

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 943  
Committee Substitute Favorable 8/4/15  
Third Edition Engrossed 8/5/15

Short Title: Connect NC Bond Act of 2015.

(Public)

Sponsors:

Referred to:

August 3, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

**SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion eight hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars (\$2,859,076,952) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the twenty-first century, including, without limitation, construction, repair, renovation, and furnishing of new facilities and construction and renovation of highways, roads, bridges, and related road infrastructure in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

**SECTION 1.(c)** Findings. – The General Assembly finds the following:

- (1) The University of North Carolina is in need of new and renovated facilities to conduct research and recruit, retain, and prepare researchers, faculty, and students for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.
- (2) The North Carolina Community College System is in need of new and renovated facilities to train and prepare students and workers for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.
- (3) The public schools of the State are in need of new and renovated facilities to train and prepare students and teachers for the twenty-first century for the purpose of expanding opportunities for students by use of innovative educational programs that will attract new employers with workforces dependent on such programs.
- (4) New and renovated cultural resources and facilities and State Parks are vital to the attractiveness of the State for recruitment of new industry, business,



1 technology, and tourists, thereby benefitting the State's economic  
2 development.

3 (5) New facilities for agriculture will assist current agricultural endeavors in the  
4 State and will attract bioscience and other related industries, thereby  
5 benefitting the State's economic development.

6 (6) Parks and public facilities that are accessible to children with disabilities and  
7 veterans with disabilities are essential for the twenty-first century to attract  
8 new and assist existing industry, business, technology, and tourism for the  
9 benefit of the State and its citizenry.

10 (7) Clean water and sewer systems are essential for the twenty-first century to  
11 attract new and assist existing industry, business, technology, and tourism  
12 for the benefit of the State and its citizenry.

13 (8) Adequate National Guard and military facilities attract new defense industry  
14 companies and suppliers.

15 (9) Adequate public safety and court facilities are essential for the twenty-first  
16 century to attract new and assist existing industry, business, technology, and  
17 tourism for the benefit of the State and its citizenry.

18 (10) State and local facilities need routine repair and renovations in order for the  
19 facilities to be up-to-date for the twenty-first century to attract new and assist  
20 existing industry, business, technology, and tourism for the benefit of the  
21 State and its citizenry.

22 (11) Highways, roads, bridges, and related road infrastructure of the State is vital  
23 for all the components set forth above, as well as individually, to help retain  
24 and attract new and assist existing industry, business, technology, and  
25 tourism for the benefit of the State and its citizenry.

26 (12) The components set forth above are all interrelated and united and comprise  
27 a single plan for updating the State's infrastructure for the twenty-first  
28 century and for providing the State with necessary economic development  
29 tools to attract new and assist existing industry, business, technology, and  
30 tourism for the benefit of the State and its citizenry.

31 **SECTION 1.(d)** Definitions. – Unless the context otherwise requires, the following  
32 definitions apply in this section:

33 (1) Bonds. – Bonds issued under this section.

34 (2) Cost. – Without intending thereby to limit or restrict any proper definition of  
35 this term in financing the cost of facilities or purposes authorized by this  
36 section, any of the following:

37 a. The cost of constructing, reconstructing, enlarging, acquiring, and  
38 improving facilities and acquiring equipment and land therefor.

39 b. The cost of engineering, architectural, and other consulting services  
40 as may be required.

41 c. Administrative expenses and charges. Nothing in this section shall  
42 permit use of bond funds to pay salaries or fees for bond  
43 administration; such salaries and fees shall come from funds  
44 appropriated by the General Assembly.

45 d. Finance charges and interest prior to and during construction and, if  
46 deemed advisable by the State Treasurer, for a period not exceeding  
47 three years after the estimated date of completion of construction.

48 e. The cost of bond insurance, investment contracts, credit enhancement  
49 and liquidity facilities, interest-rate swap agreements or other  
50 derivative products, financial and legal consultants, and related costs

1 of bond and note issuance, to the extent and as determined by the  
2 State Treasurer.

3 f. The cost of reimbursing the State for any payments made for any cost  
4 described in this subdivision.

5 g. Any other costs and expenses necessary or incidental to the purposes  
6 of this section.

7 Allocations in this section of proceeds of bonds to the costs of a project or  
8 undertaking in each case may include allocations to pay the costs set forth in  
9 sub-subdivisions c. through g. of this subdivision in connection with the  
10 issuance of bonds for the project or undertaking.

11 (3) Credit facility agreement. – An agreement entered into by the State  
12 Treasurer on behalf of the State with a bank, savings and loan association, or  
13 other banking institution; an insurance company, reinsurance company,  
14 surety company, or other insurance institution; a corporation, investment  
15 banking firm, or other investment institution; or any financial institution or  
16 other similar provider of a credit facility agreement, which provider may be  
17 located within or without the United States of America, such agreement  
18 providing for prompt payment of all or any part of the principal or purchase  
19 price (whether at maturity, presentment or tender for purchase, redemption,  
20 or acceleration), redemption premium, if any, and interest on any bonds or  
21 notes payable on demand or tender by the owner, in consideration of the  
22 State agreeing to repay the provider of the credit facility agreement in  
23 accordance with the terms and provisions of such agreement.

