

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**SENATE BILL 912**

Finance Committee Substitute Adopted 6/29/99

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House Committee Substitute Favorable 7/9/99

Short Title: Bonds for Higher Education.

(Public)

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Sponsors:

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Referred to:

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April 14, 1999

**A BILL TO BE ENTITLED**

1 AN ACT (1) TO AUTHORIZE THE ISSUANCE OF ONE BILLION TWO HUNDRED  
2 MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE STATE,  
3 SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO  
4 PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS FOR THE UNIVERSITY  
5 OF NORTH CAROLINA AND GRANTS TO COMMUNITY COLLEGES FOR  
6 CAPITAL IMPROVEMENTS, (2) TO AUTHORIZE THE BOARD OF  
7 GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO ISSUE  
8 SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE FACILITIES  
9 OF THE UNIVERSITY OF NORTH CAROLINA AND FOR THE UNIVERSITY  
10 OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL AND OTHER  
11 FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE  
12 SYSTEM, AND (3) TO RESTRICT THE NAMING OF STATE CONSTRUCTION  
13 PROJECTS FOR SITTING MEMBERS OF THE GENERAL ASSEMBLY AND  
14 THE COUNCIL OF STATE.  
15

16 The General Assembly of North Carolina enacts:

1 Section 1. This act shall be known as the Michael K. Hooker Higher  
2 Education Facilities Financing Act.

3 Section 1.1. The General Assembly finds that although The University of  
4 North Carolina is one of the State's most valuable assets, the current facilities of the  
5 University have been allowed to deteriorate due to decades of neglect and have  
6 unfortunately fallen into a state of disrepair because of inadequate attention to  
7 maintenance. It is the intent of the General Assembly to reverse this trend and to provide  
8 a mechanism to assure that the University's capital assets are adequately maintained. The  
9 General Assembly commits to responsible stewardship of these assets to protect their  
10 value over the years, as follows:

11 (1) The Board of Governors of The University of North Carolina shall  
12 require each constituent and affiliated institution to monitor the  
13 condition of its facilities and their needs or repair and renovation, and to  
14 assure that all necessary maintenance is carried out within funds  
15 available.

16 (2) The Board of Governors shall report annually to the Joint Legislative  
17 Commission on Governmental Operations and the Joint Legislative  
18 Education Oversight Committee on the condition of the University's  
19 capital facilities, the repair, renovation, and maintenance projects being  
20 undertaken, and all needs for additional funding to maintain the  
21 facilities.

22 (3) It is the intent of the General Assembly to assure that adequate  
23 oversight, funding, and accountability are continually provided so that  
24 the capital facilities of the University are properly maintained to  
25 preserve the level of excellence the citizens of this State deserve. To  
26 this end, the Joint Legislative Education Oversight Committee shall  
27 report to the General Assembly annually its recommendations for  
28 legislative changes to implement this policy.

29 Section 1.2. The General Statutes are amended by adding a new Chapter to  
30 read:

31 **"CHAPTER 116D.**  
32 **"HIGHER EDUCATION BONDS.**  
33 **"ARTICLE 1.**  
34 **"GENERAL PROVISIONS.**

35 **"§ 116D-1. Definitions.**

36 The following definitions apply in this Chapter:

37 (1) Board of Governors. – The Board of Governors of the University.

38 (2) Capital facility. – Any one or more of the following for the University  
39 or for a community college:

40 a. One or more buildings, utilities, structures, or other facilities or  
41 property developments, including streets and landscaping, and  
42 the acquisition of equipment and furnishings in connection  
43 therewith.

- 1           b. Additions, extensions, enlargements, renovations, and  
2           improvements to existing buildings, utilities, structures, or other  
3           facilities or property developments, including streets and  
4           landscaping.
- 5           c. Land or an interest in land.
- 6           d. Other infrastructure.
- 7           The term includes, without limitation, classroom buildings, laboratory  
8           buildings, research facilities, libraries, physical education facilities,  
9           continuing education centers, student cafeterias, and activity facilities,  
10           including sports facilities, student and faculty housing facilities, and  
11           administrative office facilities.
- 12       (3) Cost. – Any of the following in financing the cost of capital facilities  
13       and special obligation bond projects, as authorized by this Chapter:
- 14           a. The cost of constructing, reconstructing, renovating, repairing,  
15           enlarging, acquiring, and improving capital facilities and special  
16           obligation bond projects, including the acquisition of land, rights-  
17           of-way, easements, franchises, equipment, furnishings, and other  
18           interests in real or personal property acquired or used in  
19           connection with a capital facility or special obligation bond  
20           project.
- 21           b. The cost of engineering, architectural, and other consulting  
22           services as may be required.
- 23           c. The cost of providing personnel to ensure effective project  
24           management.
- 25           d. Finance charges, reserves for debt service, and interest prior to  
26           and during construction.
- 27           e. Administrative expenses and charges incurred by the State in  
28           connection with the administration of a bond program created  
29           under this Chapter.
- 30           f. The cost of bond insurance, investment contracts, credit  
31           enhancement, and liquidity facilities, interest-rate swap  
32           agreements or other derivative products, financial and legal  
33           consultants, and related costs of bond and note issuance.
- 34           g. The cost of reimbursing the State for any payments made for any  
35           cost described in this subdivision.
- 36           h. Any other costs and expenses necessary or incidental to the  
37           purposes of this Chapter.
- 38       (4) Credit facility. – An agreement entered into by the State Treasurer on  
39       behalf of the State with a bank, savings and loan association or other  
40       banking institution, an insurance company, reinsurance company, surety  
41       company or other insurance institution, a corporation, investment  
42       banking firm or other investment institution, or any financial institution  
43       or other similar provider of a credit facility, which provider may be

1 located within or without the United States, and providing for prompt  
2 payment of all or any part of the principal or purchase price (whether at  
3 maturity, presentment or tender for purchase, redemption or  
4 acceleration), redemption premium, if any, and interest on any bonds or  
5 notes payable on demand or tender by the owner, in consideration of the  
6 State's agreeing to repay the provider of the credit facility in accordance  
7 with the terms and provisions of the agreement.

8 (5) Fiscal period. – A fiscal biennium or a fiscal year of the fiscal biennium.

9 (6) Fiscal year. – The fiscal year of the State beginning on July 1 of one  
10 calendar year and ending on June 30 of the next calendar year.

11 (7) Par formula. – A provision or formula adopted by the State to provide  
12 for the adjustment, from time to time, of the interest rate or rates borne  
13 or provided for by any bonds or notes, including:

14 a. A provision providing for an adjustment so that the purchase  
15 price of bonds or notes in the open market would be as close to  
16 par as possible.

17 b. A provision providing for an adjustment based upon a percentage  
18 or percentages of a prime rate or base rate, which percentages  
19 may vary or be applied for different periods of time.

20 c. A provision that the State Treasurer determines is consistent with  
21 this Chapter and will not materially and adversely affect the  
22 financial position of the State and the marketing of bonds or  
23 notes at a reasonable interest cost to the State.

24 (8) Securities issued under this Chapter. – Any of the following:

25 a. University improvement general obligation bonds, refunding  
26 bonds, notes, and refunding notes issued under Article 2 of this  
27 Chapter.

28 b. Special obligation bonds, bond anticipation notes, and refunding  
29 bonds issued under Article 3 of this Chapter.

30 c. Community college general obligation bonds, refunding bonds,  
31 notes, and refunding notes issued under Article 4 of this Chapter.

32 (9) State. – The State of North Carolina.

33 (10) State Treasurer. – The incumbent Treasurer, from time to time, of the  
34 State.

35 (11) University. – The University of North Carolina and its constituent and  
36 affiliated institutions, including, without limitation, the University of  
37 North Carolina Center for Public Television, the University of North  
38 Carolina Health Care System, the North Carolina School of Science and  
39 Mathematics, and the North Carolina Arboretum.

40 **"§ 116D-2. General provisions.**

41 (a) Signatures. – Should any officer whose signature or facsimile signature  
42 appears on securities issued under this Chapter cease to be that officer before the delivery  
43 of the securities, the signature or facsimile signature shall nevertheless have the same

1 validity for all purposes as if the officer had remained in office until delivery of the  
2 securities. Securities issued under this Chapter may bear the facsimile signatures of  
3 persons, who at the actual time of the execution of the securities were the proper officers  
4 to sign any security although at the date of the security those persons may not have been  
5 officers.

6 (b) Tax Exemption. – Securities issued under this Chapter shall at all times be free  
7 from taxation by the State or any political subdivision or any of their agencies, excepting  
8 estate, inheritance, or gift taxes, income taxes on the gain from the transfer of the  
9 securities, and franchise taxes. The interest on the securities is not subject to taxation as  
10 income.

11 (c) Investment Eligibility. – Securities issued under this Chapter are securities in  
12 which all of the following may invest, including capital in their control or belonging to  
13 them: public officers, agencies, and public bodies of the State and its political  
14 subdivisions, insurance companies, trust companies, investment companies, banks,  
15 savings banks, savings and loan associations, credit unions, pension or retirement funds,  
16 other financial institutions engaged in business in the State, executors, administrators,  
17 trustees, and other fiduciaries. Securities issued under this Chapter are securities which  
18 may properly and legally be deposited with and received by any officer or agency of the  
19 State or a political subdivision of the State for any purpose for which the deposit of bonds  
20 or notes of the State or any political subdivision is now or may later be authorized by law.

21 (d) Inconsistent Laws. – All general, special, or local laws that are inconsistent  
22 with this Chapter do not apply to this Chapter.

23 **"§ 116D-3. Reports.**

24 (a) Board of Governors. – The Board of Governors shall report to the Joint  
25 Legislative Commission on Governmental Operations by September 15 of each year, and  
26 more frequently as the Commission requests, on the following:

27 (1) University Improvement General Obligation Bonds. – The Board of  
28 Governors shall report on projects funded by university improvement  
29 general obligation bonds under Article 2 of this Chapter, including the  
30 total project costs, the amount to be funded from the bonds, the  
31 expenditures to date from the bonds and other sources, and the  
32 percentage of each project completed. Each annual report shall include  
33 estimated operating costs for each project begun in the preceding fiscal  
34 year, including proposed sources of funds and anticipated dates for  
35 occupancy. Operating costs shall be projected for a period of at least 20  
36 years from the date of anticipated project completion.

37 (2) Special Obligation Bonds. – The Board of Governors shall report on  
38 special obligation bonds issued under Article 3 of this Chapter,  
39 including the amount of debt, itemized for each institution of the  
40 University, by bond issue, and by project. The report shall include  
41 schedules of debt service requirements and actual payments, as well as  
42 evidence of compliance with additional financial covenants required by  
43 bond documents. The report shall identify the trends and current

1 revenue streams of the sources of obligated resources pledged for each  
2 bond issue.

3 (b) Treasurer. – Upon issuance of university improvement general obligation  
4 bonds under Article 2 of this Chapter or community college general obligation bonds  
5 under Article 4 of this Chapter, the Treasurer shall forward a schedule of required  
6 payments of principal and interest over the life of the bonds to the Director of the Budget,  
7 with copies to the Joint Legislative Commission on Governmental Operations and the  
8 Fiscal Research Division. The Treasurer shall report to the Joint Legislative Commission  
9 on Governmental Operations by September 15 of each year, and more frequently as the  
10 Commission requests, on the university improvement general obligation bonds issued  
11 under Article 2 of this Chapter and community college general obligation bonds issued  
12 under Article 4 of this Chapter, including the annual debt service requirements over the  
13 remainder of the life of the bonds.

14 (c) Community Colleges. – The Community Colleges System Office shall report  
15 quarterly to the Joint Legislative Education Oversight Committee on the projects funded  
16 from community college general obligation bonds. Each report shall include the total  
17 project costs, the amount to be funded from the bonds, the expenditures to date from the  
18 bonds and other sources, and the percentage of each project completed.

## 19 "ARTICLE 2.

### 20 "GENERAL OBLIGATION BONDS FOR FINANCING

#### 21 CAPITAL FACILITIES FOR THE UNIVERSITY OF NORTH CAROLINA.

##### 22 "§ 116D-6. Short title.

23 This Article may be cited as the University Improvement General Obligation Bonds  
24 Finance Act.

##### 25 "§ 116D-7. Definitions.

26 The following definitions apply in this Article:

- 27 (1) Bonds. – Bonds authorized to be issued under this Article, including  
28 refunding bonds.  
29 (2) Notes. – Notes issued under this Article.  
30 (3) University improvement general obligation bonds. – Bonds authorized  
31 to be issued under this Article, including refunding bonds.

