as enhance
31 the economic development of the region served by the institution. Upon
32 formal request by the constituent institutions, the Board of Governors
33 may authorize two or more constituent institutions which meet the
34 requirements of this section to create a joint Millennial Campus.

35 (9) To do all acts and things necessary or convenient to carry out the
36 powers granted by this Article."

37 Section 7. G.S. 116-198.35 reads as rewritten:

38 "**§ 116-198.35. Issuance of bonds and bond anticipation notes.**

39 The Board is hereby authorized to issue, subject to the approval of the Director of the
40 Budget, at one time or from time to time, revenue bonds of the Board for the purpose of
41 paying all or any part of the cost of acquiring, constructing, or providing any project or
42 projects on the Centennial ~~Campus~~ or ~~Campus~~, on the Horace Williams ~~Campus~~ ~~Campus~~,
43 or on a Millennial Campus. The bonds of each issue shall be dated, shall mature at such

1 time or times not exceeding 40 years from their date or dates, shall bear interest at such
2 rate or rates as may be determined by the Board, and may be redeemable before maturity,
3 at the option of the Board, at such price or prices and under such terms and conditions as
4 may be fixed by the Board prior to the issuance of the bonds. The Board shall determine
5 the form and manner of execution of the bonds, including any interest coupons to be
6 attached thereto, and shall fix the denomination or denominations of the bonds and the
7 place or places of payment of principal and interest, which may be at any bank or trust
8 company within or without the State. In case any officer whose signature or a facsimile of
9 whose signature shall appear on any bonds or coupons shall cease to be such officer
10 before the delivery of such bonds, such signature or such facsimile shall nevertheless be
11 valid and sufficient for all purposes the same as if he had remained in office until such
12 delivery. Notwithstanding any of the other provisions of this Article or any recitals in any
13 bonds issued under the provisions of this Article, all such bonds shall be deemed to be
14 negotiable instruments under the laws of this State, subject only to the provisions for
15 registration in any resolution authorizing the issuance of such bonds or any trust
16 agreement securing the same. The bonds may be issued in coupon or registered form or
17 both or as book-entry bonds, as the Board may determine, and provision may be made for
18 the registration of any coupon bonds as to principal alone and also as to both principal
19 and interest, and for the reconversion into coupon bonds of any bonds registered as to
20 both principal and interest. The Board may sell such bonds in such manner, at public or
21 private sale, and for such price, as it may determine to be for the best interests of the
22 Board.

23 The proceeds of the bonds of each issue shall be used solely for the purpose for which
24 such bonds shall have been authorized and shall be disbursed in such manner and under
25 such restrictions, if any, as the Board may provide in the resolution authorizing the
26 issuance of such bonds or in the trust agreement hereinafter mentioned securing the same.
27 Unless otherwise provided in the authorizing resolution or in the trust agreement securing
28 such bonds, if the proceeds of such bonds, by error of estimates or otherwise, shall be less
29 than such cost, additional bonds may in like manner be issued to provide the amount of
30 such deficit and shall be deemed to be of the same issue and shall be entitled to payment
31 from the same fund without preference or priority of the bonds first issued for the same
32 purpose.

33 The resolution providing for the issuance of revenue bonds, and any trust agreement
34 securing such bonds, may also contain such limitations upon the issuance of additional
35 revenue bonds as the Board may deem proper, and such additional bonds shall be issued
36 under such restrictions and limitations as may be prescribed by such resolution or trust
37 agreement.

38 Prior to the preparation of definitive bonds, the Board may, under like restrictions,
39 issue interim receipts or temporary bonds, with or without coupons, exchangeable for
40 definitive bonds when such bonds shall have been executed and are available for
41 delivery. The Board may also provide for the replacement of any bonds which shall
42 become mutilated or be destroyed or lost.

1 Except as herein otherwise provided, bonds may be issued under this Article and other
2 powers vested in the Board under this Article may be exercised by the Board without
3 obtaining the consent of any department, division, commission, board, bureau, or agency
4 of the State and without any other proceedings or the happening of any other conditions
5 or things than those proceedings, conditions, or things which are specifically required by
6 this Article.

7 The Board may enter into or negotiate a note with an acceptable bank or trust
8 company in lieu of issuing bonds for the financing of projects covered under this section.
9 The terms and conditions of any note of this nature shall be in accordance with the terms
10 and conditions surrounding issuance of bonds.