24 (4) Notes. – Notes issued under this section.

25 (5) Par formula. – Any provision or formula adopted by the State to provide for  
26 the adjustment, from time to time, of the interest rate or rates borne by any  
27 bonds or notes, including the following:

28 a. A provision providing for such adjustment so that the purchase price  
29 of such bonds or notes in the open market would be as close to par as  
30 possible;

31 b. A provision providing for such adjustment based upon a percentage  
32 or percentages of a LIBOR rate, a prime rate, or base rate, which  
33 percentage or percentages may vary or be applied for different  
34 periods of time; or

35 c. Such other provision as the State Treasurer may determine to be  
36 consistent with this section and will not materially and adversely  
37 affect the financial position of the State and the marketing of bonds  
38 or notes at a reasonable interest cost to the State.

39 (6) State. – The State of North Carolina.

40 **SECTION 1.(e)** Authorization of Bonds and Notes. – Subject to a favorable vote of  
41 a majority of the qualified voters of the State who vote on the question of issuing public  
42 improvement bonds in the election called and held as provided in this section, the State  
43 Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and  
44 sell, at one time or from time to time, general obligation bonds of the State to be designated  
45 "State of North Carolina Public Improvement Bonds," with any additional designations as may  
46 be determined to indicate the issuance of bonds from time to time, or notes of the State as  
47 provided in this section, in an aggregate principal amount not exceeding two billion eight  
48 hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars  
49 (\$2,859,076,952) for the purpose of providing funds, with any other available funds, for the  
50 purposes authorized in this section. For public improvement bonds authorized by this section  
51 for transportation projects, although such bonds will constitute general obligation bonds,

1 secured by the faith and credit and taxing power of the State, and although the funds deposited  
 2 to the Highway Trust Fund are not specifically pledged to pay debt service on such bonds, it is  
 3 the intent of the General Assembly that the debt service on such bonds will be provided from  
 4 amounts deposited to the Highway Trust Fund.

5 **SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. –**

6 (1) Subject to the provisions of subdivision (2) of this subsection, the proceeds  
 7 of public improvement bonds and notes, including premium thereon, if any,  
 8 shall be used for the projects in the following general amounts set forth  
 9 below:

10  
 11 **Agriculture**

12	NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	\$85,000,000
13	Agriculture and	Wake	Veterinary/Food/Drug/Motor Fuels Lab	\$110,000,000
14	Consumer Services			
15				
16				
17				
18				
19	<b>Total for Agriculture (2 projects)</b>			<b>\$195,000,000</b>

20  
 21 **Attractions, Parks, and Historic Sites**

22	Cultural Resources	New Hanover	USS NC Battleship – Visitor's Center	\$10,800,000
23	State Parks	Cumberland	Carvers Creek	\$7,601,000
24	State Parks	Durham/ Orange	Eno River	\$3,774,000
25	State Parks	Washington/ Beaufort	Goose Creek	\$1,970,000
26	State Parks	Onslow	Hammocks Beach	\$1,500,000
27	State Parks	Dare	Jockeys Ridge	\$1,002,000
28	State Parks	Vance/ Warren	Kerr Lake State Recreational Area	\$5,000,000
29	State Parks	Burke/ McDowell	Lake James	\$4,028,000
30	State Parks	Iredell	Lake Norman	\$3,076,000
31	State Parks	Yancey	Mount Mitchell	\$800,000
32	State Parks	Various	Mountain-To-Sea/Other State Trails	\$6,000,000
33	State Parks	Surry/ Yadkin	Pilot Mountain	\$5,975,800
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1	State Parks	Camden	Dismal Swamp	\$1,321,000
2				
3	State Parks	Watauga	Elk Knob	\$1,200,000
4				
5	State Parks	Durham/ Wake	Falls Lake	\$1,053,000
6				
7				
8	State Parks	New Hanover	Fort Fisher State Recreational Area	\$1,500,000
9				
10	State Parks	Transylvania	Gorges State	\$3,341,000
11				
12	State Parks	Stokes	Hanging Rock	\$2,800,000
13				
14	State Parks	Guilford/ Rockingham	Haw River	\$2,000,000
15				
16				
17	State Parks	Chatham/ Wake	Jordan Lake State Recreational Area	\$4,000,000
18				
19				
20	State Parks	Columbus	Lake Waccamaw	\$2,008,000
21				
22	State Parks	Scotland/ Hoke/ Robeson/ Columbus	Lumber River	\$3,505,000
23				
24				
25				
26				
27	State Parks	Rockingham	Mayo River	\$1,000,000
28				
29	State Parks	Tyrell/ Washington	Pettigrew	\$3,774,000
30				
31				
32	State Parks	Burke	South Mountain	\$3,000,000
33				
34	State Parks	Alleghany/ Wilkes	Stone Mountain	\$1,784,000
35				
36				
37	State Parks	Wake	William B. Umstead State Park	\$2,300,000
38				
39	State Parks	Avery	Yellow Mountain Natural Area	\$3,000,000
40				
41	State Parks	Watauga	Beech Creek Bog State Natural Area	\$800,000
42				
43	State Parks	New Hanover	Carolina Beach State Park	\$1,140,000
44				
45	State Parks	Rutherford	Chimney Rock	\$2,000,000
46				
47	State Parks	Wayne	Cliffs of the Neuse	\$923,200
48				
49	State Parks	Gaston	Crowders Mountain	\$1,000,000
50				
51	State Parks	Chatham	Deep River State Trail	\$1,708,000

