

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

S

2

**SENATE BILL 1925  
Finance Committee Substitute Adopted 6/10/08**

Short Title: UNC Nonapp. Cap. Projects/Airport Authority.

(Public)

---

Sponsors:

---

Referred to:

---

May 22, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING,  
3 WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN  
4 CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT  
5 INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA; TO REVISE  
6 UNIVERSITY GENERAL OBLIGATION INDEBTEDNESS; TO EXEMPT  
7 SPECIAL INDEBTEDNESS FOR FACILITIES BY GATEWAY UNIVERSITY  
8 RESEARCH PARK, INC., FROM CERTAIN PROCUREMENT  
9 REQUIREMENTS; AND TO ALLOW THE UNIVERSITY OF NORTH  
10 CAROLINA TO CREATE AIRPORT AUTHORITIES TO SUPPORT THE  
11 MISSION OF THE UNIVERSITY, ITS CONSTITUENT INSTITUTIONS, OR  
12 THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM.

13 The General Assembly of North Carolina enacts:

14  
15 **PART I. SELF-LIQUIDATING PROJECTS**

16 **SECTION 1.1.** The purpose of this act is: (i) to authorize the construction by  
17 certain constituent institutions of The University of North Carolina of the capital  
18 improvements projects listed in the act for the respective institutions, and (ii) to  
19 authorize the financing of these projects with funds available to the institutions from  
20 gifts, grants, receipts, liquidating indebtedness, Medicare reimbursements for education  
21 costs, or other funds, or any combination of these funds, but not including funds  
22 received for tuition or appropriated from the General Fund of the State.

23 **SECTION 1.2.** The capital improvements projects, and their respective  
24 costs, authorized by this act to be constructed and financed as provided in Section 1.1 of  
25 this act, including by revenue bonds, by special obligation bonds as authorized in  
26 Section 1.5 of this act, or by both, are as follows:

27  
28 **Appalachian State University**

29 Kidd Brewer Stadium Improvements

\$8,300,000

1		
2	<b>East Carolina University</b>	
3	Athletic Facilities Expansion and Improvements	30,000,000
4	Dining Facilities Improvements	9,700,000
5	Residence Halls Improvements and Expansion	28,500,000
6	Dowdy-Ficklen Stadium Improvements	24,000,000
7		
8	<b>North Carolina Central University</b>	
9	Student Facilities Improvements	11,500,000
10		
11	<b>North Carolina State University</b>	
12	Student Health Center Expansion	10,900,000
13	Avent Ferry Administration Center Renovation	5,200,000
14	Centennial Campus Tenant Space Renovations	10,000,000
15	Collaborative Research Building I	35,000,000
16		
17	<b>The University of North Carolina at Chapel Hill</b>	
18	Athletic Facilities Renovation and Expansion	7,023,000
19	Carmichael Auditorium – Supplement	9,500,000
20	Carmichael Residence Hall – Supplement	1,300,000
21	Dental Sciences Teaching and Learning Building	26,000,000
22	Fetzer Gymnasium Expansion	2,500,000
23	Kenan Stadium Expansion, Phase I	50,000,000
24	Mary Ellen Jones Animal Facility Renovation	10,000,000
25	Medical Research Building D Renovation and Expansion	5,000,000
26	Old East and Old West Residence Halls Improvements –	
27	Supplement	3,200,000
28	Research Resource Facility – Phase III	8,600,000
29	Robertson Scholars Site Preparation	1,900,000
30	Woollen Gymnasium (Sports Medicine) – Supplement	1,500,000
31	Chilled Water Infrastructure	6,000,000
32	Cogeneration and Steam Infrastructure Improvements	
33	and Expansion	17,700,000
34	Electrical Infrastructure Improvements	13,500,000
35		
36	<b>The University of North Carolina at Charlotte</b>	
37	Residence Hall Fire Suppression Sprinkler System Installation	16,200,000
38		
39	<b>The University of North Carolina at Greensboro</b>	
40	Cone Residence Hall Fire Alarm System Replacement	948,000
41	North and South Spencer Residence Hall Improvements	5,978,000
42	Baseball Locker Room and Training Facility	2,800,000
43		
44	<b>The University of North Carolina at Wilmington</b>	