11 The Board is hereby authorized to issue, subject to the approval of the Director of the
12 Budget, at one time or from time to time, revenue bond anticipation notes of the Board in
13 anticipation of the issuance of bonds authorized pursuant to the provisions of this Article.
14 The principal of and the interest on such notes shall be payable solely from the proceeds
15 of bonds or renewal notes, or, in the event bond or renewal note proceeds are not
16 available, any available revenues of the project or projects for which such bonds shall
17 have been authorized. The notes of each issue shall be dated, shall mature at such time or
18 times not exceeding two years from their date or dates, shall bear interest at such rate or
19 rates as may be determined by the Board, and may be redeemable before maturity, at the
20 option of the Board, at such price or prices and under such terms and conditions as may
21 be fixed by the Board prior to the issuance of the notes. The Board shall determine the
22 form and the manner of execution of the notes, including any interest coupons to be
23 attached thereto, and shall fix the denomination or denominations of the notes and the
24 place or places of payment of principal and interest, which may be at any bank or trust
25 company within or without the State. In case any officer whose signature or a facsimile of
26 whose signature shall appear on any notes or coupons shall cease to be such officer
27 before the delivery of such notes, such signature or such facsimile shall nevertheless be
28 valid and sufficient for all purposes the same as if he had remained in office until such
29 delivery. Notwithstanding any of the other provisions of this Article or any recitals in any
30 notes issued under the provisions of this Article, all such notes shall be deemed to be
31 negotiable instruments under the laws of this State, subject only to the provisions for
32 registration in any resolution authorizing the issuance of such notes or any trust
33 agreement securing the bonds in anticipation of which such notes are being issued. The
34 notes may be issued in coupon or registered form or both or as book entry notes, as the
35 Board may determine, and provision may be made for the registration of any coupon
36 notes as to principal alone and also as to both principal and interest, and for the
37 reconversion into coupon notes of any notes registered as to both principal and interest.
38 The Board may sell such notes in such manner, at public or private sale, and for such
39 price, as it may determine to be for the best interests of the Board.

40 The proceeds of the notes of each issue shall be used solely for the purpose for which
41 the bonds in anticipation of which such notes are being issued shall have been authorized,
42 and such note proceeds shall be disbursed in such manner and under such restrictions, if

1 any, as the Board may provide in the resolution authorizing the issuance of such notes or
2 bonds or in the trust agreement securing such bonds.

3 The resolution providing for the issuance of notes, and any trust agreement securing
4 the bonds in anticipation of which such notes are being authorized, may also contain such
5 limitations upon the issuance of additional notes as the Board may deem proper, and such
6 additional notes shall be issued under such restrictions and limitations as may be
7 prescribed by such resolution or trust agreement. The Board may also provide for the
8 replacement of any notes which shall become mutilated or be destroyed or lost.

9 Except as herein otherwise provided, notes may be issued under this Article and other
10 powers vested in the Board under this Article may be exercised by the Board without
11 obtaining the consent of any department, division, commission, board, bureau, or agency
12 of the State and without any other proceedings or the happening of any other conditions
13 or things than those proceedings, conditions, or things which are specifically required by
14 this Article.

15 Unless the context shall otherwise indicate, the word 'bonds' wherever used in this
16 Article, shall be deemed and construed to include the words 'bond anticipation notes.'"