1				
2	State Parks	Carteret	Fort Macon	\$180,000
3				
4	State Parks	Watauga	Grandfather Mountain	\$2,002,000
5				
6	State Parks	Bladen	Jones Lake	\$869,000
7				
8	State Parks	Chatham	Lower Haw River Natural Area	\$271,000
9				
10	State Parks	Halifax	Medoc Mountain	\$1,845,000
11				
12	State Parks	Gates	Merchants Millpond	\$1,161,000
13				
14	State Parks	Stanly	Morrow Mountain	\$2,050,000
15				
16	State Parks	Ashe	Mount Jefferson State Natural Area	\$2,000,000
17				
18	State Parks	Ashe	New River	\$900,000
19				
20	State Parks	Harnett	Raven Rock	\$1,500,000
21				
22	State Parks	Bladen	Singletary Lake	\$767,000
23				
24	State Parks	Moore	Weymouth Woods State Natural Area	\$571,000
25				
26	Zoo	Randolph	Australasia Exhibit Complex	\$15,000,000
27				
28	Zoo	Randolph	Australasia Exhibit Complex	\$9,000,000
29			Replace Africa Pavilion	
30				
31	Zoo	Randolph	Africa Plains Safari	\$250,000
32				
33	<b>Total for Attractions, Parks, and Historic Sites (49 projects)</b>			<b>\$135,050,000</b>
34				
35				
36	<b><u>Local Parks and Infrastructure</u></b>			
37				
38	DENR	Statewide	Children With Disabilities and	\$10,000,000
39			Veterans With Disabilities Local	
40			Parks (Matching Grants)	
41				
42	DENR	Statewide	Water/Sewer Loans	\$75,000,000
43				
44	<b>Total for Local Parks and Infrastructure</b>			<b>\$85,000,000</b>
45				
46				
47	<b><u>National Guard and Military</u></b>			
48				
49	Military	Durham/ Granville	Camp Butner Buffer Zones	\$500,000
50				
51				

1	National Guard	Wake	JFHQ Heli-Pads	\$746,000
2				
3	National Guard	Davidson/ Forsyth/ Guilford/ Randolph	High Point Armory Major Renovations	\$625,000
4				
5				
6				
7				
8	National Guard	Franklin	Louisburg Armory	\$2,377,288
9				
10	National Guard	Rockingham	Reidsville Armory	\$2,377,288
11				
12	National Guard	Richmond	Hamlet Armory	\$2,108,334
13				
14	National Guard	Union	Monroe Armory	\$2,658,334
15				
16	National Guard	Wayne	Goldsboro Armory	\$1,558,334
17				
18	National Guard	Cumberland	Fayetteville Armory	\$2,658,334
19				
20	National Guard	Lee	Sanford Armory	\$2,108,334
21				
22	National Guard	Surry/Wilkes	Elkin Armory	\$1,558,334
23				
24	National Guard	Macon	Franklin Armory	\$1,558,334
25				
26	National Guard	Halifax	Scotland Neck Armory	\$1,558,334
27				
28	National Guard	Guilford	McLeansville Regional Readiness Ctr.	\$43,959,375
29				
30	National Guard	Burke	Western Youth Institution Renovation	\$26,400,000
31				
32	<b>Total for National Guard and Military (15 projects)</b>			<b>\$92,751,623</b>
33				
34				
35	<b><u>NC Community Colleges</u></b>			
36				
37	Alamance Comm. College		New Construction, Repairs, Renovations	\$4,316,608
38				
39	Asheville-Buncombe Technical Comm. College		New Construction, Repairs, Renovations	\$8,056,622
40				
41				
42	Beaufort Co. Comm. College		New Construction, Repairs, Renovations	\$3,746,460
43				
44	Bladen Comm. College		New Construction, Repairs, Renovations	\$3,560,367
45				
46	Blue Ridge Comm. College		New Construction, Repairs, Renovations	\$2,605,366
47				
48	Brunswick Comm. College		New Construction, Repairs, Renovations	\$2,418,939
49				
50	Caldwell Comm. College and Technical Institute		New Construction, Repairs, Renovations	\$4,303,524
51				

