

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 528

Short Title: Tax Increment Financing Changes.

(Public)

Sponsors: Senators Clodfelter; and Hartsell.

Referred to: Finance.

March 15, 2005

A BILL TO BE ENTITLED

1 AN ACT TO EXPAND THE TYPES OF REVENUES THAT MAY BE USED TO
2 PROVIDE ADDITIONAL SECURITY FOR PROJECT DEVELOPMENT
3 FINANCING INSTRUMENTS.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 159-111(b) reads as rewritten:

7 "(b) In order to provide additional security for debt instruments issued pursuant to
8 this Article, and in lieu of pledging its faith and credit for that purpose pursuant to
9 subsection (a) of this section, a unit of local government may agree to apply to the
10 payment of the instruments any available sources of revenues of the unit, as long as the
11 agreement to use the sources to make payment does not constitute a pledge of the unit's
12 taxing ~~power or of the unit's revenues derived from local sales taxes.~~power. In addition,
13 to the extent the generation of the revenues is within the power of the unit, the unit may
14 enter into covenants to take action in order to generate the revenues, as long as the
15 covenant does not constitute a pledge of the unit's taxing power."
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SECTION 2. This act is effective when it becomes law.