##### 32 "§ 116D-8. Authorization of bonds and notes.

33 Subject to a favorable vote of a majority of the qualified voters of the State who vote  
34 on the question of issuing university improvement general obligation bonds in the  
35 election held as provided by law, the State Treasurer may, by and with the consent of the  
36 Council of State, issue and sell, at one time or from time to time, university improvement  
37 general obligation bonds of the State to be designated 'State of North Carolina University  
38 Improvement General Obligation Bonds', with any additional designations as may be  
39 determined to indicate the issuance of bonds from time to time, or notes of the State.  
40 Except as otherwise provided by this Article, the aggregate amount of bonds and notes  
41 issued pursuant to this Article shall not exceed one billion dollars (\$1,000,000,000). The  
42 bonds and notes shall be issued in the following years up to the following amounts:

43 Fiscal Year Aggregate Amount

1	<u>1999-2000</u>	<u>\$240,000,000</u>
2	<u>2000-2001</u>	<u>480,000,000</u>
3	<u>2001-2002</u>	<u>280,000,000</u>

4 If less than the aggregate amount of bonds or notes authorized to be issued in a fiscal  
5 year is issued in that fiscal year, the balance for that fiscal year may be issued in any  
6 subsequent fiscal year. Refunding bonds and notes issued pursuant to G.S. 116D-11(f)  
7 shall not be included in the limitation on the aggregate amount of bonds and notes that  
8 may be issued pursuant to this Article.

9 The proceeds of bonds or notes issued under this Article shall be applied to finance  
10 the cost of improvement, construction, and acquisition of capital facilities for the  
11 University or to refund any outstanding bonds or notes issued under this Article. The  
12 capital facilities to be improved, constructed, or acquired with the proceeds of bonds or  
13 notes shall be determined as provided in G.S. 116D-9.

14 **"§ 116D-9. Designation of capital facilities and preconditions to bond issuance.**

15 The capital facilities to be financed in whole or in part with the proceeds of university  
16 improvement general obligation bonds shall be set forth in legislation enacted from time  
17 to time by the General Assembly. This legislation shall also provide for voter approval of  
18 the bonds to finance the capital facilities and shall become effective only upon approval  
19 by the voters. The proceeds of university improvement general obligation bonds shall not  
20 be expended to pay the costs of any capital facilities other than those set forth in that  
21 legislation.

22 **"§ 116D-10. Faith and credit.**

23 The faith and credit and taxing power of the State are hereby pledged for the payment  
24 of the principal of and the interest on bonds and notes. The State retains the right to  
25 amend any provision of this Article to the extent it does not impair any contractual right  
26 of a bond owner.

27 **"§ 116D-11. Issuance of bonds and notes.**

28 (a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or  
29 term bonds or notes, or any combination of these, may mature in any amounts and at any  
30 times, not exceeding 25 years from their dates, may be payable at any places, either  
31 within or without the United States, in any coin or currency of the United States that at  
32 the time of payment is legal tender for payment of public and private debts, may bear  
33 interest at any rates, which may vary from time to time, and may be made redeemable  
34 before maturity, at the option of the State or otherwise as may be provided by the State, at  
35 any prices, including a price greater than the face amount of the bonds or notes, and  
36 under any terms and conditions, all as may be determined by the State Treasurer, by and  
37 with the consent of the Council of State.

38 (b) Signatures; Form and Denomination; Registration. – Bonds or notes may be  
39 issued in certificated or uncertificated form. If issued in certificated form, bonds or notes  
40 shall be signed on behalf of the State by the Governor or shall bear the Governor's  
41 facsimile signature, shall be signed by the State Treasurer or shall bear the State  
42 Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of  
43 the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures

1 of the Governor and the State Treasurer, the bonds or notes shall also bear a manual  
2 signature which may be that of a bond registrar, trustee, paying agent, or designated  
3 assistant of the State Treasurer. The form and denomination of bonds or notes, including  
4 the provisions with respect to registration of the bonds or notes and any system for their  
5 registration, shall be as the State Treasurer may determine in conformity with this Article.

6 (c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as  
7 to the manner in which bonds or notes shall be offered for sale, whether at public or  
8 private sale, whether within or without the United States, and whether by publishing  
9 notices in certain newspapers and financial journals, mailing notices, inviting bids by  
10 correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is  
11 authorized to sell bonds or notes at one time or from time to time at any rates of interest,  
12 which may vary from time to time, and at any prices, including a price less than the face  
13 amount of the bonds or notes, as the State Treasurer may determine. All expenses  
14 incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State  
15 Treasurer from the proceeds of bonds or notes or other available moneys.

16 (d) Application of Proceeds. – The proceeds of any bonds or notes shall be used  
17 solely for the purposes for which the bonds or notes were issued and shall be disbursed in  
18 the manner and under the restrictions, if any, that the Council of State may provide in the  
19 resolution authorizing the issuance of, or in any trust agreement securing, the bonds or  
20 notes.

21 Any additional moneys which may be received by means of a grant or grants from the  
22 United States or any agency or department thereof or from any other source to aid in  
23 financing the cost of a capital facility may be disbursed, to the extent permitted by the  
24 terms of the grant or grants, without regard to any limitations imposed by this Article.

25 (e) Notes; Repayment. – By and with the consent of the Council of State, the State  
26 Treasurer is authorized to borrow money and to execute and issue notes of the State for  
27 the same, but only in the following circumstances and under the following conditions:

28 (1) For anticipating the sale of bonds, the issuance of which the Council of  
29 State has approved, if the State Treasurer considers it advisable to  
30 postpone the issuance of the bonds.

31 (2) For the payment of interest on or any installment of principal of any  
32 bonds then outstanding, if there are not sufficient funds in the State  
33 treasury with which to pay the interest or installment or principal as they  
34 respectively become due.

35 (3) For the renewal of any loan evidenced by notes authorized in this  
36 Article.

37 (4) For the purposes authorized in this Article.

38 (5) For refunding bonds or notes as authorized in this Article.

39 Funds derived from the sale of bonds or notes may be used in the payment of any  
40 bond anticipation notes issued under this Article. Funds provided by the General  
41 Assembly for the payment of interest on or principal of bonds shall be used in paying the  
42 interest on or principal of any notes and any renewals thereof, the proceeds of which have  
43 been used in paying interest on or principal of the bonds.

1       (f) Refunding Bonds and Notes. – By and with the consent of the Council of State,  
2 the State Treasurer is authorized to issue and sell refunding bonds and notes for the  
3 purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of  
4 issuance of the refunding bonds or notes. The refunding bonds and notes may be  
5 combined with any other issues of State bonds and notes similarly secured. Refunding  
6 bonds or notes may be issued at any time prior to the final maturity of the debt or  
7 obligation to be refunded. The proceeds from the sale of any refunding bonds or notes  
8 shall be applied to the immediate payment and retirement of the bonds or notes being  
9 refunded or, if not required for the immediate payment of the bonds or notes being  
10 refunded, the proceeds shall be deposited in trust to provide for the payment and  
11 retirement of the bonds or notes being refunded and to pay any expenses incurred in  
12 connection with the refunding. Money in a trust fund may be invested in (i) direct  
13 obligations of the United States government, (ii) obligations the principal of and interest  
14 on which are guaranteed by the United States government, (iii) obligations of any agency  
15 or instrumentality of the United States government if the timely payment of principal and  
16 interest on the obligations is unconditionally guaranteed by the United States  
17 government, or (iv) certificates of deposit issued by a bank or trust company located in  
18 the State if the certificates are secured by a pledge of any of the obligations described in  
19 (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest,  
20 equal at least to the principal amount of the certificates so secured. This section does not  
21 limit the duration of any deposit in trust for the retirement of bonds or notes being  
22 refunded but that have not matured and are not presently redeemable, or if presently  
23 redeemable, have not been called for redemption.

24       (g) University Improvement Bonds Fund. – The proceeds of university  
25 improvement general obligation bonds and notes, including premium thereon, if any,  
26 except the proceeds of bonds the issuance of which has been anticipated by bond  
27 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the  
28 State Treasurer in a special fund to be designated 'University Improvement Bonds Fund'.  
29 Moneys in the University Improvement Bonds Fund shall be used for the purposes set  
30 forth in this Article.

31       Any additional moneys that may be received by means of a grant or grants from the  
32 United States of America or any agency or department thereof or from any other source  
33 to aid in financing the cost of any university improvements authorized by this Article  
34 may be placed by the State Treasurer in the University Improvement Bonds Fund or in a  
35 separate account or fund and shall be disbursed, to the extent permitted by the terms of  
36 the grant or grants, without regard to any limitations imposed by this act.

37       The proceeds of university improvement general obligation bonds and notes may be  
38 used with any other moneys made available by the General Assembly for the making of  
39 university improvements, including the proceeds of any other State bond issues, whether  
40 previously made available or which may be made available after the effective date of this  
41 Article. The proceeds of university improvement bonds and notes shall be expended and  
42 disbursed under the direction and supervision of the Director of the Budget. The funds  
43 provided by this Article for university improvements shall be disbursed for the purposes

1 provided in this Article upon warrants drawn on the State Treasurer by the State  
2 Controller, which warrants shall not be drawn until requisition has been approved by the  
3 Director of the Budget and which requisition shall be approved only after full compliance  
4 with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

5 **"§ 116D-12. Variable rate demand bonds and notes.**

6 (a) In fixing the details of bonds and notes, the State Treasurer may provide that  
7 the bonds and notes may:

8 (1) Be made payable from time to time on demand or tender for purchase  
9 by the owner, if a credit facility supports the bonds or notes, unless the  
10 State Treasurer specifically determines that a credit facility is not  
11 required upon a finding and determination by the State Treasurer that  
12 the absence of a credit facility will not materially and adversely affect  
13 the financial position of the State and the marketing of the bonds or  
14 notes at a reasonable interest cost to the State.

15 (2) Be additionally supported by a credit facility.

16 (3) Be made subject to redemption or a mandatory tender for purchase prior  
17 to maturity.

18 (4) Bear interest at rates that may vary from any periods of time, as may be  
19 provided in the proceedings providing for the issuance of the bonds or  
20 notes, including, without limitation, any variations as may be permitted  
21 pursuant to a par formula.

22 (5) Be made the subject of a remarketing agreement whereby an attempt is  
23 made to remarket bonds or notes to new purchasers prior to their  
24 presentment for payment to the provider of the credit facility or to the  
25 State.

26 (b) If the aggregate principal amount payable by the State under a credit facility is  
27 in excess of the aggregate principal amount of bonds or notes secured by the credit  
28 facility, whether as a result of the inclusion in the credit facility of a provision for the  
29 payment of interest for a limited period of time or the payment of a redemption premium,  
30 or for any other reason, then the amount of authorized but unissued bonds or notes during  
31 the term of the credit facility shall not be less than the amount of the excess, unless the  
32 payment of the excess is otherwise provided for by agreement of the State executed by  
33 the State Treasurer.

34 **"§ 116D-13. Other agreements.**

35 The State Treasurer may authorize, execute, obtain, or otherwise provide for bond  
36 insurance, investment contracts, credit and liquidity facilities, interest rate swap  
37 agreements and other derivative products, and any other related instruments and matters  
38 the State Treasurer determines are desirable in connection with the issuance of bonds or  
39 notes. The State Treasurer is authorized to employ and designate any financial  
40 consultants, underwriters, and bond attorneys to be associated with any bond issue under  
41 this Article as the State Treasurer considers necessary.

42 **"ARTICLE 3.**

43 **"SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE**

**FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA.****"§ 116D-21. Purpose.**

The purpose of this Article is to authorize the Board of Governors of The University of North Carolina to issue special obligation bonds, payable from obligated resources, but with no pledge of taxes or the faith and credit of the State or any agency or political subdivision of the State, to pay the cost, in whole or in part, of improvements to the facilities of the University.

**"§ 116D-22. Definitions.**

The following definitions apply in this Article:

(1) Existing facilities. – Buildings and facilities then existing that generate income or receipts to the Board of Governors that are pledged, under the provisions of a resolution authorizing the issuance of the special obligation bonds under this Article, to the payment of the bonds.

(2) Institution. – Each of the institutions enumerated in G.S. 116-2, and any affiliated institutions of the University, including, without limitation, the University of North Carolina Center for Public Television, the University of North Carolina Health Care System, the North Carolina School of Science and Mathematics, and the North Carolina Arboretum.

(3) Obligated resources. – Any sources of income or receipts of the Board of Governors or the institution at which a special obligation bond project is or will be located that are designated by the Board as the security and source of payment for bonds issued under this Article to finance a special obligation bond project, including, without limitation, any of the following:

a. Rents, charges, or fees to be derived by the Board of Governors or the institution from any activities conducted at the institution.

b. Earnings on the investment of the endowment fund of the institution at which a special obligation project will be located, to the extent that the use of the earnings will not violate any lawful condition placed by the donor upon the part of the endowment fund that generates the investment earnings.

c. Funds to be received under a contract or a grant agreement, including 'overhead costs reimbursement' under a grant agreement, entered into by the Board of Governors or the institution to the extent the use of the funds is not restricted by the terms of the contract or grant agreement or the use of the funds as provided in this Article does not violate the restriction.

Obligated resources do not include funds appropriated to the Board of Governors or the institution from the General Fund by the General Assembly from funds derived from general tax and other revenues of the State, and obligated resources do not include tuition payment by students.

1           (4) Special obligation bonds. – Bonds issued under this Article to finance  
2 the cost of a special obligation project, which bonds are secured by and  
3 payable from obligated resources designated by the Board of Governors  
4 at the time the issuance of the bonds is authorized in accordance with  
5 this Article.