1			
2	Cape Fear Comm. College	New Construction, Repairs, Renovations	\$5,650,810
3			
4	Carteret Comm. College	New Construction, Repairs, Renovations	\$1,961,128
5			
6	Catawba Valley Comm. College	New Construction, Repairs, Renovations	\$4,901,484
7			
8	Central Carolina Comm. College	New Construction, Repairs, Renovations	\$4,846,230
9			
10	Central Piedmont Comm. College	New Construction, Repairs, Renovations	\$11,269,441
11			
12	Cleveland Comm. College	New Construction, Repairs, Renovations	\$3,751,987
13			
14	College of the Albermarle	New Construction, Repairs, Renovations	\$4,863,383
15			
16	Coastal Carolina Comm. College	New Construction, Repairs, Renovations	\$4,313,926
17			
18	Craven Comm. College	New Construction, Repairs, Renovations	\$3,607,717
19			
20	Davidson County Comm. College	New Construction, Repairs, Renovations	\$4,393,838
21			
22	Durham Tech. Comm. College	New Construction, Repairs, Renovations	\$4,072,442
23			
24	Edgecombe Comm. College	New Construction, Repairs, Renovations	\$4,353,522
25			
26	Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	\$10,264,710
27			
28	Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	\$6,288,257
29			
30	Gaston College	New Construction, Repairs, Renovations	\$4,935,995
31			
32	Guilford Tech. Comm. College	New Construction, Repairs, Renovations	\$9,071,603
33			
34	Halifax Comm. College	New Construction, Repairs, Renovations	\$3,737,553
35			
36	Haywood Comm. College	New Construction, Repairs, Renovations	\$2,374,457
37			
38	Isothermal Comm. College	New Construction, Repairs, Renovations	\$4,225,417
39			
40	James Sprunt Comm. College	New Construction, Repairs, Renovations	\$2,661,578
41			
42	Johnston Comm. College	New Construction, Repairs, Renovations	\$3,356,734
43			
44	Lenoir Comm. College	New Construction, Repairs, Renovations	\$6,851,267
45			
46	Martin Comm. College	New Construction, Repairs, Renovations	\$3,819,225
47			
48	Mayland Comm. College	New Construction, Repairs, Renovations	\$2,752,960
49			
50	McDowell Tech. Comm. College	New Construction, Repairs, Renovations	\$2,727,637
51			



1	Mitchell Comm. College	New Construction, Repairs, Renovations	\$2,824,345
2			
3	Montgomery Comm. College	New Construction, Repairs, Renovations	\$3,327,420
4			
5	Nash Comm. College	New Construction, Repairs, Renovations	\$10,142,192
6			
7	Pamlico Comm. College	New Construction, Repairs, Renovations	\$8,496,536
8			
9	Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,031,602
10			
11	Pitt Comm. College	New Construction, Repairs, Renovations	\$12,692,701
12			
13	Randolph Comm. College	New Construction, Repairs, Renovations	\$3,632,718
14			
15	Richmond Comm. College	New Construction, Repairs, Renovations	\$12,938,769
16			
17	Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	\$3,407,445
18			
19	Robeson Comm. College	New Construction, Repairs, Renovations	\$4,492,942
20			
21	Rockingham Comm. College	New Construction, Repairs, Renovations	\$4,302,087
22			
23	Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	\$5,588,267
24			
25	Sampson Comm. College	New Construction, Repairs, Renovations	\$2,936,298
26			
27	Sandhills Comm. College	New Construction, Repairs, Renovations	\$3,423,123
28			
29	South Piedmont Comm. College	New Construction, Repairs, Renovations	\$2,987,899
30			
31	Southeastern Comm. College	New Construction, Repairs, Renovations	\$4,060,783
32			
33	Southwestern Comm. College	New Construction, Repairs, Renovations	\$4,381,169
34			
35	Stanly Comm. College	New Construction, Repairs, Renovations	\$3,600,740
36			
37	Surry Comm. College	New Construction, Repairs, Renovations	\$4,750,239
38			
39	Tri-County Comm. College	New Construction, Repairs, Renovations	\$3,322,734
40			
41	Vance-Granville Comm. College	New Construction, Repairs, Renovations	\$4,988,371
42			
43	Wake Tech. Comm. College	New Construction, Repairs, Renovations	\$24,286,276
44			
45	Wayne Comm. College	New Construction, Repairs, Renovations	\$4,591,238
46			
47	Western Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,783,579
48			
49	Wilkes Comm. College	New Construction, Repairs, Renovations	\$3,898,805
50			
51	Wilson Comm. College	New Construction, Repairs, Renovations	\$4,050,535

1				
2	<b>Total for NC Community Colleges</b>			<b>\$300,000,000</b>
3				
4				
5	<b><u>Public Instruction</u></b>			
6				
7	Public Schools	Statewide	New Schools, Additions, Renovations	\$500,000,000
8	Capital Assistance			
9	Program			
10				
11	<b>Total for Public Instruction</b>			<b>\$500,000,000</b>
12				
13				
14	<b><u>Public Safety</u></b>			
15				
16	DPS	Wake	Highway Patrol Training Academy	\$38,225,000
17				
18	DPS	Moore	Samarcand Training Academy	\$8,500,000
19				
20	<b>Total for Public Safety (2 projects)</b>			<b>\$46,725,000</b>
21				
22				
23	<b><u>State Government Agencies</u></b>			
24				
25	Various	Statewide	Capital Repairs and Renovations	\$200,000,000
26				
27	AOC	Statewide	Courthouse Grants	\$15,000,000
28				
29	<b>Total for State Agencies</b>			<b>\$215,000,000</b>
30				
31				
32	<b><u>Transportation</u></b>			
33				
34	Transportation	Statewide	Supplemental Highway Funding	\$400,000,000
35				
36	<b>Total for Transportation</b>			<b>\$400,000,000</b>
37				
38				
39	<b><u>University of North Carolina</u></b>			
40				
41	Appalachian State	Watauga	New Health Sciences Building	\$70,781,681
42	University			
43				
44	East Carolina	Pitt	Life Sciences & Biotech. Building	\$124,522,662
45	University			
46				
47	Elizabeth City State	Pasquotank	School of Aviation	\$15,794,660
48	University			
49				
50	Fayetteville State	Cumberland	Lyons Science Bldg. Renovation	\$10,616,373
51	University			

