

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
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SENATE DRS35230-MC-88A (02/27)

Short Title: Limit State Debt as Function of Revenue. (Public)

Sponsors: Senator Clark (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE INTENT OF THE GENERAL ASSEMBLY REGARDING
3 THE AMOUNT OF DEBT THE STATE MAY ISSUE TO A PERCENTAGE OF
4 GENERAL FUND REVENUE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Chapter 142 of the General Statutes is amended by adding a new
7 Article to read:

8 "Article 1A.

9 "Net Tax-Supported Debt.

10 "**§ 142-15.15. Net tax-supported debt.**

11 It is the intent of the General Assembly, in considering the recommendations of the Debt
12 Affordability Advisory Committee established in G.S. 142-101, not to authorize the issuance of
13 debt if the amount of debt service for the debt when added to the annual amount of debt service
14 for net tax-supported debt authorized by the State exceeds four percent (4%) of the total
15 amount of revenue to the General Fund for the previous year.

16 "**§ 142-15.16. Report.**

17 The Department of State Treasurer shall report to the General Assembly, on a semiannual
18 basis, the amount of debt service for net tax-supported debt, the amount set forth in
19 G.S. 142-15.15, and whether the General Assembly is in compliance with the goal set forth in
20 G.S. 142-15.15 of this Article.

21 "**§ 142-15.17. Hold harmless.**

22 If a change in amount of revenue to the General Fund results in amount of debt service for
23 net tax-supported debt authorized by the State exceeding the amount set forth in
24 G.S. 142-15.15, it does not impair the obligation of authorized debt service."

25 **SECTION 2.** This act is effective when it becomes law.



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