6           (5) Special obligation bond project. – Any capital facilities located or to be  
7 located at an institution for the purpose of carrying out the mission of  
8 that institution and designated specifically by the Board of Governors as  
9 a 'special obligation bond project' for purposes of this Article. A special  
10 obligation bond project need not necessarily consist of buildings or  
11 facilities that are expected to generate 'self-liquidating revenues' to the  
12 Board of Governors or the institution from direct rentals, charges, or  
13 fees from the services provided by the building or facility, and may  
14 include facilities such as classroom buildings, administration buildings,  
15 research facilities, libraries, and equipment that do not produce direct, or  
16 indirect, income to the Board of Governors or the institution.

17 **"§ 116D-23. Credit and taxing power of State not pledged; statement on face of**  
18 **bonds.**

19           Special obligation bonds issued under this Article shall not constitute a debt or  
20 liability of the State or any political subdivision of the State or a pledge of the faith and  
21 credit of the State or of any political subdivision of the State. Special obligation bonds  
22 shall be secured solely by the obligated resources pledged to their payment. All of the  
23 special obligation bonds shall contain on their face a statement to the effect that neither  
24 the State nor the Board of Governors is obligated to pay the bonds or the interest on the  
25 bonds except from the obligated resources pledged for payment and that neither the faith  
26 and credit nor the taxing power of the State or of any political subdivision or  
27 instrumentality of the State is pledged to the payment of the principal of or the interest on  
28 the bonds. The issuance of special obligation bonds under this Article does not directly  
29 or indirectly or contingently obligate the State or any political subdivision of the State to  
30 levy or to pledge any taxes for the bonds.

31 **"§ 116D-24. General powers of Board of Governors.**

32           The Board of Governors is authorized, subject to the requirements of this Article, to  
33 do all of the following:

34           (1) Determine the location and character of any special obligation bond  
35 project, to acquire, construct, and provide the project, and to maintain,  
36 repair, and operate and enter into contracts for the management, lease,  
37 use, or operation of all or any portion of any special obligation bond  
38 project and any existing facilities.

39           (2) Issue special obligation bonds to pay all or any part of the cost of a  
40 special obligation bond project, and to fund or refund any bonds  
41 previously issued by the Board of Governors to finance facilities  
42 designated as a special obligation bond project.

- 1           (3) Fix and revise from time to time and charge and collect fees, rates,  
2 rents, charges, and other income for the use of and for the services  
3 furnished by the institution that are designated as obligated resources in  
4 connection with a special obligation bond issue.
- 5           (4) Establish and enforce, and to agree through any resolution or trust  
6 agreement authorizing or securing bonds under this Article to make and  
7 enforce, rules for the use of and services rendered by the institution of  
8 the income or receipts to be obtained from the use or services  
9 designated as obligated resources in connection with a special obligation  
10 bond issue.
- 11           (5) Acquire, hold, lease, and dispose of real and personal property in the  
12 exercise of its powers and the performance of its duties and to lease all  
13 or any part of a special obligation bond project and any existing  
14 facilities for any periods of years, not exceeding 40 years, upon any  
15 terms and conditions as the Board of Governors determines, subject to  
16 the provisions of G.S. 143-341.
- 17           (6) Employ consulting engineers, attorneys, accountants, construction and  
18 financial experts, superintendents, managers, and any other employees  
19 and agents as may be necessary in its judgment in connection with a  
20 special obligation bond project and existing facilities, and to fix their  
21 compensation.
- 22           (7) Enter into all contracts and agreements necessary or incidental to the  
23 performance of its duties and the execution of its powers under this  
24 Article.
- 25           (8) Receive and accept from any federal, State, or other public agency and  
26 any private agency, person, or other entity donations, loans, grants, aid,  
27 or contributions of any money, property, labor, or other things of value  
28 for a special obligation bond project or any other services provided by  
29 the institution that is designated as the obligated resource in connection  
30 with a special obligation bond issue, and to agree to apply and use them  
31 in accordance with the terms and conditions under which they are  
32 provided.
- 33           (9) Do all acts and things necessary or convenient to carry out the powers  
34 granted by this Article.

35 **"§ 116D-25. Consultation with the Joint Legislative Commission on Governmental**  
36 **Operations.**

37 Whenever this Article requires the approval of the Director of the Budget of an action,  
38 the Director of the Budget may consult with the Joint Legislative Commission on  
39 Governmental Operations before giving approval.

40 **"§ 116D-26. Issuance of special obligation bonds and bond anticipation notes.**

41 (a) Authority. – The Board of Governors may issue, subject to the approval of the  
42 Director of the Budget, at one time or from time to time, special obligation bonds of the  
43 Board of Governors for the purpose of paying all or any part of the cost of acquiring,

1 constructing, or providing a special obligation project. Before issuing special obligation  
2 bonds, the Board of Governors shall first adopt a resolution (i) setting forth the  
3 designation by the Board of Governors that the buildings or facilities to be financed by  
4 the bond issue are the special obligation bond project being financed and (ii) designating  
5 the obligated resources that will secure and be the source of payment of the special  
6 obligation bonds to be issued. The Board of Governors shall not issue any special  
7 obligation bonds unless the Board of Governors finds that sufficient obligated resources  
8 are reasonably expected to be available (i) to pay the principal and interest on the special  
9 obligation bonds proposed to be issued, (ii) to create and maintain any reserves for the  
10 payment of the special obligation bonds, to the extent the Board of Governors is required  
11 to maintain reserves for this purpose by the terms of the trust agreement or resolution  
12 authorizing the issuance of the special obligation bonds, and (iii) to provide for the  
13 maintenance and operation of the facilities that are to generate the obligated resources to  
14 the extent the Board of Governors is required to maintain those facilities by the terms of  
15 the trust agreement or resolution authorizing the issuance of the special obligation bonds.  
16 Notwithstanding any other provision of this Article, the proceeds of special obligation  
17 bonds to be secured by obligated resources derived from the operation of or activities at  
18 one institution may not be applied to finance a special obligation project to be located at  
19 another institution.

20 (b) Approval Required. – The Board of Governors shall not issue any special  
21 obligation bonds for a project at an institution unless the board of trustees of that  
22 institution has approved the issuance of bonds for that project. The Board of Governors  
23 shall not issue special obligation bonds under this Article until the effective date of  
24 legislation enacted by the General Assembly authorizing the undertaking of the special  
25 obligation bond project to be financed and fixing the maximum aggregate principal  
26 amount of special obligation bonds that shall be issued for that purpose. In submitting  
27 proposed special obligation bond projects to the General Assembly for approval, the  
28 Board of Governors shall submit information on the need for each project, project costs,  
29 estimates of increased operating costs upon completion, estimated debt service  
30 requirements, and the sources and amounts of obligated resources to be pledged for the  
31 repayment of the bonds. If the obligated resources to repay the bonds or to operate the  
32 proposed project potentially involve increased costs to students or to the General Fund,  
33 these costs shall be identified in the Board of Governors' submission.

34 Except as provided in this Article, special obligation bond projects may be  
35 undertaken, special obligation bonds may be issued, and other powers vested in the Board  
36 of Governors under this Article may be exercised by the Board without obtaining the  
37 consent of any department, division, commission, board, bureau, or agency of the State  
38 and without any other proceedings or the happening of any other conditions or things  
39 other than those proceedings, conditions, or things which are specifically required by this  
40 Article.

41 (c) Term; Form. – The special obligation bonds of each issue shall be dated, shall  
42 mature at any times not exceeding 25 years from their dates, shall bear interest at any  
43 rates as may be determined by the Board of Governors, and may be redeemable before

1 maturity at the option of the Board, at any prices and under any terms and conditions as  
2 may be fixed by the Board prior to the issuance of the special obligation bonds. The  
3 Board of Governors shall determine the form and manner of execution of the special  
4 obligation bonds and shall fix the denominations of the special obligation bonds and the  
5 places of payment of principal and interest, which may be at any bank or trust company  
6 within or without the State. Notwithstanding any of the other provisions of this Article or  
7 any recitals in any special obligation bonds issued under the provisions of this Article, all  
8 special obligation bonds shall be negotiable instruments under the laws of this State,  
9 subject only to the provisions for registration in a resolution authorizing the issuance of  
10 the special obligation bonds or a trust agreement securing the bonds. The Board of  
11 Governors may sell the special obligation bonds in any manner, at public or private sale,  
12 and for any price, as it may determine to be for its best interests.

13 (d) Proceeds; Additional Bonds. – The proceeds of the special obligation bonds of  
14 each issue shall be used solely for the purpose for which the bonds have been authorized  
15 and shall be disbursed in the manner and under such restrictions, if any, as the Board of  
16 Governors may provide in the resolution authorizing the issuance of the bonds or in the  
17 trust agreement securing them. Unless otherwise provided in the authorizing resolution  
18 or in the trust agreement securing the special obligation bonds, if the proceeds of the  
19 special obligation bonds, by error of estimates or otherwise, are less than the cost of the  
20 special obligation bond project, additional bonds may in like manner be issued to provide  
21 the amount of the deficit and shall be deemed to be of the same issue and shall be entitled  
22 to payment from the same fund without preference or priority of the bonds first issued for  
23 the same purpose.

24 The resolution providing for the issuance of special obligation bonds, and any trust  
25 agreement securing them, may also contain limitations upon the issuance of additional  
26 special obligation bonds as the Board of Governors considers proper, and the additional  
27 special obligation bonds must be issued under the restrictions and limitations prescribed  
28 by the resolution or trust agreement.

29 (e) Temporary Bonds; Notes. – Before preparing definitive bonds, the Board of  
30 Governors may, under like restrictions, issue interim receipts or temporary bonds  
31 exchangeable for definitive bonds when the bonds have been executed and are available  
32 for delivery. The Board may also provide for the replacement of any bonds which  
33 become mutilated, destroyed, or lost.

34 The Board of Governors may enter into or negotiate a note with an acceptable bank or  
35 trust company in lieu of issuing special obligation bonds for the financing of special  
36 obligation bond projects covered under this Article. The terms and conditions of any  
37 note of this nature shall be in accordance with the terms and conditions surrounding  
38 issuance of the special obligation bonds.

39 (f) Bond Anticipation Notes. – The Board of Governors may issue, subject to the  
40 approval of the Director of the Budget, at one time or from time to time, bond  
41 anticipation notes of the Board of Governors in anticipation of the issuance of special  
42 obligation bonds authorized by this Article. The principal of and the interest on these  
43 notes shall be payable solely from the proceeds of special obligation bonds or renewal

1 notes or, in the event bond or renewal note proceeds are not available, from the obligated  
2 resources designated for their payment. The notes of each issue shall be dated, shall  
3 mature at any times not exceeding two years from their dates, shall bear interest at any  
4 rates as may be determined by the Board of Governors, and may be redeemable before  
5 maturity, at the option of the Board of Governors, at any prices and under any terms and  
6 conditions as may be fixed by the Board of Governors prior to the issuance of the notes.  
7 The Board shall determine the form and the manner of execution of the notes and shall  
8 fix the denominations of the notes and the places of payment of principal and interest,  
9 which may be at any bank or trust company within or without the State. Notwithstanding  
10 any of the other provisions of this Article or any recitals in any notes issued under the  
11 provisions of this Article, all notes shall be negotiable instruments under the laws of this  
12 State, subject only to the provisions for registration in a resolution authorizing the  
13 issuance of the notes or any trust agreement securing the bonds in anticipation of which  
14 the notes are being issued. The Board of Governors may sell the notes in any manner, at  
15 public or private sale, and for any price, as it may determine to be for its best interests.

16 The proceeds of the notes of each issue shall be used solely for the purpose for which  
17 the special obligation bonds in anticipation of which the notes are being issued have been  
18 authorized, and the note proceeds shall be disbursed in any manner and under any  
19 restrictions as the Board of Governors may provide in the resolution authorizing the  
20 issuance of the notes or bonds or in the trust agreement securing the special obligation  
21 bonds.

22 The resolution providing for the issuance of notes, and any trust agreement securing  
23 the special obligation bonds in anticipation of which the notes are being authorized, may  
24 also contain limitations upon the issuance of additional notes as the Board of Governors  
25 considers proper, and such additional notes shall be issued under the restrictions and  
26 limitations prescribed by the resolution or trust agreement. The Board may also provide  
27 for the replacement of any notes which shall become mutilated, destroyed, or lost.

28 Except as provided in this Article, notes may be issued under this Article and other  
29 powers vested in the Board of Governors under this Article may be exercised by the  
30 Board without obtaining the consent of any department, division, commission, board,  
31 bureau, or agency of the State and without any other proceedings or the happening of any  
32 other conditions or things than those proceedings, conditions, or things which are  
33 specifically required by this Article.

34 Unless the context indicates otherwise, the word 'bonds', wherever used in this  
35 Article, include the words 'bond anticipation notes'.