1				
2	NC Central	Durham	Taylor Building Renovation	\$7,500,000
3	University			
4				
5	NC State University	Wake	Engineering Building	\$65,100,000
6				
7	North Carolina	Guilford	Engineering Building	\$96,676,418
8	A & T State			
9	University			
10				
11	North Carolina	Durham	Discovery Center Residence Hall	\$7,410,000
12	School of Science			
13	and Math			
14				
15	North Carolina	Burke	Western North Carolina School of	\$58,792,500
16	School of Science		Science and Math	
17	and Math			
18				
19	UNC – Asheville	Buncombe	Owens Hall Renovation/Addition	\$15,150,000
20				
21	UNC – Chapel Hill	Orange	Medical Education Bldg. Replacement	\$68,835,000
22				
23	UNC – Charlotte	Mecklenburg	New Sciences Building	\$90,000,000
24				
25	UNC – Greensboro	Guilford	Jackson Library Renovation	\$20,000,000
26				
27	UNC – Pembroke	Robeson	West Hall Comprehensive Renovation	\$10,000,000
28				
29	UNC – School of	Forsyth	Old Library Renovation	\$7,350,000
30	the Arts			
31				
32	UNC – Wilmington	New Hanover	Allied Health and Human Services/	\$65,655,041
33			Nursing Building	
34				
35	Western Carolina	Jackson	Science/STEM Building	\$102,858,929
36	University			
37				
38	Winston-Salem	Forsyth	Sciences Building	\$52,507,065
39	State University			
40				
41	<b>Total for UNC System (18 projects)</b>			<b>\$889,550,329</b>
42				
43				
44	<b>Grand Total</b>			<b>\$2,859,076,952</b>
45				

- 46 (2) Special Allocation Provisions. – In determining the use of the proceeds of  
 47 public improvement bonds and notes, including premium thereon, if any, set  
 48 forth in subdivision (1) of this subsection, the following special allocation  
 49 provisions apply:  
 50 a. The proceeds of public improvement bonds and notes, including  
 51 premium thereon, if any, for State Parks, as provided in subdivision

1 (1) of this subsection, shall be used for capital improvements, as  
2 defined in G.S. 143C-1-1(d)(5). Any items purchased with such  
3 proceeds and installed or replaced as part of a renovation or  
4 rehabilitation must have a useful life of at least 20 years or must  
5 extend the life of the facility by at least 20 years once renovated or  
6 rehabilitated.

7 b. The proceeds of public improvement bonds and notes, including  
8 premium thereon, if any, for the Department of Environment and  
9 Natural Resources for Statewide Children With Disabilities and  
10 Veterans With Disabilities Local Parks (Matching Grants), as  
11 provided in subdivision (1) of this subsection, shall be allocated to  
12 the Parks and Recreation Trust Fund established in G.S. 113-44.15  
13 and shall be used exclusively for grants to local government units or  
14 public authorities, as defined in G.S. 159-7, for construction of  
15 special facilities or adaptation of existing facilities that meet the  
16 unique needs of children with physical and developmental disabilities  
17 and veterans with physical and developmental disabilities and enable  
18 them to participate in recreational and sporting activities, regardless  
19 of their abilities. In order to receive such proceeds under this  
20 sub-subdivision, a local government unit or public authority shall  
21 provide matching funds in the amount of one dollar (\$1.00) of local  
22 funds for every four dollars (\$4.00) of such proceeds. Grants made  
23 using such proceeds under this sub-subdivision shall not exceed five  
24 hundred thousand dollars (\$500,000) per project.

25 c. The proceeds of public improvement bonds and notes, including  
26 premium thereon, if any, for the Department of Environment and  
27 Natural Resources for Statewide Water/Sewer Loans, as provided in  
28 subdivision (1) of this subsection, shall be allocated to the Water  
29 Infrastructure Fund established in G.S. 159G-22 and shall be used  
30 exclusively and in equal proportion for low-interest loans from the  
31 Clean Water State Revolving Fund and the Drinking Water State  
32 Revolving Fund.