1 Student Recreation Center Expansion 35,000,000

2  
3 **Winston-Salem State University**

4 Student Activities Center 3,750,000

5  
6 **SECTION 1.3.** Pursuant to G.S. 143C-8-12, the following projects are  
7 authorized for planning only and, for that purpose, are to be funded entirely with  
8 non-General Fund money:

9  
10 **Appalachian State University**

11 Student Residential, Learning and Activity Development –  
12 Advance Planning \$6,400,000

13  
14 **Fayetteville State University**

15 Student Residence Hall and Fitness Center – Advance Planning 5,900,000

16  
17 **The University of North Carolina at Charlotte**

18 Partnership, Outreach, and Research for Accelerated Learning  
19 (PORTAL) Building – Advance Planning 5,000,000  
20 Motorsports Building II – Advance Planning 800,000

21  
22 **SECTION 1.4.** At the request of the Board of Governors of The University  
23 of North Carolina and upon determining that it is in the best interest of the State to do  
24 so, the Director of the Budget may authorize an increase or decrease in the cost of, or a  
25 change in the method of, funding the projects authorized by this act. In determining  
26 whether to authorize a change in cost or funding, the Director of the Budget may consult  
27 with the Joint Legislative Commission on Governmental Operations.

28 **SECTION 1.5.** Pursuant to G.S. 116D-26, the Board of Governors may  
29 issue, subject to the approval of the Director of the Budget, at one time or from time to  
30 time, special obligation bonds of the Board of Governors for the purpose of paying all  
31 or any part of the cost of acquiring, constructing, or providing for the projects  
32 authorized by Section 1.2 of this act. The maximum principal amount of bonds to be  
33 issued shall not exceed the specified project costs in Section 1.2 of this act plus  
34 twenty-five million dollars (\$25,000,000) for related additional costs, such as issuance  
35 expenses, funding of reserve funds, and capitalized interest.

36 **SECTION 1.6.** With respect to the University of North Carolina at Chapel  
37 Hill's Research Resource Facility – Phase III capital project, East Carolina University's  
38 Athletic Facilities Expansion and Improvements capital project, and North Carolina  
39 State University's Avent Ferry Administration Center Renovation capital project, the  
40 institution may accomplish construction and financing notwithstanding the requirement  
41 in G.S. 116D-22(5) as to location at the institution.

42 **SECTION 1.7.** With respect to the University of North Carolina at Chapel  
43 Hill's Kenan Stadium – Expansion, Phase I, capital project, the institution may  
44 accomplish construction and financing through lease arrangements to and from the

1 Educational Foundation, Inc., or any other special purpose entity created for that  
2 purpose. After the completion of the renovation and improvement and acquisition of the  
3 project by the institution, and notwithstanding any provision of the General Statutes  
4 governing the negotiation and execution of contracts or leases for the operation and  
5 management of a facility, the institution may provide for the operation and management  
6 of all or part of the renovated and improved portion of Kenan Stadium by contracting  
7 with the Educational Foundation, Inc., or by leasing that portion of Kenan Stadium to  
8 the Educational Foundation, Inc., or by contracting with or leasing to any other special  
9 purpose entity created for that purpose.

10 **SECTION 1.8.** With respect to Appalachian State University's Kidd Brewer  
11 Stadium Improvements capital project, the institution may accomplish construction and  
12 financing through lease arrangements to and from the Appalachian State University  
13 Foundation, Inc.

14 **SECTION 1.9.** With respect to the University of North Carolina at Chapel  
15 Hill's Cogeneration and Steam Infrastructure Improvements and Expansion capital  
16 project, the institution may accomplish the construction and financing of the Landfill  
17 Gas Utilization portion thereof notwithstanding the requirement in G.S. 116D-22(5) as  
18 to location of the special obligation project at the institution. The University of North  
19 Carolina at Chapel Hill may enter into any other required agreements as necessary for  
20 the completion of the improvements, notwithstanding any other provisions of the  
21 General Statutes governing such acquisition, negotiation, and execution of such  
22 rights-of-way, easements, leases, or other required agreements therefor.