36 **"§ 116D-27. Trust agreement; money received deemed trust funds; insurance;  
37 remedies.**

38 (a) Trust Agreement Securing Bonds. – In the discretion of the Board of  
39 Governors and subject to the approval of the Director of the Budget, any special  
40 obligation bonds issued under this Article may be secured by a trust agreement by and  
41 between the Board of Governors and a corporate trustee, which may be any trust  
42 company or bank having the powers of a trust company within or without the State. The  
43 trust agreement or the resolution providing for the issuance of special obligation bonds

1 may pledge or assign the obligated resources designated as security for the special  
2 obligation bonds, but shall not convey or mortgage any property of the institution. The  
3 trust agreement or resolution providing for the issuance of special obligation bonds may  
4 contain provisions for protecting and enforcing the rights and remedies of the holders of  
5 the special obligation bonds that are reasonable and proper and not in violation of law,  
6 including covenants setting forth the duties of the Board of Governors in relation to the  
7 acquisition, construction, or provision of any of the charging and collecting of any rates,  
8 fees, or charges that have been designated as obligated resources, the maintenance, repair,  
9 operation, and insurance of any property of the institution, and the custody, safeguarding,  
10 and application of all moneys. It shall be lawful for any bank or trust company  
11 incorporated under the laws of the State which may act as depository of the proceeds of  
12 special obligation bonds or funds securing special obligation bonds to furnish any  
13 indemnifying bonds or to pledge any securities as may be required by the Board of  
14 Governors. A trust agreement or resolution may set forth the rights and remedies of the  
15 holders of the special obligation bonds and the rights, remedies, and immunities of the  
16 trustee or trustees, if any, and may restrict the individual right of action by the holders. In  
17 addition to the foregoing, a trust agreement or resolution may contain other provisions the  
18 Board of Governors considers reasonable and proper for the security of the holders. All  
19 expenses incurred in carrying out the provisions of the trust agreement or resolution may  
20 be treated as a part of the cost of the special obligation bond projects for which the  
21 special obligation bonds are issued or as an expense of operation of the special obligation  
22 bond project.

23 (b) Trust Funds. – All moneys received pursuant to the authority of this Article,  
24 whether as proceeds from the sale of bonds, or as obligated resources, are trust funds to  
25 be held and applied solely as provided in this Article. The Board of Governors may  
26 provide for the payment of all or part of the proceeds of the sale of the special obligation  
27 bonds and the obligated resources to any officer, board, or depository that it may  
28 designate for their custody, and may provide for their method of disbursement, with any  
29 safeguards and restrictions it may determine. Any officer with whom, or any bank or  
30 trust company with which, moneys are deposited shall act as trustee of the moneys and  
31 shall hold and apply them for the purposes of this Article, subject to any requirements  
32 provided in this Article and in the resolution or trust agreement, authorizing or securing  
33 the special obligation bonds.

34 (c) Insurance. – Notwithstanding the provisions of any other law, the Board of  
35 Governors may carry insurance on any special obligation bond projects and any existing  
36 facilities in any amounts and covering any risks it considers advisable.

37 (d) Remedies. – Any holder of special obligation bonds issued under this Article  
38 and the trustees under a trust agreement, except to the extent the rights given in this  
39 section may be restricted by the trust agreement or the resolution authorizing the issuance  
40 of the special obligation bonds, may, either at law or in equity, by suit, action,  
41 mandamus, or other proceedings, protect and enforce any and all rights under the laws of  
42 the State or granted under this Article or under the trust agreement or resolution, and may  
43 enforce and compel the performance of all duties required by this Article or by the trust

1 agreement or resolution to be performed by the Board of Governors or by any of its  
2 officers, including the fixing, charging, and collecting of obligated resources.

3 **"§ 116D-28. Fixing and collecting obligated resources.**

4 (a) Board to Provide Sufficient Resources. – For the purpose of aiding in the  
5 financing of a special obligation bond project and to provide security to the owners of the  
6 special obligation bonds issued to finance the special obligation bond project, the Board  
7 of Governors is authorized, to the extent the generation of the obligated resources is in  
8 the control of the Board, to fix, revise from time to time, charge, and collect the rents,  
9 charges, fees, or other revenues constituting the obligated resources. Fees and other  
10 revenue sources constituting obligated resources may be imposed or increased only with  
11 the approval of the Board of Governors. As long as any special obligation bonds issued  
12 under this Article and payable from those obligated resources are outstanding, the  
13 obligated resources, to the extent within the control of the Board of Governors, shall be  
14 so fixed and adjusted, with relation to other funds available, as to provide funds pursuant  
15 to the requirements of the resolution or trust agreement authorizing or securing the  
16 special obligation bonds and at least sufficient to pay the principal of and the interest on  
17 the special obligation bonds as they become due and payable, to assure the continued  
18 collection of the obligated resources, and to create and maintain reserves for these  
19 purposes. A sufficient amount of the obligated resources, except any part that may be  
20 necessary to pay the cost of maintenance, repair, and operation, and to provide reserves  
21 for these purposes and for renewals, replacements, extensions, enlargements, and  
22 improvements as may be provided for in the resolution authorizing the issuance of the  
23 special obligation bonds or in the trust agreement securing the same, shall be set aside at  
24 regular intervals as may be provided in the resolution or trust agreement authorizing the  
25 issuance of the special obligation bonds in a sinking fund which is hereby pledged to, and  
26 charged with, the payment of the principal of and the interest on the special obligation  
27 bonds as they become due and the redemption price or the purchase price of special  
28 obligation bonds retired by call or purchase as provided in the resolution or trust  
29 agreement. This pledge shall be valid and binding from the time it is made, the obligated  
30 resources so pledged and thereafter received by the Board of Governors shall  
31 immediately be subject to the lien of the pledge without any physical delivery of the  
32 pledge or further act, and the lien of the pledge shall be valid and binding as against all  
33 parties having claims of any kind in tort, contract, or otherwise against the Board of  
34 Governors, irrespective of whether the parties have notice of the pledge. Neither the  
35 resolution nor any trust agreement by which a pledge is created need be filed or recorded  
36 except in the records of the Board of Governors. The use and disposition of moneys to  
37 the credit of the sinking fund shall be subject to the provisions of the resolution  
38 authorizing the issuance of the special obligation bonds or of the trust agreement securing  
39 the bonds.

40 (b) State Pledge. – The State pledges to, and agrees with, the holders of any  
41 special obligation bonds or notes issued by the Board of Governors pursuant to this  
42 Article that as long as any of the special obligation bonds or notes are outstanding and  
43 unpaid, the State will not limit or alter the rights vested in the Board of Governors at the

1 time of issuance of the special obligation bonds or notes to set the terms and conditions of  
2 the special obligation bonds or notes and to fulfill the terms of any agreements made with  
3 the bondholders or noteholders. The State shall in no way impair the rights and remedies  
4 of the bondholders or noteholders until the special obligation bonds or notes and all costs  
5 and expenses in connection with any action or proceedings by or on behalf of the  
6 bondholders or noteholders are fully paid, met, and discharged.

7 **"§ 116D-29. Vesting powers in committee.**

8 The Board of Governors may authorize its budget and finance committee to sell any  
9 special obligation bonds which the Board has, with the approval of the Director of the  
10 Budget, authorized to be issued under this Article in any manner and under any  
11 limitations or conditions as the Board prescribes and to perform other functions under  
12 this Article the Board determines.

13 **"§ 116D-30. Refunding bonds.**

14 The Board of Governors may, subject to the approval of the Director of the Budget,  
15 issue from time to time refunding bonds for the purpose of refunding any bonds by the  
16 Board under this Article or under any Article of Chapter 116 of the General Statutes,  
17 including the payment of any redemption premium on them and any interest accrued or to  
18 accrue to the date of redemption of the bonds refunded. The Board of Governors is  
19 further authorized, subject to the approval of the Director of the Budget, to issue from  
20 time to time refunding bonds for the combined purpose of (i) refunding any bonds issued  
21 by the Board under this Article or under any Article of Chapter 116 of the General  
22 Statutes, including the payment of any redemption premium on them and any interest  
23 accrued or to accrue to the date of redemption of the bonds, and (ii) paying all or any part  
24 of the cost of acquiring or constructing any additional special obligation bond projects.

25 This Article, as applicable, governs the issuance of refunding bonds, their maturities  
26 and other details, the rights and remedies of their holders, and the rights, powers,  
27 privileges, duties, and obligations of the Board of Governors with respect to them.

28 **"§ 116D-31. Additional and alternative method.**

29 This Article provides an additional and alternative method for the doing of the things  
30 authorized and is supplemental and additional to powers conferred by other laws,  
31 including G.S. 116-175 to G.S. 116-185, inclusive and G.S. 116-197 and G.S. 116-198,  
32 and is not in derogation of or repealing any powers now existing under any other law,  
33 whether general, special, or local. The issuance of special obligation bonds or refunding  
34 bonds under this Article, however, need not comply with the requirements of any other  
35 law applicable to the issuance of bonds.

36 **"ARTICLE 4.**

37 **"COMMUNITY COLLEGES FACILITIES GENERAL OBLIGATION FINANCE**  
38 **ACT.**

39 **"§ 116D-41. Short title.**

40 This Article may be cited as the Community College Facilities General Obligation  
41 Finance Act.

42 **"§ 116D-42. Definitions.**

43 The following definitions apply in this Article:

- 1           (1) Bonds. – Bonds authorized to be issued under this Article, including  
2           refunding bonds.
- 3           (2) Community college. – Defined in G.S. 115D-2.
- 4           (3) Community college general obligation bonds. – Bonds authorized to be  
5           issued under this Article, including refunding bonds.
- 6           (4) Community Colleges System Office. – The North Carolina Community  
7           Colleges System Office, created by Article 1 of Chapter 115D of the  
8           General Statutes, or if the Community Colleges System Office is  
9           abolished or otherwise divested of its functions under this Article, the  
10           public body succeeding it in its principal functions, or upon which are  
11           conferred by law the rights, powers, and duties given by this Article to  
12           the Community Colleges System Office.
- 13           (5) Notes. – Notes issued under this Article.

14 **"§ 116D-43. Authorization of bonds and notes.**

15           Subject to a favorable vote of a majority of the qualified voters of the State who vote  
16           on the question of issuing community college general obligation bonds in the election  
17           held as provided by law, and upon the application of the Community Colleges System  
18           Office, the State Treasurer may, by and with the consent of the Council of State, issue  
19           and sell, at one time or from time to time, community college general obligation bonds of  
20           the State to be designated 'State of North Carolina Community College General  
21           Obligation Bonds', with any additional designations as may be determined to indicate the  
22           issuance of bonds from time to time, or notes of the State. Except as otherwise provided  
23           by this Article, the aggregate amount of bonds and notes issued pursuant to this Article  
24           shall not exceed two hundred million dollars (\$200,000,000). Refunding bonds and notes  
25           issued pursuant to G.S. 116D-46(f) shall not be included in the limitation on the  
26           aggregate amount of bonds and notes that may be issued pursuant to this Article.

27           The proceeds of bonds or notes issued under this Article shall be applied to finance  
28           the cost of grants to be made by the State to community colleges to finance the cost of  
29           capital facilities for the community college or to refund any outstanding bonds or notes  
30           issued under this Article. The capital facilities to be improved, constructed, or acquired  
31           with the proceeds of bonds or notes shall be determined as provided in G.S. 116D-44.

32 **"§ 116D-44. Designation of capital facilities and preconditions to bond issuance.**

33           The capital facilities to be financed in whole or in part with the proceeds of  
34           community college general obligation bonds shall be described in legislation enacted  
35           from time to time by the General Assembly. This legislation shall also provide for voter  
36           approval of the bonds to finance the capital facilities and shall become effective only  
37           upon approval by the voters. The proceeds of community college general obligation  
38           bonds shall not be expended to pay the costs of any capital facilities other than those  
39           described in that legislation.

40 **"§ 116D-45. Faith and credit.**

41           The faith and credit and taxing power of the State are hereby pledged for the payment  
42           of the principal of and the interest on bonds and notes. The State retains the right to

1 amend any provision of this Article to the extent it does not impair any contractual right  
2 of a bond owner.

3 **"§ 116D-46. Issuance of bonds and notes.**

4 (a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or  
5 term bonds or notes, or any combination of these, may mature in any amounts and at any  
6 times, not exceeding 25 years from their dates, may be payable at any places, either  
7 within or without the United States, in any coin or currency of the United States that at  
8 the time of payment is legal tender for payment of public and private debts, may bear  
9 interest at any rates, which may vary from time to time, and may be made redeemable  
10 before maturity, at the option of the State or otherwise as may be provided by the State, at  
11 any prices, including a price greater than the face amount of the bonds or notes, and  
12 under any terms and conditions, all as may be determined by the State Treasurer, by and  
13 with the consent of the Council of State.

14 (b) Signatures; Form and Denomination; Registration. – Bonds or notes may be  
15 issued in certificated or uncertificated form. If issued in certificated form, bonds or notes  
16 shall be signed on behalf of the State by the Governor or shall bear the Governor's  
17 facsimile signature, shall be signed by the State Treasurer or shall bear the State  
18 Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of  
19 the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures  
20 of the Governor and the State Treasurer, the bonds or notes shall also bear a manual  
21 signature which may be that of a bond registrar, trustee, paying agent, or designated  
22 assistant of the State Treasurer. The form and denomination of bonds or notes, including  
23 the provisions with respect to registration of the bonds or notes and any system for their  
24 registration, shall be as the State Treasurer may determine in conformity with this Article.

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

35 (d) Application of Proceeds. – The proceeds of any bonds or notes shall be used  
36 solely for the purposes for which the bonds or notes were issued and shall be disbursed in  
37 the manner and under the restrictions, if any, that the Council of State may provide in the  
38 resolution authorizing the issuance of, or in any trust agreement securing, the bonds or  
39 notes.