33 d. The proceeds of public improvement bonds and notes, including  
34 premium thereon, if any, for NC Community Colleges, as provided  
35 in subdivision (1) of this subsection, shall be used for new  
36 construction or rehabilitation of existing facilities and repairs and  
37 renovations. In order to receive the proceeds under this  
38 sub-subdivision, the community college receiving the proceeds shall  
39 provide one dollar (\$1.00) of matching local funds from county  
40 funds, other non-State funds, or a combination of these sources for  
41 every one dollar (\$1.00) of such proceeds. Any items purchased with  
42 such proceeds and installed or replaced as part of a renovation or  
43 rehabilitation must have a useful life of at least 20 years or must  
44 extend the life of the facility by at least 20 years once renovated or  
45 rehabilitated.

46 e. The proceeds of public improvement bonds and notes, including  
47 premium thereon, if any, for public instruction for public schools  
48 capital assistance, as provided in subdivision (1) of this subsection,  
49 shall be allocated as follows:

50 1. One hundred fifty million dollars (\$150,000,000) of such  
51 proceeds shall be allocated equally to each county. Each

- 1 county's allocation shall be distributed to the local school  
2 administrative units located in whole or in part in the county  
3 based on the average daily membership of the county's  
4 students in the school units.
- 5 2. Two hundred eighty million dollars (\$280,000,000) of such  
6 proceeds shall be allocated among local school administrative  
7 units located in counties whose wealth is less than the State  
8 average wealth, as computed pursuant to Section 8.3 of  
9 House Bill 97 of the 2015 Regular Session of the General  
10 Assembly. The portion of such proceeds allocated pursuant to  
11 this sub-sub-subdivision shall be initially proportionally  
12 allocated to each county according to average daily  
13 membership. Each county's allocation shall be distributed to  
14 the local school administrative units located in whole or in  
15 part in the county based on the average daily membership of  
16 the county's students in the school units.
- 17 3. Seventy million dollars (\$70,000,000) of such proceeds shall  
18 be allocated among local school administrative units that have  
19 increased average daily membership when comparing the  
20 average daily membership for fiscal year 2005-2006 with the  
21 average daily membership for fiscal year 2015-2016. The  
22 portion of the proceeds allocated pursuant to this  
23 sub-sub-subdivision to each unit is calculated by multiplying  
24 seventy million dollars (\$70,000,000) by a fraction, the  
25 numerator of which is the increased average daily  
26 membership of the local school administrative unit for the  
27 time period specified in this sub-subdivision and the  
28 denominator of which is the collective increased average  
29 daily membership of all local school administrative units with  
30 increased average daily membership in the State for the time  
31 period specified in this sub-sub-subdivision.
- 32 4. In order to receive proceeds under this sub-subdivision, a  
33 county shall provide matching funds. The amount of  
34 matching funds for a local school administrative unit  
35 otherwise eligible to receive such proceeds under  
36 sub-sub-subdivision 2. of this sub-subdivision shall be one  
37 dollar (\$1.00) of local funds for every four dollars (\$4.00)  
38 of such proceeds. The amount of matching funds for all other  
39 local school administrative units shall be one dollar (\$1.00)  
40 of local funds for every one dollar (\$1.00) of such proceeds. The  
41 match requirement may be satisfied by non-State  
42 expenditures for public school facilities made on or after July  
43 1, 2014. A non-State expenditure has been made for the  
44 purpose of the match if funds, including funds expended for  
45 debt service, have been budgeted, earmarked, or committed  
46 for the general purpose of public school facilities. If a debt  
47 has been authorized or incurred since July 1, 2014, for the  
48 general purpose of public school facilities, then the face  
49 amount of the debt shall be considered as a non-State  
50 expenditure for public school facilities for the purpose of the  
51 match.

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5. A local school administrative unit that receives proceeds under this section shall ensure that such proceeds are used (i) for acquisition of real property and construction, acquisition, reconstruction, enlargement, renovation, or replacement of buildings and other structures and (ii) to supplement local funds for public school capital outlay projects and shall not decrease local funds for those projects from one fiscal year to the next fiscal year, as measured by the most recent five-year annual average capital outlay expenditure. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 20 years or must extend the life of the facility by at least 20 years once renovated or rehabilitated.
  - f. The proceeds of public improvement bonds and notes, including premium thereon, if any, for statewide capital repairs and renovations for State government agencies, as provided in subdivision (1) of this subsection, shall be issued only if all of the following conditions are satisfied:
    1. The facility being renovated or rehabilitated is owned by or allocated to a State agency other than The University of North Carolina or the Department of Agriculture and Consumer Services.
    2. The project is one that is eligible under G.S. 143C-4-3(b) to receive funds from the Repairs and Renovations Reserve.
    3. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation will have a useful life of at least 20 years or the life of the facility will be extended by at least 20 years once renovated or rehabilitated.
  - g. The proceeds of public improvement bonds and notes, including premium thereon, if any, for AOC Statewide Courthouse Grants, as provided in subdivision (1) of this subsection, shall be allocated by the Director of the Administrative Office of the Courts for grants for courthouses in the State. In making grants, the Director shall comply with all of the following requirements:
    1. Priority for grants shall be, in descending priority, for (i) repair and renovation, (ii) security, and (iii) new construction.
    2. Grants for projects for courthouses in development tier one areas shall not exceed one million dollars (\$1,000,000). Grants for projects for courthouses in development tier two areas shall not exceed seven hundred fifty thousand dollars (\$750,000). Grants for projects for courthouses in development tier three areas shall not exceed two hundred fifty thousand dollars (\$250,000). For purposes of this sub-subdivision, development tier area is defined in G.S. 143B-437.08.
    3. Projects for courthouses in development tier one areas shall be eligible for a grant if the county in which the project is located provides matching funds in the amount of one dollar (\$1.00) for every four grant dollars (\$4.00). Projects for courthouses in development tier two areas shall be eligible for a grant if the county in which the project is located provides