17 Section 8. G.S. 116-198.37 reads as rewritten:

18 **"§ 116-198.37. Fixing fees, rents, and charges; sinking fund.**

19 For the purpose of aiding in the acquisition, construction, or provision of any project
20 and the maintenance, repair, and operation of any project or any existing facilities, the
21 Board is authorized to fix, revise from time to time, charge, and collect such fee or fees
22 for such privileges and services and in such amount or amounts as the Board shall
23 determine, and to fix, revise from time to time, charge, and collect other fees, rents, and
24 charges for the use of and for the services furnished or to be furnished by any project or
25 projects and any existing facilities, or any portion thereof, and to contract with any
26 person, partnership, association, or corporation for the lease, use, occupancy, or operation
27 of any project or projects and any existing facilities, or any part thereof, and to fix the
28 terms, conditions, fees, rents, and charges for any such lease, use, occupancy, or
29 operation. So long as bonds issued hereunder and payable therefrom are outstanding,
30 such fees, rents, and charges shall be so fixed and adjusted, with relation to other
31 revenues available therefor, as to provide funds pursuant to the requirements of the
32 resolution or trust agreement authorizing or securing such bonds at least sufficient with
33 such other revenues, if any, (i) to pay the cost of maintaining, repairing, and operating
34 any project or projects and any existing facilities any part of the revenues of which are
35 pledged to the payment of the bonds issued for such project or projects, (ii) to pay the
36 principal of and the interest on such bonds as the same shall become due and payable,
37 and (iii) to create and maintain reserves for such purposes. Any surplus funds remaining
38 after application to the purposes mentioned in (i), (ii), and (iii), above, shall be held in
39 trust and applied by the Board to the development of the Centennial ~~Campus or Campus,~~
40 the Horace Williams ~~Campus-Campus,~~ or a Millennial Campus, as applicable. Such fees,
41 rents, and charges shall not be subject to supervision or regulation by any other
42 commission, board, bureau, or agency of the State. A sufficient amount of the revenues,
43 except such part thereof as may be necessary to pay such cost of maintenance, repair, and

1 operation and to provide such reserves therefor and for renewals, replacements,
2 extensions, enlargements, and improvements as may be provided for in the resolution
3 authorizing the issuance of such bonds or in the trust agreement securing the same, shall
4 be set aside at such regular intervals as may be provided in such resolution or such trust
5 agreement in a sinking fund which is hereby pledged to and charged with the payment of
6 the principal of and the interest on such bonds as the same shall become due and the
7 redemption price or the purchase price of bonds retired by call or purchase as therein
8 provided. Such pledge shall be valid and binding from the time when the pledge is made;
9 the fees, rents, and charges and other revenues or other moneys so pledged and thereafter
10 received by the Board shall immediately be subject to the lien of such pledge without any
11 physical delivery thereof or further act; and the lien of any such pledge shall be valid and
12 binding as against all parties having claims of any kind in tort, contract, or otherwise
13 against the Board, irrespective of whether such parties have notice thereof. Neither the
14 resolution nor any trust agreement by which a pledge is created need be filed or recorded
15 except in the records of the Board. The use and disposition of moneys to the credit of
16 such sinking fund shall be subject to the provisions of the resolution authorizing the
17 issuance of such bonds or of the trust agreement securing the same."

18 Section 9. G.S. 146-30(b1) reads as rewritten:

19 "(b1) Notwithstanding the other provisions of this section, no service charge into the
20 State Land Fund shall be deducted from or levied against the proceeds of any disposition
21 by lease, rental, or easement of State lands that are designated as part of the Centennial
22 Campus as defined by ~~G.S. 116-198.33(4)~~ or G.S. 116-198.33(4), that are designated as
23 part of the Horace Williams Campus as defined by ~~G.S. 116-198.33(4a)~~. G.S. 116-
24 198.33(4a), or that are designated as part of a Millennial Campus as defined by G.S. 116-
25 198.33(4b). All net proceeds of those dispositions are governed by G.S. 116-36.5."

26 Section 10. G.S. 66-58(b) reads as rewritten:

27 "(b) The provisions of subsection (a) of this section shall not apply to:

- 28 (1) Counties and municipalities.
- 29 (2) The Department of Health and Human Services or the Department of
30 Agriculture and Consumer Services for the sale of serums, vaccines, and
31 other like products.
- 32 (3) The Department of Administration, except that the agency shall not
33 exceed the authority granted in the act creating the agency.
- 34 (4) The State hospitals for the mentally ill.
- 35 (5) The Department of Health and Human Services.
- 36 (6) The North Carolina School for the Blind at Raleigh.
- 37 (6a) The Office of Juvenile Justice.
- 38 (7) The North Carolina Schools for the Deaf.
- 39 (8) The Greater University of North Carolina with regard to its utilities and
40 other services now operated by it nor to the sale of articles produced
41 incident to the operation of instructional departments, articles incident
42 to educational research, articles of merchandise incident to classroom
43 work, meals, books, or to articles of merchandise not exceeding twenty-