40 Any additional moneys which may be received by means of a grant or grants from the  
41 United States or any agency or department thereof or from any other source to aid in  
42 financing the cost of a capital facility may be disbursed, to the extent permitted by the  
43 terms of the grant or grants, without regard to any limitations imposed by this Article.

1       (e) Notes; Repayment. – By and with the consent of the Council of State, the State  
2 Treasurer is authorized to borrow money and to execute and issue notes of the State for  
3 the same, but only in the following circumstances and under the following conditions:

4           (1) For anticipating the sale of bonds the issuance of which the Council of  
5 State has approved, if the State Treasurer considers it advisable to  
6 postpone the issuance of the bonds.

7           (2) For the payment of interest on or any installment of principal of any  
8 bonds then outstanding, if there are not sufficient funds in the State  
9 treasury with which to pay the interest or installment or principal as they  
10 respectively become due.

11           (3) For the renewal of any loan evidenced by notes authorized in this  
12 Article.

13           (4) For the purposes authorized in this Article.

14           (5) For refunding bonds or notes as authorized in this Article.

15       Funds derived from the sale of bonds or notes may be used in the payment of any  
16 bond anticipation notes issued under this Article. Funds provided by the General  
17 Assembly for the payment of interest on or principal of bonds shall be used in paying the  
18 interest on or principal of any notes and any renewals thereof, the proceeds of which have  
19 been used in paying interest on or principal of the bonds.

20       (f) Refunding Bonds and Notes. – By and with the consent of the Council of State,  
21 the State Treasurer is authorized to issue and sell refunding bonds and notes for the  
22 purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of  
23 issuance of the refunding bonds or notes. The refunding bonds and notes may be  
24 combined with any other issues of State bonds and notes similarly secured. Refunding  
25 bonds or notes may be issued at any time prior to the final maturity of the debt or  
26 obligation to be refunded. The proceeds from the sale of any refunding bonds or notes  
27 shall be applied to the immediate payment and retirement of the bonds or notes being  
28 refunded or, if not required for the immediate payment of the bonds or notes being  
29 refunded, the proceeds shall be deposited in trust to provide for the payment and  
30 retirement of the bonds or notes being refunded and to pay any expenses incurred in  
31 connection with the refunding. Money in a trust fund may be invested in (i) direct  
32 obligations of the United States government, (ii) obligations the principal of and interest  
33 on which are guaranteed by the United States government, (iii) obligations of any agency  
34 or instrumentality of the United States government if the timely payment of principal and  
35 interest on the obligations is unconditionally guaranteed by the United States  
36 government, or (iv) certificates of deposit issued by a bank or trust company located in  
37 the State if the certificates are secured by a pledge of any of the obligations described in  
38 (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest,  
39 equal at least to the principal amount of the certificates so secured. This section does not  
40 limit the duration of any deposit in trust for the retirement of bonds or notes being  
41 refunded but that have not matured and are not presently redeemable, or if presently  
42 redeemable, have not been called for redemption.

1       (g) Community College Bonds Fund. – The proceeds of community college  
2 general obligation bonds and notes, including premium thereon, if any, except the  
3 proceeds of bonds the issuance of which has been anticipated by bond anticipation notes  
4 or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a  
5 special fund to be designated 'Community College Bonds Fund'. Moneys in the  
6 Community College Bonds Fund shall be used for the purposes set forth in this Article.

7       Any additional moneys that may be received by means of a grant or grants from the  
8 United States of America or any agency or department thereof or from any other source  
9 to aid in financing the cost of any community college capital facilities authorized by this  
10 Article may be placed by the State Treasurer in the Community College Bonds Fund or in  
11 a separate account or fund and shall be disbursed, to the extent permitted by the terms of  
12 the grant or grants, without regard to any limitations imposed by this act.

13       The proceeds of community college general obligation bonds and notes may be used  
14 with any other moneys made available by the General Assembly for the making of grants  
15 to community colleges for capital facilities, including the proceeds of any other State  
16 bond issues, whether previously made available or which may be made available after the  
17 effective date of this Article. The proceeds of community college bonds and notes shall  
18 be expended and disbursed under the direction and supervision of the Director of the  
19 Budget. The funds provided by this Article for grants to community colleges shall be  
20 disbursed for the purposes provided in this Article upon warrants drawn on the State  
21 Treasurer by the State Controller, which warrants shall not be drawn until requisition has  
22 been approved by the Director of the Budget and which requisition shall be approved  
23 only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the  
24 General Statutes.

25 **"§ 116D-47. Variable rate demand bonds and notes.**

26       (a) In fixing the details of bonds and notes, the State Treasurer may provide that  
27 the bonds and notes may:

28           (1) Be made payable from time to time on demand or tender for purchase  
29 by the owner, if a credit facility supports the bonds or notes, unless the  
30 State Treasurer specifically determines that a credit facility is not  
31 required upon a finding and determination by the State Treasurer that  
32 the absence of a credit facility will not materially and adversely affect  
33 the financial position of the State and the marketing of the bonds or  
34 notes at a reasonable interest cost to the State.

35           (2) Be additionally supported by a credit facility.

36           (3) Be made subject to redemption or a mandatory tender for purchase prior  
37 to maturity.

38           (4) Bear interest at rates that may vary from any periods of time, as may be  
39 provided in the proceedings providing for the issuance of the bonds or  
40 notes, including, without limitation, any variations as may be permitted  
41 pursuant to a par formula.

42           (5) Be made the subject of a remarketing agreement whereby an attempt is  
43 made to remarket bonds or notes to new purchasers prior to their

presentment for payment to the provider of the credit facility or to the State.

(b) If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium, or for any other reason, then the amount of authorized but unissued bonds or notes during the term of the credit facility shall not be less than the amount of the excess, unless the payment of the excess is otherwise provided for by agreement of the State executed by the State Treasurer.

**"§ 116D-48. Other agreements.**

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with the issuance of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to be associated with any bond issue under this Article as the State Treasurer considers necessary.

**"§ 116D-49. Procurement of capital facilities.**

Any laws, rules, or regulations of the State that relate to the acquisition and construction of capital facilities shall apply to the capital facilities financed pursuant to this Article."

Section 2. Proceeds of University Improvement General Obligation Bonds. –

(a) The proceeds of university improvement general obligation bonds and notes, including any premium thereon, except the proceeds of university improvement general obligation bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be allocated and expended for paying the cost of university capital facilities, to the extent and as provided in Article 2 of Chapter 116D of the General Statutes, as enacted by this act and subject to change as provided in this act, as follows:

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvement</u>	<u>Projected Allocation</u>
Appalachian State University	
Central Library Complex - Planning.....	\$ 2,350,000
New Science Building - Planning .....	1,260,000
Rankin Science Building - Renovation and modernization	7,750,000
Belk Library Renovation - Planning .....	545,020
Living and Learning Center - Academic Facility .....	4,022,725
Visual Arts Center - Renovation and Addition.....	5,774,700
Smith Wright Hall - Renovation and modernization.....	1,636,111

1	Founders Hall - Renovation and modernization .....	1,044,082
2	Land Acquisition .....	3,939,512
3	Potable Water - Infrastructure improvements .....	1,000,000
4	Technology Infrastructure Expansion .....	4,838,909
5		
6	East Carolina University	
7	Science Laboratories and Technology Building .....	55,125,315
8	Expansion of the Rivers Building - Planning .....	11,997,300
9	Nursing, Allied Health and DEC Complex:	
10	Medical School - Planning      2,250,000	
11	Land Acquisition - Phase I .....	1,500,000
12	Classroom Improvements - Phase II .....	1,126,844
13	Infrastructure .....	2,250,000
14	Materials Warehouse .....	2,000,000
15	Campus Computing Center - Renovation .....	1,785,000
16	Technology Infrastructure Expansion .....	807,575
17		
18	Elizabeth City State University	
19	New Residence Hall .....	6,510,000
20	General Campus Development - Planning .....	250,000
21	Lester Hall - Renovation and modernization .....	2,809,370
22	Williams Hall - Renovation and modernization .....	3,047,370
23	Mitchell-Lewis Residence - Renovation and modernization	2,123,675
24	Roebuck Stadium Field House .....	1,260,000
25	Technology Infrastructure Expansion .....	3,149,387
26		
27	Fayetteville State University	
28	New Residence Hall .....	6,872,250
29	Charles A. Lyons Science - Renovation/	
30	modernization and addition      10,819,230	
31	Technology Infrastructure Expansion .....	1,137,582
32		
33	North Carolina Agricultural and Technical State University	
34	General Classroom & Laboratory Building	
35	Complex #1      29,470,665	
36	Land Acquisition .....	4,300,000
37	Chemistry Building .....	21,831,600
38	Curtis Hall - Replacement .....	3,723,510
39	General Renovations and Modernizations .....	1,374,707
40	Technology Infrastructure Expansion .....	2,921,662
41		
42	North Carolina Central University	
43	New Science Complex and Demolition of	

1	Old Hillside High School	36,780,000	
2	General Campus Master Plan.....		250,000
3	Shepard Dormitory - Renovation and modernization.....		7,233,196
4	Latham Hall - Renovation and modernization.....		3,411,600
5	Technology Infrastructure Expansion.....		1,422,080
6			
7	North Carolina School of the Arts		
8	Basic Performance & Education Complex - Phase I.....		11,500,000
9	Stevens Center - Renovation and modernization.....		2,700,000
10	New Student Activities Building - Renovation.....		1,536,651
11	Technology Infrastructure Expansion.....		1,862,312
12			
13	North Carolina State University		
14	Withers Hall - Renovations.....		22,960,770
15	Laezar Hall - Renovations.....		8,361,104
16	College of Engineering Complex - Phase I.....		32,806,515
17	College of Engineering Complex - Phase II Design.....		4,000,000
18	David-Clark Laboratory - Renovation and addition.....		11,555,775
19	Jordan Hall Addition.....		13,553,295
20	Undergraduate Science Teaching Labs - Phase I.....		23,606,520
21	Undergraduate Science Teaching Labs - Phase II.....		12,197,010
22	Administrative Services Center.....		7,091,319
23	College of Veterinary Medicine Research -		
24	Renovation and addition	20,179,950	
25	Chilled Water and Cooling Tower - Brickyard.....		2,913,750
26	Chilled Water Central Plant - North Campus.....		5,040,187
27	Centennial Campus - Infrastructure - Engineering.....		9,363,846
28	North Campus Chiller Service - Distribution.....		6,665,277
29	Steam Distribution and Capacity - Sullivan Drive.....		3,244,080
30	Technology Infrastructure Expansion.....		2,308,681
31			
32	University of North Carolina at Asheville		
33	New Math/Science Building - Planning.....		1,250,000
34	Highsmith Center - Renovation and addition.....		9,473,100
35	New Physical Plant Building.....		6,318,900
36	Carmichael Hall - Renovation and		
37	modernization - Planning	400,000	
38	Zaiger Hall - Renovation and		
39	modernization - Planning	350,000	
40	General Campus Improvements.....		2,102,093
41	Technology Infrastructure Expansion.....		751,235
42			
43	University of North Carolina at Chapel Hill		

1	Murphey Hall - Renovations.....	6,403,317
2	Institute of Marine Sciences.....	1,746,000
3	Interdisciplinary Physical Sciences Building.....	59,000,000
4	Carrington Hall, School of Nursing - Addition.....	5,873,000
5	School of Public Health .....	28,900,000
6	Memorial Hall .....	12,000,000
7	Biomolecular Research Bldg, School of Medicine.....	26,718,000
8	R.D. Smith Middle School Wing, School of Education .....	1,442,896
9	Administrative Office Building .....	7,005,200
10	Infrastructure/Technology Improvements.....	15,654,531
11	Digital Multimedia Instructional Center.....	12,000,000
12	Academic Facilities Renovations.....	26,000,000
13	Technology Infrastructure Expansion.....	3,777,350
14		
15	University of North Carolina at Charlotte	
16	Academic Facilities - Humanities .....	10,046,925
17	Science and Technology Building .....	35,707,035
18	Classroom and Office Building.....	22,756,968
19	College of Education Building - Planning .....	1,300,000
20	College of Nursing and Health Professions - Planning .....	720,748
21	Technology Infrastructure Expansion.....	3,345,507
22		
23	University of North Carolina at Greensboro	
24	Science Instructional Building.....	38,412,150
25	Roadway Improvements .....	6,825,000
26	Land Acquisition.....	7,000,000
27	Brown - Renovation and modernization .....	6,062,668
28	Technology Infrastructure Expansion.....	7,859,789
29		
30	University of North Carolina at Pembroke	
31	Regional Center for Economic, Professional, and	
32	Community Development     4,004,385	
33	New Science Building.....	9,408,000
34	Jones PE Building - Renovation and modernization .....	2,212,660
35	Locklear - Renovation and modernization.....	1,500,000
36	D.F. Lowery Building - Renovation and	
37	modernization     1,500,000	
38	Wellons Hall - Renovation and modernization.....	2,000,000
39	Technology Infrastructure Expansion.....	2,798,476
40		
41	University of North Carolina at Wilmington	
42	School of Education Building.....	17,576,000
43	General Classroom Building.....	12,647,000