23  
24 **PART II. REVISE UNIVERSITY GENERAL OBLIGATION INDEBTEDNESS**

25 **SECTION 2.** Pursuant to Section 2(b) of S.L. 2000-3, the General Assembly  
26 finds that it is in the best interest of the State to respond to current educational and  
27 research program requirements at the University of North Carolina at Chapel Hill by  
28 reducing the scope of "Berryhill Laboratory Building – Comprehensive Renovation."  
29 The unused funds from "Berryhill Laboratory Building – Comprehensive Renovation"  
30 should be transferred to a new capital project "Division of Laboratory Animal Medicine  
31 Upfits." Section 2(a) of S.L. 2000-3 is therefore amended in the portion under the  
32 University of North Carolina at Chapel Hill by:

- 33 (1) Reducing the portion to "Berryhill Laboratory Building –  
34 Comprehensive Renovation" by eight million six hundred thousand  
35 dollars (\$8,600,000) so that it reads two million one hundred thousand  
36 dollars (\$2,100,000); and  
37 (2) Adding a new project entitled "Division of Laboratory Animal  
38 Medicine – Upfits" with an amount of eight million six hundred  
39 thousand dollars (\$8,600,000).

40  
41 **PART III. PROCUREMENT MODIFICATIONS**

42 **SECTION 3.** G.S. 42-94 reads as rewritten:

43 **"§ 142-94. Procurement of capital facilities.**

1 (a) Generally. – The provisions of Articles 3, 3B, 3C, 3D, and 8 of Chapter 143  
2 of the General Statutes and any other laws or rules of the State that relate to the  
3 acquisition and construction of State property apply to the financing of capital facilities  
4 through the use of special indebtedness pursuant to this Article.

5 (b) Prior Proposals. – This section does not apply to the construction and  
6 lease-purchase, including leases with an option to purchase at the end of the lease term  
7 for a nominal sum, of State office buildings pursuant to proposals submitted before the  
8 effective date of this Article in response to requests for proposals, to the extent any of  
9 those proposals, as they may be supplemented or amended, are approved by the  
10 Department of Administration and any of these leases or lease-purchase agreements are  
11 approved by the Council of State in accordance with G.S. 143-341(4)d2.

12 (c) Exception. – Except as provided in this subsection, this section does not apply  
13 to special indebtedness issued pursuant to this Article for the purchase, construction, or  
14 operation of capital facilities by Gateway University Research Park, Inc., a joint  
15 Millennial Campus in Greensboro, North Carolina. The provisions concerning minority  
16 participation goals in Article 8 of Chapter 143 of the General Statutes do apply to  
17 special indebtedness issued for the purchase, construction, or operation of capital  
18 facilities by Gateway University Research Park, Inc."  
19

#### 20 **PART IV. ALLOW THE UNIVERSITY OF NORTH CAROLINA TO CREATE** 21 **AN AIRPORT AUTHORITY**

22 **SECTION 4.1.** G.S. 116-11 is amended by adding a new subdivision to  
23 read:

24 "(12c) The Board of Governors may create airport authorities to support the  
25 missions of The University of North Carolina, its constituent  
26 institutions, or the University of North Carolina Health Care System.  
27 An authority so created shall be a political subdivision of the State.  
28 The territorial jurisdiction of the authority shall be a county or counties  
29 in which the authority operates, or proposes to operate, an airport.  
30 Article 33 of this Chapter provides for such authorities."

31 **SECTION 4.2.** Chapter 116 of the General Statutes is amended by adding a  
32 new Article to read:

33 "Article 33.

34 "Airport Authorities.

#### 35 **§ 116-271. General provisions.**

36 (a) As provided by G.S. 116-11(12c), the Board of Governors may create airport  
37 authorities to support the missions of The University of North Carolina, its constituent  
38 institutions, or the University of North Carolina Health Care System. An authority so  
39 created shall be a political subdivision of the State. The territorial jurisdiction of the  
40 authority shall be one or two listed counties in which the authority operates, or proposes  
41 to operate, an airport.