1 five cents (25¢) in value when sold to members of the educational staff
2 or staff auxiliary to education or to duly enrolled students or
3 occasionally to immediate members of the families of members of the
4 educational staff or of duly enrolled students nor to the sale of meals or
5 merchandise to persons attending meetings or conventions as invited
6 guests nor to the operation by the University of North Carolina of an inn
7 or hotel and dining and other facilities usually connected with a hotel or
8 inn, nor to the hospital and Medical School of the University of North
9 Carolina, nor to the Coliseum of North Carolina State University at
10 Raleigh, and the other schools and colleges for higher education
11 maintained or supported by the State, nor to the Centennial Campus of
12 North Carolina State University at Raleigh, nor to the Horace Williams
13 Campus of the University of North Carolina at Chapel Hill, nor to a
14 Millennial Campus of a constituent institution of The University of
15 North Carolina, nor to the comprehensive student health services or the
16 comprehensive student infirmaries maintained by the constituent
17 institutions of the University of North Carolina.

- 18 (9) The Department of Environment and Natural Resources, except that the
19 Department shall not construct, maintain, operate or lease a hotel or
20 tourist inn in any park over which it has jurisdiction. The North
21 Carolina Wildlife Resources Commission may sell wildlife memorabilia
22 as a service to members of the public interested in wildlife conservation.
- 23 (10) Child-caring institutions or orphanages receiving State aid.
- 24 (11) Highlands School in Macon County.
- 25 (12) The North Carolina State Fair.
- 26 (13) Rural electric memberships corporations.
- 27 (13a) State Farm Operations Commission.
- 28 (13b) The Department of Agriculture and Consumer Services with regard to
29 its lessees at farmers' markets operated by the Department.
- 30 (13c) The Western North Carolina Agricultural Center.
- 31 (13d) Agricultural centers or livestock facilities operated by the Department of
32 Agriculture and Consumer Services.
- 33 (14) Nothing herein contained shall be construed to prohibit the engagement
34 in any of the activities described in subsection (a) hereof by a firm,
35 corporation or person who or which is a lessee of space only of the State
36 of North Carolina or any of its departments or agencies; provided the
37 leases shall be awarded by the Department of Administration to the
38 highest bidder, as provided by law in the case of State contracts and
39 which lease shall be for a term of not less than one year and not more
40 than five years.
- 41 (15) The State Department of Correction is authorized to purchase and install
42 automobile license tag plant equipment for the purpose of

1 manufacturing license tags for the State and local governments and for
2 such other purposes as the Department may direct.

3 The Commissioner of Motor Vehicles, or such other authority as may
4 exercise the authority to purchase automobile license tags is hereby
5 directed to purchase from, and to contract with, the State Department of
6 Correction for the State automobile license tag requirements from year
7 to year.

8 The price to be paid to the State Department of Correction for the
9 tags shall be fixed and agreed upon by the Governor, the State
10 Department of Correction, and the Motor Vehicle Commissioner, or
11 such authority as may be authorized to purchase the supplies.

12 (16) Laundry services performed by the Department of Correction may be
13 provided only for agencies and instrumentalities of the State which are
14 supported by State funds and for county or municipally controlled and
15 supported hospitals presently being served by the Department of
16 Correction, or for which services have been contracted or applied for in
17 writing, as of May 22, 1973. In addition to the prior sentence, laundry
18 services performed by the Department of Correction may be provided
19 for the Governor Morehead School and the North Carolina School for
20 the Deaf.

21 The services shall be limited to wet-washing, drying and ironing of
22 flatwear or flat goods such as towels, sheets and bedding, linens and
23 those uniforms prescribed for wear by the institutions and further
24 limited to only flat goods or apparel owned, distributed or controlled
25 entirely by the institutions and shall not include processing by any dry-
26 cleaning methods; provided, however, those garments and items
27 presently being serviced by wet-washing, drying and ironing may in the
28 future, at the election of the Department of Correction, be processed by
29 a dry-cleaning method.

30 (17) The North Carolina Global TransPark Authority or a lessee of the
31 Authority.

32 (18) The activities and products of private enterprise carried on or
33 manufactured within a State prison facility pursuant to G.S. 148-70.

34 (19) The North Carolina Justice Academy.

35 (20) The Department of Transportation, or any nonprofit lessee of the
36 Department, for the sale of books, crafts, gifts, and other tourism-related
37 items at visitor centers owned by the Department."

38 Section 11. G.S. 116-209.25 reads as rewritten:

39 **"§ 116-209.25. Parental Savings Trust Fund.**

40 (a) Policy. – The General Assembly of North Carolina hereby finds and declares
41 that encouraging parents and other interested parties to save for the postsecondary
42 education expenses of eligible students is fully consistent with and furthers the long-

1 established policy of the State to encourage, promote, and assist education as more fully
2 set forth in G.S. 116-201(a).