1	Hoggard Hall - Renovation and modernization .....	2,500,000
2	Friday Hall - Renovation and modernization.....	3,040,986
3	S. G. Kenan Auditorium - Renovation and	
4	modernization   2,000,000	
5	Marine Sciences Research Center - Operations Facilities	1,930,000
6	Land Acquisition.....	2,100,000
7	Technology Infrastructure Expansion.....	2,948,927
8		
9	Western Carolina University	
10	Fine and Performing Arts Center .....	25,805,745
11	McKee Building - Renovation and modernization .....	5,289,690
12	Bird Building - Renovation.....	1,836,450
13	Land Acquisition.....	1,126,004
14	Hinds University Center - Addition (partial) .....	1,000,000
15	Steam Plant Improvements - Phase III.....	644,595
16	Technology Infrastructure Expansion.....	5,018,607
17		
18	Winston-Salem State University	
19	Computer Science Facility .....	5,087,272
20	New Physical and Life Sciences Building - Phase I .....	10,723,345
21	Technology Infrastructure Expansion.....	1,676,127
22		
23	University of North Carolina Center for Public Television	
24	Conversion to Digital TV - Phase I.....	28,129,140
25	North Carolina School of Science and Mathematics	
26	Renovation of Bryan Center .....	3,172,575
27	North Carolina Arboretum	
28	Maintenance & Operations Facility .....	1,541,295
29	Entrance Gates and Gatehouses .....	785,610
30	Main Entrance Road Utility & Landscape Development .....	2,259,180
31	General Administration Building Renovation.....	2,887,500
32	Central Library Storage Facility and Central Records	
33	Storage - Planning .....	<u>500,000</u>
34		
35	TOTAL	\$ 1,000,000,000

36

37           Section 2.(b) The Director of the Budget is empowered, when the Director of

38 the Budget determines it is in the best interest of the State and the University to do so,

39 and if the cost of a particular capital facility is less than the amount allocated for it, to use

40 the excess funds to meet increased cost of other capital facilities itemized in this section

41 and located at the same institution. The Director of the Budget shall report to the Joint

42 Legislative Commission on Governmental Operations on changes made under this

43 subsection. In addition, any capital facility and the amount of the allocation for it set

1 forth above may be changed from time to time as the General Assembly may decide. The  
 2 provisions of G.S. 116-11(9) with respect to appropriations to the Board of Governors of  
 3 The University of North Carolina shall not apply to proceeds of university improvement  
 4 general obligation bonds and notes issued pursuant to Article 2 of Chapter 116D of the  
 5 General Statutes, as enacted by this act.

6 Section 2.(c) Allocations to the costs of a capital improvement or undertaking  
 7 in each case may include allocations to pay the costs set forth in this act in connection  
 8 with the issuance of university improvement general obligation bonds for that capital  
 9 improvement or undertaking.

10 Section 2.(d) The validity of university improvement general obligation bonds and  
 11 notes issued under Article 2 of Chapter 116D of the General Statutes, as enacted by this  
 12 act, is not affected by any subsequent adjustment of allocations, or by any failure to  
 13 comply with the reporting requirements provided in this act.

14 Section 3. Proceeds of Community College General Obligation Bonds. – (a)  
 15 The proceeds of community college general obligation bonds and notes, including any  
 16 premium thereon, except the proceeds of community college general obligation bonds the  
 17 issuance of which has been anticipated by bond anticipation notes or the proceeds of  
 18 refunding bonds or notes, shall be allocated and expended for paying the cost of  
 19 community college capital facilities, to the extent and as provided in Article 4 of Chapter  
 20 116D of the General Statutes, as enacted by this act and subject to change as provided in  
 21 this act, to be located at the following community colleges:

22 COLLEGE	23 NEW REPAIR & 24 CONSTRUCTION	25 TOTAL 26 RENOVATION	27 ALLOCATION
28 Alamance CC	29 \$2,844,030 30 \$3,335,445	31 \$	32 491,415
33 Anson CC	34 1,000,000 35 1,840,055	36 840,055	
37 Asheville- 38 Buncombe TCC	39 1,381,875 40 3,104,677	41 1,722,802	
42 Beaufort County CC	43 1,000,000 2,128,185	1,128,185	
44 Bladen CC	1,000,000 1,279,588	279,588	
45 Blue Ridge CC	2,030,342 4,335,729	2,305,387	

1	Brunswick CC	1,000,000		248,261
2		1,248,261		
3				
4	Caldwell CC & TI	2,844,030		377,326
5		3,221,356		
6				
7	Cape Fear CC	1,000,000		2,068,435
8		3,068,435		
9				
10	Carteret CC	1,000,000		1,882,001
11		2,882,001		
12				
13	Catawba Valley CC	1,242,780		2,743,429
14		3,986,209		
15				
16	Central Carolina CC	6,897,631		244,147
17		7,141,778		
18				
19	Central Piedmont CC	6,315,060		6,129,832
20		12,444,892		
21				
22	Cleveland CC	1,000,000		486,221
23		1,486,221		
24				
25	Coastal Carolina CC	2,844,030		348,511
26		3,192,541		
27				
28	College of the			
29	Albemarle	4,465,864	128,735	4,594,599
30				
31	Craven CC	2,844,030		573,564
32		3,417,594		
33				
34	Davidson County CC	1,000,000		2,287,656
35		3,287,656		
36				
37	Durham TCC	2,844,030		842,633
38		3,686,663		
39				
40	Edgecombe CC	5,198,250		1,563,500
41		6,761,750		
42				

1	Fayetteville TCC	2,844,030	2,166,691
2		5,010,721	
3			
4	Forsyth TCC	1,000,000	1,039,816
5		2,039,816	
6			
7	Gaston College	1,000,000	270,458
8		1,270,458	
9			
10	Guilford TCC	2,311,980	3,083,432
11		5,395,412	
12			
13	Halifax CC	1,000,000	817,189
14		1,817,189	
15			
16	Haywood CC	1,000,000	2,195,573
17		3,195,573	
18			
19	Isothermal CC	1,000,000	949,267
20		1,949,267	
21			
22	James Sprunt CC	1,000,000	516,788
23		1,516,788	
24			
25	Johnston CC	1,000,000	921,977
26		1,921,977	
27			
28	Lenoir CC	2,308,020	1,048,459
29		3,356,479	
30			
31	Martin CC	1,340,460	142,636
32		1,483,096	
33			
34	Mayland CC	3,148,914	213,742
35		3,362,656	
36			
37	McDowell TCC	1,128,600	273,269
38		1,401,869	
39			
40	Mitchell CC	1,000,000	983,677
41		1,983,677	
42			

1	Montgomery CC	1,000,000	301,703
2		1,301,703	
3			
4	Nash CC	1,000,000	1,021,442
5		2,021,442	
6			
7	Pamlico CC	1,000,000	302,049
8		1,302,049	
9			
10	Piedmont CC	1,909,710	2,111,177
11		4,020,887	
12			
13	Pitt CC	2,844,030	2,091,308
14		4,935,338	
15			
16	Randolph CC	1,000,000	551,886
17		1,551,886	
18			
19	Richmond CC	2,844,030	984,167
20		3,828,197	
21			
22	Roanoke-Chowan CC	1,000,000	567,718
23		1,567,718	
24			
25	Robeson CC	2,844,030	2,192,511
26		5,036,541	
27			
28	Rockingham CC	1,000,000	1,278,538
29		2,278,538	
30			
31	Rowan-Cabarrus CC	2,844,030	2,925,850
32		5,769,880	
33			
34	Sampson CC	1,000,000	1,653,903
35		2,653,903	
36			
37	Sandhills CC	2,575,320	2,831,582
38		5,406,902	
39			
40	Southeastern CC	1,000,000	1,112,304
41		2,112,304	
42			

1	Southwestern CC	3,714,002	1,228,660
2		4,942,662	
3			
4	Stanly CC	2,844,030	1,506,808
5		4,350,838	
6			
7	Surry CC	3,526,515	225,489
8		3,752,004	
9			
10	Tri-County CC	1,822,425	712,338
11		2,534,763	
12			
13	Vance-Granville CC	7,886,760	805,858
14		8,692,618	
15			
16	Wake TCC	5,688,060	2,850,623
17		8,538,683	
18			
19	Wayne CC	2,844,014	202,099
20		3,046,113	
21			
22	Western		
23	Piedmont CC	1,220,959	1,292,053
24	2,513,012		
25			
26	Wilkes CC	2,776,724	776,451
27		3,553,175	
28			
29	Wilson TCC	<u>1,218,855</u>	<u>921,379</u>
30		<u>2,140,234</u>	
31			
32	TOTAL	\$128,237,450	\$71,762,550
33		\$200,000,000	
34			

35           Section 3.(b) Except as provided in this subsection and subsection (d) of this  
36 section, a community college may use the bond proceeds allocated in subsection (a) of  
37 this section only in accordance with the allocations in the State Board of Community  
38 Colleges' consultant's report on the capital allocation and repairs and renovations funding  
39 formula. Funds allocated for repair and renovations must be used in accordance with  
40 exhibit 5-6 of the Funding Formula Study: Phase 3 Report, submitted May 15, 1998.  
41 Funds allocated for new construction must be used in accordance with exhibits 15 and 16  
42 of the Funding Formula Study: Phase 4 Report, submitted February 4, 1999, up to the  
43 amounts allocated in this section.

1 Except as provided in this paragraph, new construction funds allocated by the  
2 report to a specific site may not be allocated to another site. If the local board of trustees  
3 of a community college determines that new construction funds allocated to a specific  
4 site are not needed at that site, the board may request that the State Board of Community  
5 Colleges reallocate those funds for new construction at another site of the community  
6 college. If the State Board of Community Colleges determines that the funds are not  
7 needed for new construction at the site for which they were originally allocated, it shall  
8 approve the reallocation to the other site and shall substitute the proposed facility at the  
9 other site in the Community Colleges System Office's application to the State Treasurer  
10 pursuant to G.S. 116D-43.

11 Each community college shall submit to the State Board of Community  
12 Colleges a statement (i) proposing the capital facilities to be financed with the proceeds  
13 of community college general obligation bonds allocated to that community college, (ii)  
14 certifying that the proposed site is included in the consultant's report referred to in this  
15 section or is a substitute facility at another site because the funds are not needed for new  
16 construction at the site for which they are allocated in the consultant's report, (iii)  
17 certifying that the community college is prepared to proceed with the construction,  
18 acquisition, or improvement of the proposed capital facilities, and (iv) demonstrating that  
19 the applicable matching requirements have been or will be met.

20 Upon receipt by the State Board of Community Colleges of the information set  
21 forth above, the Board shall add the proposed capital facilities to the next application of  
22 the Community Colleges System Office to the State Treasurer to issue bonds pursuant to  
23 G.S. 116D-43.

24 The board of trustees of an individual community college may use funds  
25 allocated for new construction either for new construction or for repair and renovations.  
26 The board of trustees of a community college may use funds allocated for repair and  
27 renovations only for repair and renovations, and not for new construction.

28 The projected allocations set forth above may be changed from time to time as  
29 the General Assembly may decide.

30 Section 3.(c) Community colleges are not required to match bond proceeds  
31 allocated in this section for repair and renovations. The match requirements of Chapter  
32 115D of the General Statutes apply to bond proceeds allocated for new construction  
33 except as provided in this subsection. The consultant hired by the State Board of  
34 Community Colleges to determine funding formulas for the community college system  
35 developed an index to measure each county's ability to pay. The consultant found that  
36 some counties are unable to meet their local match requirement under Chapter 115D of  
37 the General Statutes because of inability to pay. Accordingly, community colleges are  
38 required to match bond proceeds allocated for new construction in subsection (a) or (d) of  
39 this section only as follows: Community colleges assigned a matching rate of less than  
40 forty percent (40%) in the "adjusted matching requirements" contained in exhibit 14 of the  
41 State Board of Community Colleges' consultant's Funding Formula Study: Phase 4  
42 Report, submitted February 4, 1999, are not required to match, and community colleges

1 assigned a matching rate of forty percent (40%) or more in the adjusted matching  
 2 requirements are required to match only at the assigned rate.

3 Section 3.(d) Each community college that was not allocated funds for new  
 4 construction in the State Board of Community Colleges' consultant's report on the capital  
 5 allocation funding formula may receive the bond proceeds allocated to it for new  
 6 construction in subsection (a) of this section only to the extent that it can document to the  
 7 State Board of Community Colleges its actual need for funds for new construction, or its  
 8 actual need for funds for repair and renovations in excess of the amount allocated to it for  
 9 repair and renovations in subsection (a) of this section. If any community college is  
 10 unable to document to the State Board of Community Colleges by January 1, 2001, these  
 11 needs in the amount of its entire allocation for new construction under subsection (a) of  
 12 this section, the State Board shall reallocate the excess of the allocation over the amount  
 13 the college was able to document among the remaining community colleges to the extent  
 14 they can document actual needs in excess of their allocations in subsection (a) of this  
 15 section for new construction, repair, and renovations, or both.

16 Section 3.(e) The validity of community college general obligation bonds and  
 17 notes issued under Article 4 of Chapter 116D of the General Statutes, as enacted by this  
 18 act, is not affected by any subsequent adjustment of allocations or matching requirements  
 19 provided in this act, or by any failure to comply with matching requirements or reporting  
 20 requirements provided in this act.