42 (b) To create an airport authority under this Article, the Board of Governors by  
43 resolution shall name the authority and list the county or counties in which the airport

1 authority is proposed to operate an airport. If a resolution names two counties, it may  
2 later be amended to reduce the number of counties to one.

3 **"§ 116-272. Systemwide authority membership.**

4 (a) Where an airport authority is created to support the mission of The University  
5 of North Carolina System, it shall consist of 11 members: six members shall be  
6 appointed to three-year terms by the Board of Governors upon recommendation of the  
7 President, provided that three of the initial members so appointed shall serve terms of  
8 three years and three shall serve terms of two years; three members shall be appointed  
9 by the board of commissioners of the county or counties having territorial jurisdiction  
10 over the authority as provided by subsections (b) through (d) of this section; and two  
11 members shall be appointed by the municipalities within that county or counties as  
12 provided by subsections (e) through (g) of this section.

13 (b) Where there is a single county with territorial jurisdiction over the authority,  
14 the board of commissioners shall appoint three members. One of the initial members  
15 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
16 term. Successors shall be appointed for three-year terms.

17 (c) When there are two counties with territorial jurisdiction over the authority,  
18 the Board of Governors shall designate one county to appoint two members and the  
19 other county to appoint one member. The county with two members shall appoint one  
20 initial member for a two-year term and one initial member for a one-year term. The  
21 county with one member shall appoint one initial member for a three-year term.

22 (d) If the Board of Governors has initially designated two counties having  
23 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
24 the seat of the member or members of the county or counties no longer having territorial  
25 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
26 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
27 term or terms.

28 (e) Where there is a single county with territorial jurisdiction over the authority,  
29 the municipality with the largest population within that county based on the most recent  
30 decennial federal census shall appoint one member for a two-year term. The  
31 municipalities with the second and third largest populations within that county based on  
32 the most recent decennial federal census shall alternately appoint one member for a  
33 two-year term, with the second largest municipality making the initial appointment.

34 (f) Where there are two counties with territorial jurisdiction over the authority,  
35 the municipality with the largest population within those counties based on the most  
36 recent decennial federal census shall appoint one member for a two-year term. The  
37 municipalities with the second and third largest populations within those counties based  
38 on the most recent decennial federal census shall alternately appoint one member for a  
39 two-year term, with the second largest municipality making the initial appointment.

40 (g) If the Board of Governors has initially designated two counties having  
41 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
42 all municipally appointed seats on the authority are vacated and new appointments made  
43 in accordance with subsection (e) of this section.

1        (h) All vacancies on the authority shall be filled by the governing board  
2 authorized to make the initial appointment, and the appointment is for the remainder of  
3 the unexpired term.

4 **"§ 116-273. Single or multi-institution authority membership.**

5        (a) Where an airport authority is created to support the mission of a particular  
6 constituent institution of The University of North Carolina, it shall consist of 11  
7 members: six members shall be appointed to three-year terms by the Board of  
8 Governors upon recommendation of the Board of Trustees of that constituent institution,  
9 provided that three of the initial members so appointed shall serve terms of three years  
10 and three shall serve terms of two years; three members shall be appointed by the board  
11 of commissioners of the county or counties having territorial jurisdiction over the  
12 authority as provided by subsections (b) through (d) of this section; and two members  
13 shall be appointed by the municipalities within that county or counties as provided by  
14 subsections (e) through (g) of this section.

15        An airport authority may also be created to support the mission of two constituent  
16 institutions or the mission of one constituent institution and the University of North  
17 Carolina Health Care System. If the airport authority is created to support the mission of  
18 two constituent institutions, then the six members appointed by the Board of Governors  
19 shall include an equal number of representatives of each such constituent institution. If  
20 the airport authority is created to support the mission of one constituent institution and  
21 the University of North Carolina Health Care System, then the six members appointed  
22 by the Board of Governors shall include an equal number of representatives of the  
23 constituent institution and the University of North Carolina Health Care System. If it is  
24 impossible to appoint an equal number from each, then the Board of Governors shall  
25 determine a fair representation on the airport authority from each such entity.