- 1 matching funds in the amount of one dollar (\$1.00) for every  
2 two grant dollars (\$2.00). All other projects for courthouses  
3 are eligible for a grant if the county in which the project is  
4 located provides matching funds in the amount equal to the  
5 grant.
- 6 4. Grants for projects may be awarded only upon submission of  
7 a completed application received by the Director no later than  
8 July 1, 2016. The application shall be in the form prescribed  
9 and made available by the Director.
- 10 5. Any items purchased with the proceeds of public  
11 improvement bonds and notes, including premium thereon, if  
12 any, and installed or replaced as part of a renovation or  
13 rehabilitation must have a useful life of at least 20 years or  
14 must extend the life of the facility by at least 20 years once  
15 renovated or rehabilitated.
- 16 h. The proceeds of public improvement bonds and notes, including  
17 premium thereon, if any, for statewide supplemental highway  
18 funding for transportation, as provided in subdivision (1) of this  
19 subsection, shall be issued only for highway projects satisfying all of  
20 the following conditions:
- 21 1. An environmental impact statement, if required by law, was  
22 completed prior to January 1, 2015.
- 23 2. Construction on the project is projected by the Department of  
24 Transportation to commence by January 1, 2017.
- 25 3. The project meets the requirements set forth in Article 14B of  
26 Chapter 136 of the General Statutes.
- 27 (3) Reallocation. – For public improvement bonds authorized by this section for  
28 projects other than transportation projects, the General Assembly may at this  
29 session or at any subsequent session increase or decrease the allocations of  
30 the proceeds of public improvement bonds and notes, including premium  
31 thereon, if any, for such projects set forth in subdivision (1) of this  
32 subsection or reallocate any amounts among agencies or nontransportation  
33 projects, including nontransportation projects not listed in this subsection but  
34 listed in the six-year capital improvement plan developed pursuant to  
35 G.S. 143C-8-5, so long as the aggregate amount of the allocations does not  
36 exceed two billion four hundred fifty-nine million seventy-six thousand nine  
37 hundred fifty-two dollars (\$2,459,076,952). For public improvement bonds  
38 authorized by this section for transportation projects, the General Assembly  
39 may at this session or at any subsequent session increase or decrease the  
40 allocations of the proceeds of public improvement bonds and notes,  
41 including premium thereon, if any, for such projects set forth in subdivision  
42 (1) of this subsection or reallocate any amounts among transportation  
43 projects, including transportation projects not listed in this subsection but  
44 listed as the next-highest-scoring Strategic Mobility-funded category project  
45 under G.S. 136-189.11 that is shovel-ready, so long as the aggregate amount  
46 of the allocations does not exceed four hundred million dollars  
47 (\$400,000,000).
- 48 **SECTION 1.(g) Allocation and Tracking of Proceeds. –**
- 49 (1) Public improvement bonds. – The proceeds of public improvement bonds  
50 and notes, including premium thereon, if any, except the proceeds of bonds  
51 the issuance of which has been anticipated by bond anticipation notes or the

1 proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
2 in a special fund to be designated "Public Improvement Bonds Fund," which  
3 may include such appropriate special accounts therein as may be determined  
4 by the State Treasurer and shall be disbursed as provided in this section.  
5 Monies in the Public Improvement Bonds Fund shall be allocated and  
6 expended as provided in this section.

7 Any additional monies that may be received by means of a grant or  
8 grants from the United States of America or any agency or department  
9 thereof or from any other source for deposit to the Public Improvement  
10 Bonds Fund may be placed in the Public Improvement Bonds Fund or in a  
11 separate account or fund and shall be disbursed, to the extent permitted by  
12 the terms of the grant or grants, without regard to any limitations imposed by  
13 this section.

14 Monies in the Public Improvement Bonds Fund or any separate account  
15 established under this section may be invested from time to time by the State  
16 Treasurer in the same manner permitted for investment of monies belonging  
17 to the State or held in the State treasury, except with respect to grant money  
18 to the extent otherwise directed by the terms of the grant. Investment  
19 earnings, except investment earnings with respect to grant monies to the  
20 extent otherwise directed or restricted by the terms of the grant, may be (i)  
21 credited to the Public Improvement Bonds Fund, (ii) used to pay debt service  
22 on the bonds authorized by this section, (iii) used to satisfy compliance with  
23 applicable requirements of the federal tax law, or (iv) transferred to the  
24 General Fund of the State.