21 Section 4.(a) University of North Carolina Capital Plan. – The General Assembly  
 22 finds that recent studies have shown that billions of dollars will be necessary to repair and  
 23 renovate the current facilities of the University, to expand the facilities to meet future  
 24 enrollment demands, to modernize existing facilities of the University in order for the  
 25 University to continue to provide excellent educational opportunities for the people of  
 26 North Carolina, and to meet the challenges of changing technologies and globalization of  
 27 economies. The amount of bonds authorized in this act for university improvements  
 28 represents only a part of the demonstrated needs. The following list encompasses the  
 29 critical needs of The University of North Carolina Capital Plan:

<u>Constituent or Affiliated Institution or</u> <u>Board of Governors Capital Improvement</u>	<u>Projected</u> <u>Allocation</u>
Appalachian State University	
Central Library Complex .....	\$ 47,586,735
New Science Building.....	1,260,000
Rankin Science Building - Renovation and modernization   7,750,000	
Belk Library Renovation - Planning .....	545,020
Living and Learning Center - Academic Facility .....	4,022,725
Visual Arts Center - Renovation and Addition.....	6,063,435
Smith Wright Hall - Renovation and modernization .....	1,636,111
Founders Hall - Renovation and modernization .....	1,044,082

1	Land Acquisition.....	4,977,675
2	Potable Water - Infrastructure improvements.....	2,625,000
3	Technology Infrastructure Expansion.....	4,838,909
4		
5	East Carolina University	
6	Science Laboratories and Technology Building.....	55,125,315
7	Expansion of the Rivers Building.....	11,997,300
8	Nursing, Allied Health and DEC Complex:	
9	Medical School	46,882,500
10	Flanagan Building - Renovations.....	13,421,276
11	Land Acquisition - Phase I.....	5,000,000
12	Classroom Improvements - Phase II.....	3,648,435
13	Belk Allied Health - Renovations and modernization.....	7,791,348
14	Library and Study Space Requirements - Phase I.....	12,600,000
15	Old Cafeteria - Renovations.....	4,442,103
16	Infrastructure.....	16,125,165
17	Rivers School of Nursing - North Wing Renovations.....	2,688,174
18	Materials Warehouse.....	3,045,315
19	Campus Computing Center - Renovation.....	1,785,000
20	Academic Space Requirements - Teaching Labs.....	5,250,000
21	Technology Infrastructure Expansion.....	807,575
22		
23	Elizabeth City State University	
24	New Student Center.....	9,178,313
25	New Residence Hall.....	6,510,000
26	General Campus Development.....	1,811,250
27	Historic Structures Preservation - Phase I.....	1,050,000
28	Lester Hall - Renovation and modernization.....	2,912,177
29	Williams Hall - Renovation and modernization.....	3,236,156
30	Lane Hall - Renovation and modernization.....	2,360,568
31	Trigg Hall - Renovation and modernization.....	2,109,017
32	White Graduate/Cont. Educ. Bldg -	
33	Renovation and modernization	1,575,000
34	Johnson Hall - Renovation and modernization.....	3,156,308
35	Wamack Hall - Renovation and modernization.....	3,334,303
36	Bias Hall - Renovation and modernization.....	1,858,222
37	Mitchell-Lewis - Renovation and modernization.....	2,123,675
38	Roebuck Stadium Field House.....	1,260,000
39	Campus Property Development - Phase I.....	650,000
40	Technology Infrastructure Expansion.....	3,149,387
41		
42	Fayetteville State University	
43	New Residence Hall.....	6,872,250

1	Charles A. Lyons Science - Renovation/ modernization and addition	16,800,000
3	Seabrook Auditorium - Renovation and modernization	6,825,000
5	Lauretta J. Taylor Gymnasium - Renovations, modernization, and addition	3,360,000
7	Lilly Gymnasium - Renovation.....	3,256,367
8	Cook Dining Hall - Renovation.....	1,773,450
9	Howard School Museum.....	210,000
10	Fire Safety Improvements, Student Residence Halls.....	611,730
11	Roads, Parking, Landscaping Improvements - Phase I.....	3,675,000
12	Spaulding Infirmary and Roadway/Entrance.....	1,000,000
13	Technology Infrastructure Expansion.....	1,137,582

14

North Carolina Agricultural and Technical State University

16	General Classroom & Laboratory Building Complex #1	29,470,665
18	Land Acquisition.....	6,300,000
19	Chemistry Building.....	21,831,600
20	Harrison Auditorium - Renovation and modernization	3,193,196
22	Curtis Hall - Replacement.....	3,723,510
23	Scott Hall - Replacement.....	24,165,330
24	Gamble Complex.....	1,449,420
25	Hazardous Materials and Waste Storage Facility.....	1,575,000
26	Replace Barn - Agricultural Farm.....	919,185
27	Replace Poultry Complex Laying Houses - Agricultural Farm	913,500
29	Zoe Barbee Hall - Renovation and modernization.....	5,876,786
30	Barnes Hall - Renovation and modernization.....	6,097,128
31	Graham Hall - Renovation and modernization.....	5,899,838
32	Corbett Sports Center Addition.....	7,035,000
33	Replacement of Steamlines and Manholes.....	1,568,280
34	Electrical Distribution System - upgrade and expansion	2,256,802
36	Central Cooling Plant - North and South chiller loops	6,405,000
38	Parking Enhancements, Phase I.....	4,725,735
39	Cherry Hall - Renovation and modernization.....	8,613,152
40	General Renovations and Modernizations.....	8,872,918
41	Technology Infrastructure Expansion.....	2,921,662

42

North Carolina Central University

1	New Science Complex and Demolition of	
2	Old Hillside High School	36,780,000
3	Chidley Hall - Renovation and modernization .....	6,621,943
4	General Campus Master Plan.....	250,000
5	Farrison-Newton Bldg. - Renovation and	
6	modernization	7,048,652
7	Graduate Apartments, George Street - Replacement.....	1,556,642
8	Rush Hall - Renovation and modernization.....	2,089,387
9	Baynes Hall - Replacement.....	15,091,127
10	Eagleson Hall - Renovation and modernization .....	6,869,505
11	Shepard Dormitory - Renovation and modernization.....	7,284,923
12	Latham Hall - Renovation and modernization.....	3,411,600
13	McLean Hall - Renovation and modernization.....	1,942,070
14	Pearson Cafeteria - Renovation and modernization.....	1,263,570
15	Fire Safety Improvements - Student Residence Halls .....	1,612,695
16	Landscape Campus Perimeter .....	840,000
17	Landscape Pedestrian Corridors.....	787,500
18	Directional Signage - Vehicular/pedestrian .....	735,000
19	Pedestrian Corridor on Campus Drive .....	892,500
20	Pedestrian Mall at George Street. ....	472,500
21	Dormitory Security System.....	630,000
22	Parking Enhancements Phase 1 - Nelson St. Pkg. Deck.....	6,353,235
23	Electrical Power - New transformers .....	858,654
24	Life-Safety/OSHA Corrections.....	3,675,000
25	Land Acquisition.....	4,000,000
26	Relocate Campus Police Station .....	840,000
27	Replace Power Distribution Cables .....	1,115,940
28	Underground Piping Repairs.....	4,252,710
29	Technology Infrastructure Expansion.....	1,422,080

30		
31	North Carolina School of the Arts	
32	Basic Performance & Education Complex .....	19,130,685
33	Stevens Center - Renovation and modernization.....	4,434,480
34	New Student Activities Building - Renovation.....	2,500,000
35	Roanoke Island Music & Theatrical Complex.....	10,500,000
36	Landscaping Improvements .....	1,050,000
37	Costume Shop - Renovations and relocations.....	420,000
38	Land Acquisition.....	2,650,000
39	Technology Infrastructure Expansion.....	1,862,312

40		
41	North Carolina State University	
42	I. BUILDINGS	
43	A. Renovation, Modernization, & Replacements:	

1	Classroom/Office Space	
2	Renovation and modernization of buildings.....	91,312,249
3	Laboratory Space	
4	Renovation and modernization of buildings.....	49,000,000
5	Student Support Space	
6	Renovation, modernization, and fire	
7	safety improvements .....	2,070,000
8	B. Building Capacity:	
9	Construction of College of Engineering Complex -	
10	Phase I and Phase II; Undergraduate Science	
11	Teaching Lab - Phase I and Phase II; Jordan Hall	
12	Addition; Gymnasium; Library Space; Student	
13	Services Space; and David-Clark Laboratory	
14	Renovation and addition	149,978,194
15	C. Other Building Needs:	
16	Construction of Administrative Services	
17	Center - II; Extension Facilities; Field Research	
18	Laboratories and Outlying Research - Phase I;	
19	Research Laboratory Space, Phase I; Hazardous	
20	Materials Facility; Partners Building V;	
21	College of Veterinary Medicine Research Addition	
22	and renovations; Physical Sciences Research;	
23	Genomic Sciences Research; Services Buildings	
24	at Sullivan Site and Centennial Campus	43,960,952

25  
26 **II. OTHER CAMPUS REQUIREMENTS**

27	A. General Campus:	
28	University Signage; Pedestrian Tunnel; Security	
29	CardAccess; and Public Safety Facility. ....	15,579,475
30	B. Infrastructure:	
31	Construction of Chilled Water Plant; Potable	
32	Water Building Backflow Preventers; College of	
33	Veterinary Medicine Indoor Air Quality Upgrade;	
34	North Campus Chiller Service; Brickyard Loop	
35	Chilled Water Extension and Cooling Tower;	
36	Infrastructure for Centennial Campus Partnership;	
37	Infrastructure for Veterinary Medicine Private/	
38	Public Partnership; and Steam Distribution and	
39	Capacity Improvements. ....	92,999,130
40	Technology Infrastructure Expansion.....	2,308,681
41	C. Land Acquisition	2,100,000

42  
43 University of North Carolina at Asheville

1	New Math/Science Building .....	22,203,195
2	Highsmith Center Renovation and Addition.....	9,473,100
3	New Physical Plant Building .....	6,318,900
4	Carmichael Hall - Renovation and modernization.....	3,912,805
5	Zaiger Hall - Renovation and modernization.....	3,524,624
6	General Campus Improvements.....	3,728,550
7	Technology Infrastructure Expansion.....	751,235

8

9 University of North Carolina at Chapel Hill

10 I. BUILDINGS

11 A. Renovation, Modernization, & Replacements:

12 Classroom/Office Space

13 Renovation and modernization of buildings..... 104,861,491

14 Laboratory Space

15 Renovation and modernization of buildings..... 93,531,460

16 B. Building Capacity:

17 Construction of Multidisciplinary Environmental

18 Studies Building; Addition to Carrington Hall

19 - School of Nursing; Teaching Research Bldg

20 - School of Public Health; and Interdisciplinary

21 Physical Science Bldg 87,465,000

22 C. Other Building Needs:

23 Construction of Health Affairs Biomolecular

24 Research Bldg, Phase I; Health Affairs Frank

25 Porter Graham Child Development Center; Health

26 Affairs Institute on Aging Bldg; Center for

27 Global and International Education; Digital

28 Multimedia Instructional Center; Medical School

29 Office Bldg No. 1; Sports Medicine Facility;

30 Ackland Art Museum Renovation and Expansion;

31 Relocate Physical Plant Grounds Dept; Administration

32 Office Bldg; Chapel Hill North; Campus Mail

33 Center; and Physical Plant Maintenance Shops

34 Addition 48,000,000

35

36 II. OTHER CAMPUS REQUIREMENTS

37 A. General Campus:

38 Campus Signage System..... 2,100,000

39 B. Infrastructure:

40 Construction of Storm Drainage Replacement;

41 Heating Line Installation; Cogeneration Facility

42 Turbine Generator; Gilsulate Replacement;

43 Steam Line Installation; East and South Chiller

1	Plant Expansion; North and South Chiller Plant	
2	Replacements; Energy Management & Control System	
3	Upgrade; Campus Fiber Optics Network; Horace	
4	Williams Infrastructure - Phase I; Main Campus	
5	Infrastructure Expansion - Phase I; Chilled Water	
6	Air Conditioning Systems in Classroom Bldgs;	
7	and Coal Silo Replacement.....	154,041,090
8	Technology Infrastructure Expansion.....	1,287,051
9	C. Land Acquisition:	
10	Land Acquisition - South Campus Expansion.....	8,000,000
11		
12	University of North Carolina at Charlotte	
13	Academic Facilities - Humanities.....	10,046,925
14	Science and Technology Building.....	35,707,035
15	Classroom and Office Building.....	26,102,475
16	College of Education Building.....	24,654,476
17	College of Nursing and Health Professions.....	34,125,000
18	Graduate Engineering Complex.....	14,700,000
19	Research Facility - Phase I.....	16,800,000
20	University Conference Center.....	10,500,000
21	Central Heating Plant Improvement.....	2,625,000
22	Technology Infrastructure Expansion.....	3,345,507
23		
24	University of North Carolina at Greensboro	
25	Science Instructional Building.....	38,412,150
26	Roadway Improvements.....	6,825,000
27	Land Acquisition.....	7,000,000
28	Brown - Renovation and modernization.....	6,493,859
29	Petty Science Building - Renovation and	
30	modernization 16,272,270	
31	McIver Building - Renovation and modernization.....	21,636,510
32	Aycock Auditorium - Renovation and	
33	modernization 17,662,980	
34	Stone - Renovation and modernization.....	8,930,354
35	Heating Plant - Renovation, modernization,	
36	and expansion 4,851,288	
37	Forney Building - Renovation and modernization.....	3,565,364
38	McNutt Building - Renovation and modernization.....	2,723,956
39	Research Space Phase I.....	5,250,000
40	Electrical Power Distribution Upgrades.....	4,091,038
41	McIver Chiller Plant.....	8,373,750
42	Technology Infrastructure Expansion.....	7,859,789
43		