26        (b) Where there is a single county with territorial jurisdiction over the authority,  
27 the board of commissioners shall appoint three members. One of the initial members  
28 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
29 term. Successors shall be appointed for three-year terms.

30        (c) When there are two counties with territorial jurisdiction over the authority,  
31 the Board of Governors shall designate one county to appoint two members and the  
32 other county to appoint one member. The county with two members shall appoint one  
33 initial member for a two-year term and one initial member for a one-year term. The  
34 county with one member shall appoint one initial member for a three-year term.

35        (d) If the Board of Governors has initially designated two counties having  
36 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
37 the seat of the member or members of the county or counties no longer having territorial  
38 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
39 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
40 term or terms.

41        (e) Where there is a single county with territorial jurisdiction over the authority,  
42 the municipality with the largest population within that county based on the most recent  
43 decennial federal census shall appoint one member for a two-year term. The  
44 municipalities with the second and third largest populations within that county based on

1 the most recent decennial federal census shall alternately appoint one member for a  
2 two-year term, with the second largest municipality making the initial appointment.

3 (f) Where there are two counties with territorial jurisdiction over the authority,  
4 the municipality with the largest population within those counties based on the most  
5 recent decennial federal census shall appoint one member for a two-year term. The  
6 municipalities with the second and third largest populations within those counties based  
7 on the most recent decennial federal census shall alternately appoint one member for a  
8 two-year term, with the second largest municipality making the initial appointment.

9 (g) If the Board of Governors has initially designated two counties having  
10 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
11 all municipally appointed seats on the authority are vacated and new appointments made  
12 in accordance with subsection (e) of this section.

13 (h) All vacancies on the authority shall be filled by the governing board  
14 authorized to make the initial appointment, and the appointment is for the remainder of  
15 the unexpired term.

16 **"§ 116-274. UNC Health Care System authority membership.**

17 (a) Where an airport authority is created to support the mission of the University  
18 of North Carolina Health Care System, it shall consist of 11 members: six members  
19 shall be appointed to three-year terms by the Board of Directors, provided that three of  
20 the initial members so appointed shall serve terms of three years and three shall serve  
21 terms of two years; three members shall be appointed by the board of commissioners of  
22 the county or counties having territorial jurisdiction over the authority as provided by  
23 subsections (b) through (d) of this section; and two members shall be appointed by the  
24 municipalities within that county or counties as provided by subsections (e) through (g)  
25 of this section.

26 (b) Where there is a single county with territorial jurisdiction over the authority,  
27 the board of commissioners shall appoint three members. One of the initial members  
28 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
29 term. Successors shall be appointed for three-year terms.

30 (c) When there are two counties with territorial jurisdiction over the authority,  
31 the Board of Governors shall designate one county to appoint two members and the  
32 other county to appoint one member. The county with two members shall appoint one  
33 initial member for a two-year term and one initial member for a one-year term. The  
34 county with one member shall appoint one initial member for a three-year term.

35 (d) If the Board of Governors has initially designated two counties having  
36 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
37 the seat of the member or members of the county or counties no longer having territorial  
38 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
39 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
40 term or terms.

41 (e) Where there is a single county with territorial jurisdiction over the authority,  
42 the municipality with the largest population within that county based on the most recent  
43 decennial federal census shall appoint one member for a two-year term. The  
44 municipalities with the second and third largest populations within that county based on



1 the most recent decennial federal census shall alternately appoint one member for a  
2 two-year term, with the second largest municipality making the initial appointment.

3 (f) Where there are two counties with territorial jurisdiction over the authority,  
4 the municipality with the largest population within those counties based on the most  
5 recent decennial federal census shall appoint one member for a two-year term. The  
6 municipalities with the second and third largest populations within those counties based  
7 on the most recent decennial federal census shall alternately appoint one member for a  
8 two-year term, with the second largest municipality making the initial appointment.