3 (b) Parental Savings Trust Fund. – There is established a parental savings trust
4 fund to be administered by the State Education Assistance Authority to enable qualified
5 parents to save funds to meet the costs of the postsecondary education expenses of
6 eligible students.

7 (c) Contributions to the Trust Funds. – The Authority is authorized to accept, hold,
8 invest, and disburse contributions, and interest earned on such contributions, from
9 qualified parents and other interested parties as trustee in of the Parental Savings Trust
10 Fund. The contributions to the Parental Savings Trust Fund shall be held by the Authority in a
11 separate institutional trust fund and, as such, contributions to the trust fund shall be invested by
12 the State Treasurer as authorized in G.S. 147-69.2(b)(1) through (6) and the applicable
13 provisions of G.S. 147-69.3. The Authority shall hold all contributions to the Parental
14 Savings Trust Fund, and any earnings thereon, in a separate trust fund and shall invest the
15 contributions in accordance with this section. The assets of the Parental Savings Trust
16 Fund shall at all times be preserved, invested, and expended solely for the purposes of the
17 trust fund and shall be held in trust for the parents and other interested parties and their
18 designated beneficiaries. The Neither the contributions to the Parental Savings Trust
19 Fund-Fund, nor the earnings thereon, shall not be considered State moneys, assets of the
20 State, or State revenue for any purpose.

21 (c1) Investments. – The Authority shall determine an appropriate investment
22 strategy for the Parental Savings Trust Fund. The strategy may include a combination of
23 fixed income assets and preferred or common stocks issued by any company
24 incorporated, or otherwise located within or without the United States, or other
25 appropriate investment instruments to achieve long-term return through a combination of
26 capital appreciation and current income. The Authority may deposit all or any portion of
27 the Parental Savings Trust Fund for investment either with the State Treasurer, or in the
28 individual, common, or collective trust funds of an investment manager or managers that
29 meet the requirements of this subsection. Contributions to the Parental Savings Trust
30 Fund on deposit with the State Treasurer shall be invested by the State Treasurer as
31 authorized in G.S. 147-69.2(b)(1) through (6) and the applicable provisions of G.S. 147-
32 69.3. Contributions to the Parental Savings Trust Fund may be invested in the individual,
33 common, or collective trust funds of an investment manager provided that the investment
34 manager meets both of the following conditions:

35 (1) The investment manager has assets under management of at least one
36 hundred million dollars (\$100,000,000) at all times.

37 (2) The investment manager is subject to the jurisdiction and regulation of
38 the United States Security and Exchange Commission.

39 (d) Administration of the Trust Fund. – The Authority is authorized to develop and
40 perform all functions necessary and desirable to administer the Parental Savings Trust
41 Fund and to provide such other services as the Authority shall deem necessary to
42 facilitate participation in the Parental Savings Trust Fund. The Authority is further
43 authorized to obtain the services of such investment advisors or program managers as

1 may be necessary for the proper administration and marketing and investment strategy for
2 the Parental Savings Trust Fund.

3 (e) Loan Program. – The Authority is authorized to develop and administer a loan
4 program in conjunction with the Parental Savings Trust Fund to provide loan assistance
5 to qualified parents and interested parties in order to facilitate the postsecondary
6 education of eligible students. All funds appropriated to, or otherwise received by the
7 Authority for loans under this section, all funds received as repayment of such loans, and
8 all interest earned on these funds shall be placed in an institutional trust fund. This
9 institutional trust fund may be used only for loans made to qualified parents and
10 interested parties who contributed to the Parental Savings Trust Fund and administrative
11 costs associated with the recovery of funds advanced under this loan program.

12 (f) Limitations. – Nothing in this section shall be construed to create any
13 obligation of the Authority, the State Treasurer, the State, or any agency or
14 instrumentality of the State to guarantee for the benefit of any parent, other interested
15 party, or designated beneficiary the rate of return or other return for any contribution to
16 the Parental Savings Trust Fund and the payment of interest or other return on any
17 contribution to the Parental Savings Trust Fund."

18 Section 12. Section 11 of this act becomes effective July 1, 2001. The
19 remainder of this act is effective when it becomes law.