1	University of North Carolina at Pembroke	
2	Regional Center for Economic, Professional, and	
3	Community Development	4,004,385
4	New Science Building.....	9,408,000
5	Chavis Center Expansion.....	3,221,400
6	Jones PE Building - Renovation and modernization .....	8,925,000
7	Business Administration Building - Renovation	
8	and modernization	2,140,762
9	ADA Renovations.....	525,000
10	Locklear - Renovation and modernization.....	2,464,319
11	Moore Hall - Renovation and modernization .....	2,464,661
12	D.F. Lowery Building - Renovation and	
13	modernization	2,680,528
14	Jacobs Hall - Renovation and modernization .....	4,155,525
15	West Hall - Renovation and modernization.....	4,961,580
16	Belk Hall - Renovation and modernization.....	3,055,985
17	Land Acquisition.....	1,500,000
18	Wellons Hall - Renovation and modernization.....	4,323,382
19	Technology Infrastructure Expansion.....	2,798,476
20		
21	University of North Carolina at Wilmington	
22	School of Education Building.....	17,576,370
23	Fine Arts Building/Concert Hall.....	26,250,000
24	General Classroom Building.....	12,646,935
25	Arnold K. King Hall - Renovation and	
26	modernization	2,697,442
27	Hoggard Hall - Renovation and modernization .....	3,550,430
28	Alderman Admin. - Renovation and modernization.....	2,940,843
29	Westside Hall - Renovation and modernization .....	2,687,347
30	Kenan Hall - Renovation and modernization.....	3,056,633
31	Hinton James Hall - Renovation and	
32	modernization	1,843,981
33	Deloach Hall - Renovation and modernization.....	5,193,585
34	Friday Hall - Renovation and modernization.....	7,693,351
35	S. G. Kenan Auditorium - Renovation and	
36	modernization.	3,095,303
37	Marine Sciences Research Center - Operations Facilities	3,559,912
38	Computing Center .....	1,512,000
39	Print Shop	672,000
40	Warehouse Expansion.....	1,890,000
41	Land Acquisition.....	2,100,000
42	Sprinkler Systems - Hoggard, Trask, & Nixon.....	823,620
43	Miscellaneous HVAC Projects .....	1,027,320

1	Miscellaneous Electrical Projects .....	676,305
2	Facility Improvements for Energy Efficiency .....	747,390
3	Primary Electrical Distribution System Upgrade .....	2,238,158
4	Storm Drainage Improvements .....	743,185
5	Technology Infrastructure Expansion.....	2,948,927
6		
7	Western Carolina University	
8	Fine and Performing Arts Center.....	25,805,745
9	Stillwell - Renovation and modernization .....	15,057,541
10	McKee Building.....	5,289,690
11	Bird Building - Renovation.....	1,836,450
12	Living - Learning Center - Conversion.....	1,887,113
13	Land Acquisition.....	3,618,000
14	Breese - Renovation and modernization.....	1,161,332
15	Vehicular Traffic Relocation.....	4,989,600
16	Indoor Recreation Facility .....	6,306,300
17	Hinds University Center - Addition .....	4,158,000
18	New Housing Facility .....	13,308,750
19	Chiller Replacement and Retrofit .....	1,418,655
20	Replace steam and condensate lines .....	3,937,500
21	Upgrade Electrical Distribution System .....	883,995
22	Campus Pedestrian Corridors.....	1,386,000
23	Perimeter Parking Lots.....	1,039,500
24	Steam Plant Improvements - Phase III.....	644,595
25	Automated Energy Management System Enhancements .....	700,455
26	Technology Infrastructure Expansion.....	5,018,607
27		
28	Winston-Salem State University	
29	Computer Science Facility .....	5,748,330
30	New Physical and Life Sciences Building - Phase I.....	12,109,545
31	Anderson School Building - Renovation and	
32	modernization	6,917,905
33	Health Center Building and Old Nursing	
34	Building - Renovation and modernization	2,265,865
35	Carolina Hall - Renovation and modernization .....	4,270,688
36	Hauser Union - Renovation and modernization.....	3,895,461
37	Pegram Hall - Renovation and modernization.....	2,287,613
38	General Campus Improvements - Phase I.....	3,104,640
39	Technology Infrastructure Expansion.....	1,676,127
40		
41	University of North Carolina Center for Public Television	
42	Conversion to Digital TV - Phase I.....	64,995,000
43	Mobile Satellite Uplink.....	895,545

1	UNC Public Radio - Building Addition .....	478,938
2	North Carolina School of Science and Mathematics	
3	Renovation of Bryan Center .....	3,172,575
4	Renovation of Royall Outreach Center (Wyche	
5	House) 1,990,380	
6	North Carolina Arboretum	
7	Maintenance & Operations Facility .....	1,541,295
8	Entrance Gates and Gatehouses .....	785,610
9	Main Entrance Road Utility & Landscape Development .....	2,259,180
10	Demonstration Greenhouse.....	3,776,325
11	Bus Parking .....	969,255
12	North Carolina Botanical Gardens - Herbarium Research Building	
13	7,061,355	
14	J. C. Raulston Arboretum Education & Visitors Center .....	3,639,510
15	General Administration Building Renovation.....	2,887,500
16	Central Library Storage Facility and Central Records	
17	Storage - Planning .....	500,000
18	Matching Gift Incentive Program Projects.....	<u>282,648,212</u>
19		
20	TOTAL	\$ 2,700,000,000

22 Section 4.(b) Matching Gift Incentive Program Projects. – The critical needs  
 23 capital plan set out in this section allocates two hundred eighty-two million six hundred  
 24 forty-eight thousand two hundred twelve dollars (\$282,648,212) for matching gift  
 25 incentive program projects. The Board of Governors of The University of North Carolina  
 26 shall employ a private consultant to develop a list of capital facilities which are to be  
 27 funded jointly from these funds and private donations. The Board of Governors shall  
 28 submit this list of recommended projects, including the proposed matching requirements  
 29 by the University or its constituent or affiliated institutions, to the General Assembly by  
 30 April 1, 2000. The matching requirements must be based on analyses of the fund-raising  
 31 capabilities of each institution as determined by a private consultant in order to maximize  
 32 private fund-raising for capital projects. The General Assembly will consider providing  
 33 these funds for matching gift incentive program projects in accordance with this proposal.

34 Section 5. Interpretation of Act. (a) Additional Method. – This act provides an  
 35 additional and alternative method for the doing of the things authorized by this act and  
 36 shall be regarded as supplemental and additional to powers conferred by other laws.  
 37 Except where expressly provided, this act shall not be regarded as in derogation of any  
 38 powers now existing. The authority granted in this act is in addition to other laws now or  
 39 hereinafter enacted authorizing The University of North Carolina to issue self-liquidating  
 40 debt or other debt secured by designated sources of funds.

41 Section 5.(b) Statutory References. – References in this act to specific sections or  
 42 Chapters of the General Statutes are intended to be references to those sections or  
 43 Chapters as they may be amended from time to time by the General Assembly.

1 Section 5.(c) Liberal Construction. – This act, being necessary for the health and  
2 welfare of the people of the State, shall be liberally construed to effect its purposes.

3 Section 5.(d) Severability. – If any provision of this act or its application to any  
4 person or circumstance is held invalid, that invalidity does not affect other provisions or  
5 applications of the act that can be given effect without the invalid provision or  
6 application, and to this end the provisions of this act are severable.

7 Section 6. Repair and Renovation Reports. – The Board of Governors of The  
8 University of North Carolina shall report annually to the Joint Legislative Commission on  
9 Governmental Operations and the Joint Legislative Education Oversight Committee on  
10 the condition of all of the University's capital facilities, including a status report on all  
11 repair, renovation, and maintenance projects being undertaken and an assessment of  
12 needs for additional funding to repair, renovate, and maintain the facilities.

13 The Board of Governors of The University of North Carolina shall also study  
14 the repairs and renovations formula currently utilized with respect to funding for the  
15 Repairs and Renovations Reserve Account to determine whether it adequately takes into  
16 account all of the appropriate maintenance needs of each constituent and affiliated  
17 institution, and shall recommend to the Joint Legislative Commission on Governmental  
18 Operations and the Joint Legislative Education Oversight Committee any changes  
19 necessary to improve the formula. The Board shall make recommendations on the scope  
20 and adequacy of the methodology used to calculate the funding for the repairs and  
21 renovations reserve as specified in G.S. 143-15.2.

22 Section 7. Minority Business Participation. – The goals set by G.S. 143-128  
23 for participation in projects by minority businesses apply to projects funded by the  
24 proceeds of bonds or notes issued under this act. The following State agencies shall  
25 monitor compliance with this requirement and shall report to the General Assembly by  
26 January 1 of each year on the participation by minority businesses in these projects. The  
27 State Construction Office, Department of Administration, shall monitor compliance with  
28 regard to projects funded by the proceeds of university improvement general obligation  
29 bonds and notes and special obligation bonds and notes; the Board of Governors of The  
30 University of North Carolina shall provide the State Construction Office any information  
31 required by the State Construction Office to monitor compliance. The Community  
32 Colleges System Office shall monitor compliance with regard to projects funded by the  
33 proceeds of community college general obligation bonds and notes.

34 Section 8. Private Resources for University Improvements. – The Board of  
35 Governors of The University of North Carolina shall review the recommendations in the  
36 "Capital Equity and Adequacy Study" regarding the potential for increased use of private  
37 resources in providing University facilities. The Board of Governors shall study the  
38 potential for private development of these facilities as student housing, public/private  
39 partnerships for joint development of facilities, establishment of a private nonprofit  
40 corporation to assist in development of University facilities, and any other alternatives  
41 the Board considers appropriate and feasible. The Board of Governors shall develop  
42 recommendations and proposals to implement these recommendations and report these  
43 proposals to the Joint Legislative Education Oversight Committee by April 15, 2000.

1 Section 9. Article 36 of Chapter 143 of the General Statutes is amended by  
2 adding a new section to read:

3 "**§ 143-342.2. Restriction on naming construction projects funded by the State.**

4 Notwithstanding any other provision of law, no construction project funded in whole  
5 or in part from State funds shall be named for a member of the General Assembly or the  
6 Council of State during the time the person is holding office either as a member of the  
7 General Assembly or the Council of State."

8 Section 10. The questions of the issuance of the bonds authorized by Articles  
9 2 and 4 of Chapter 116D of the General Statutes, as enacted by this act, and authorized by  
10 Sections 2 and 3 of this act, shall be submitted to the qualified voters of the State at the  
11 statewide primary election to be held in May 2000. Any other primary, election, or  
12 referendum validly called or scheduled by law at the time the election on the bond  
13 question provided for in this section is held may be held as called or scheduled. Notice of  
14 the election shall be given in the manner and at the times required by G.S. 163-33(8).  
15 The election and the registration of voters therefor shall be held under and in accordance  
16 with the general laws of the State. Absentee ballots shall be authorized in the election.

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

21 Ballots, voting systems authorized by Article 14 of Chapter 163 of the General  
22 Statutes, or both may be used in accordance with rules prescribed by the State Board of  
23 Elections. The bond questions to be used in the ballots or voting systems shall be in  
24 substantially the following form:

25 **[ ] FOR [ ] AGAINST**

26 the issuance of one billion dollars (\$1,000,000,000) State of North Carolina University  
27 Improvement General Obligation Bonds constituting general obligation bonds of the  
28 State secured by a pledge of the faith and credit and taxing power of the State for the  
29 purpose of providing funds, with any other available funds, to pay the cost of capital  
30 improvements for constituent or affiliated institutions and the Center for Public  
31 Television of The University of North Carolina.

32 **[ ] FOR [ ] AGAINST**

33 the issuance of two hundred million dollars (\$200,000,000) State of North Carolina  
34 Community College General Obligation Bonds constituting general obligation bonds of  
35 the State secured by a pledge of the faith and credit and taxing power of the State for the  
36 purpose of providing funds, together with other available funds, to make grants to  
37 community colleges to pay all or a portion of the cost of providing capital improvements.

38 If a majority of those voting on a bond question in the election vote in favor of  
39 the issuance of the bonds described in the question, those bonds may be issued as  
40 provided in this act. If a majority of those voting on a bond question in the election do  
41 not vote for the issuance of the bonds described in the question, those bonds shall not be  
42 issued.

1           The results of the election shall be canvassed and declared as provided by law  
2 for elections for State officers; the results of the election shall be certified by the State  
3 Board of Elections to the Secretary of State, in the manner and at the time provided by  
4 the general election laws of the State.

5           Section 11. This act is effective when it becomes law.