9 (g) If the Board of Governors has initially designated two counties having  
10 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
11 all municipally appointed seats on the authority are vacated and new appointments made  
12 in accordance with subsection (e) of this section.

13 (h) All vacancies on the authority shall be filled by the governing board  
14 authorized to make the initial appointment, and the appointment is for the remainder of  
15 the unexpired term.

16 **"§ 116-275. General powers.**

17 (a) An authority created under this Article has all powers that a city or county has  
18 under Articles 1 through 7 of Chapter 63 of the General Statutes, and in regard to  
19 financing capital expenditures and operations shall have such powers as are delegated to  
20 or conferred upon the constituent institutions or the University of North Carolina Health  
21 Care System.

22 (b) In addition to the powers granted by subsection (a) of this section, an  
23 authority created under this Article has the following powers:

24 (1) To sue and be sued in the name of the airport authority, and all  
25 pleadings served upon the airport authority shall be served on the  
26 chairperson or secretary of the airport authority.

27 (2) To expend funds appropriated to it from time to time for airport  
28 purposes and to expend funds received by the authority from fees,  
29 charges, rents, and dues arising out of the operation of the airport, the  
30 facilities, improvements, and concessions located thereat or operated  
31 thereon.

32 (3) To establish, construct, control, lease, maintain, improve, operate, and  
33 regulate an airport on lands acquired by it with buildings necessary to  
34 accommodate all types of business to operate an airport, runways, taxi  
35 ramps, parking ramps, and any equipment to operate an airport, to  
36 have complete authority for rules and regulations over all airport  
37 property for the control of all types of vehicular traffic, mobile or  
38 stationary, and pedestrian traffic with respect to areas or roadways not  
39 under the control of the Department of Transportation and any rules  
40 adopted by the airport authority for property exclusively under its  
41 control, and to have conjunctive authority to work with and cooperate  
42 with all duly constituted law enforcement agencies to enforce rules  
43 established by the State of North Carolina. The penalty for violation of  
44 rules established by the airport authority shall be a Class 3

1 misdemeanor and, upon conviction, shall be punishable by a fine not to  
2 exceed fifty dollars (\$50.00) or imprisonment not to exceed 30 days.  
3 All rules and regulations so adopted by the airport authority shall be  
4 recorded by delivering true copies thereof certified by the chairperson  
5 and secretary of the authority to the Secretary of the Board of  
6 Governors and to the Secretary of State.

7 (4) For the public use or benefit, the authority shall possess the power of  
8 eminent domain and may acquire by purchase, gift, or condemnation  
9 any property for the purpose of establishing, extending, enlarging, or  
10 improving an airport. The authority is declared to be a local public  
11 condemnor under the provisions of Chapter 40A of the General  
12 Statutes and in exercising the powers of eminent domain shall follow  
13 the procedures of Article 3 of Chapter 40A of the General Statutes.  
14 Title to the property and the right of immediate possession shall vest  
15 pursuant to subsection (a) of G.S. 40A-42. If property acquired by  
16 condemnation contains a burial ground or graveyard, then it shall be  
17 lawful for the airport authority after 30 days' notice to the surviving  
18 spouse, or the next of kin of the deceased buried therein, or the person  
19 in control of the graves, if any are known, to remove the body interred  
20 therein and reinter the same in some cemetery in the same county. If  
21 no surviving spouse or next of kin or person in control can be found,  
22 then the airport authority can advertise for four consecutive weeks in a  
23 newspaper published in the county of the intended removal of the  
24 gravesite, and the removal shall be conducted under the supervision of  
25 the clerk of the superior court for that county or his or her  
26 representative, and the expense of such removal shall be borne by the  
27 airport authority. The airport authority may dispose of any real or  
28 personal property belonging to it according to the procedures described  
29 in Article 12 of Chapter 160A of the General Statutes.

30 (5) To lease to other entities for a term not to exceed 20 years and for  
31 purposes not inconsistent with airport purposes or usage, real or  
32 personal property or both, under the supervision of or administered by  
33 the airport authority.

34 (6) To contract with persons, firms, or corporations for terms not to  
35 exceed 20 years, for the operation of passenger and freight flights,  
36 scheduled or nonscheduled, and any other plane or flight activities not  
37 inconsistent with airport operations and to charge and collect  
38 reasonable fees, charges, and rents for the use of such property and  
39 services rendered in the operation thereof.

40 (7) To operate, own, control, regulate, lease, or grant to others the license  
41 to operate amusements or concessions for a term not exceeding 20  
42 years.

43 (8) To enter into contracts to pledge as security the property of the airport  
44 authority.

- 1           (9)    To pledge any lease agreement to which it is a party as security for any  
2           loan.
- 3           (10)   To adopt and use a seal.
- 4           (11)   To contract with the Federal Aviation Administration of the United  
5           States of America or with the State of North Carolina or with any of  
6           the agencies or representatives of either of said governmental bodies  
7           relating to the grading, constructing, equipping, improving,  
8           maintaining, or operating of an airport or its facilities, or both.
- 9           (12)   To receive refunds of sales and use taxes under G.S. 105-164.14(c).
- 10          (13)   To accept grants, loans, or contributions from the United States, the  
11          State of North Carolina, or any agency or instrumentality of either of  
12          them, or from any county or other municipality, and to expend the  
13          proceeds for any purposes of the authority.
- 14          (14)   To accept grants, loans, or contributions from nonprofit organizations  
15          and to expend the proceeds for any purposes of the authority.
- 16          (15)   To adopt organizational bylaws that shall include, but not be limited  
17          to, provision for election, duties, and terms of a Chair and Secretary.
- 18          (16)   To borrow money in accordance with Article V of Chapter 159 of the  
19          General Statutes, provided that all powers and duties conferred on the  
20          Local Government Commission shall for purposes of this section be  
21          held by the Board of Governors.

22          (c)    The authority shall enjoy governmental immunity, however, the authority  
23          may contract to insure itself and any of its officers, agents, or employees against  
24          liability for wrongful death or negligence or intentional damage to persons or property  
25          or against absolute liability for damage to persons or property caused by an act or  
26          omission of the authority or of any of its officers, agents, or employees when acting  
27          within the scope of their authority and the course of their employment. The members of  
28          the authority shall determine what liabilities and what officers, agents, and employees  
29          shall be covered by any insurance purchased pursuant to this provision.

30          Purchase of insurance pursuant to this provision waives the authority's governmental  
31          immunity to the extent of insurance coverage for any act or omission occurring in the  
32          exercise of a governmental function. By entering into an insurance contract with the  
33          authority, an insurer waives any defense based upon the governmental immunity of the  
34          authority.

35          If the authority has waived its governmental immunity pursuant to the foregoing  
36          provisions of this section, any person, or if he dies, his personal representative,  
37          sustaining damages as a result of an act or omission of the authority or any of its  
38          officers, agents, or employees occurring in the exercise of a governmental function, may  
39          sue the authority for recovery of damages. To the extent of the coverage of insurance  
40          purchased pursuant to this section, governmental immunity may not be a defense to the  
41          action. Otherwise, however, the authority has all defenses available to private litigants  
42          in any action brought pursuant to these provisions without restriction, limitation, or  
43          other effect whether the defense arises from common law or by virtue of a statute.

44          "§ 116-276. Cessation of operation.

1        In the event of cessation of the operation of an airport established under this Article,  
2 or the abandonment of any of the property acquired hereunder for airport purposes, the  
3 title to such real or personal property or rights under any existing lease shall vest in The  
4 University of North Carolina, and upon the sale of any property after cessation of  
5 operations, the proceeds therefrom shall first be distributed pro rata to the constituent  
6 university member(s) or to the University of North Carolina Health Care System to  
7 reimburse their or their affiliated foundations' investments in the authority and thereafter  
8 shall vest in the University."

9  
10 **PART V. EFFECTIVE DATE**

11            **SECTION 5.** This act is effective when it becomes law.