25 The proceeds of public improvement bonds and notes, including  
26 premium thereon, if any, may be used with any other monies made available  
27 by the General Assembly for funding the projects authorized by this section,  
28 including the proceeds of any other State bond issues, whether heretofore  
29 made available or that may be made available at the session of the General  
30 Assembly at which this section is ratified or any subsequent sessions. The  
31 proceeds of public improvement bonds and notes, including premium  
32 thereon, if any, shall be expended and disbursed under the direction and  
33 supervision of the Director of the Budget. The funds provided by this section  
34 shall be disbursed for the purposes provided in this section upon warrants  
35 drawn on the State Treasurer by the State Controller, which warrants shall  
36 not be drawn until requisition has been approved by the Director of the  
37 Budget and which requisition shall be approved only after full compliance  
38 with the State Budget Act, Chapter 143C of the General Statutes.

- 39 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's  
40 designee is hereby authorized and directed to set up a comprehensive system  
41 of tracking the proceeds of the public improvement bonds and notes,  
42 including premium thereon, if any, to the extent necessary to enable the State  
43 Treasurer or the State Treasurer's designee to properly account for the use of  
44 such proceeds for compliance with applicable requirements of the federal tax  
45 law or otherwise. All recipients of such proceeds shall comply with any  
46 tracking system implemented by the State Treasurer or the State Treasurer's  
47 designee for this purpose. The State Treasurer may withhold such proceeds  
48 from any State agency or department not complying with this subdivision.
- 49 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in  
50 each case may include allocations to pay the costs set forth in  
51 sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this



1 section in connection with the issuance of bonds for that capital  
2 improvement or undertaking.

3 **SECTION 1.(i)** Election. – The question of the issuance of the bonds authorized by  
4 this section shall be submitted to the qualified voters of the State at an election to be held in  
5 November of 2015. Any other primary, election, or referendum validly called or scheduled by  
6 law at the time the election on the bond question provided for in this subsection is held may be  
7 held as called or scheduled. Notice of the election shall be given in the manner and at the times  
8 required by G.S. 163-33(8). The election and the registration of voters therefor shall be held  
9 under and in accordance with the general laws of the State. Absentee ballots shall be authorized  
10 in the election.

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

15 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General  
16 Statutes, or both may be used in accordance with rules prescribed by the State Board of  
17 Elections. The bond question to be used in the ballots or voting systems shall be in substantially  
18 the following form:

19 "[ ] FOR [ ] AGAINST

20 The issuance of two billion eight hundred fifty-nine million seventy-six thousand  
21 nine hundred fifty-two dollars (\$2,859,076,952) State of North Carolina Public Improvement  
22 Bonds constituting general obligation bonds of the State secured by a pledge of the faith and  
23 credit and taxing power of the State for the purpose of providing funds, with any other  
24 available funds, to fund capital improvements and new facilities for the State, including,  
25 without limitation, the construction and furnishing of new facilities; renovation and  
26 rehabilitation of existing facilities; the construction and renovation of highways, roads, bridges,  
27 and related road infrastructure for, without limitation, the University of North Carolina System,  
28 the North Carolina Community College System, the public schools in the State, cultural  
29 resources and State Parks, water and sewer systems, the State's National Guard, the Department  
30 of Public Safety, the Administrative Office of the Courts, the Department of Agriculture and  
31 Consumer Services, and the Department of Transportation."

32 If a majority of those voting on a bond question in the election vote in favor of the  
33 issuance of the bonds described in the question, those bonds may be issued as provided in this  
34 section. If a majority of those voting on a bond question in the election do not vote in favor of  
35 the issuance of the bonds described in the question, those bonds shall not be issued.

36 The results of the election shall be canvassed and declared as provided by law for  
37 elections for State officers; the results of the election shall be certified by the State Board of  
38 Elections to the Secretary of State in the manner and at the time provided by the general  
39 election laws of the State.

40 **SECTION 1.(j)** Issuance of Bonds and Notes. –

41 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be  
42 serial or term bonds or notes, or any combination thereof, may mature in  
43 such amounts and at such time or times, not exceeding 40 years from their  
44 date or dates, may be payable at such place or places, either within or  
45 without the United States of America, in such coin or currency of the United  
46 States of America as at the time of payment is legal tender for payment of  
47 public and private debts, may bear interest at such rate or rates, which may  
48 vary from time to time, and may be made redeemable before maturity, at the  
49 option of the State or otherwise as may be provided by the State, at such  
50 price or prices, including a price less than the face amount of the bonds or

1 notes, and under such terms and conditions, all as may be determined by the  
2 State Treasurer by and with the consent of the Council of State.

3 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
4 issued as certificated or uncertificated obligations. If issued as certificated  
5 obligations, bonds or notes shall be signed on behalf of the State by the  
6 Governor or shall bear the Governor's facsimile signature, shall be signed by  
7 the State Treasurer or shall bear the State Treasurer's facsimile signature, and  
8 shall bear the Great Seal of the State of North Carolina or a facsimile thereof  
9 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile  
10 signatures of the Governor and the State Treasurer, the bonds or notes shall  
11 also bear a manual signature, which may be that of a bond registrar, trustee,  
12 paying agent, or designated assistant of the State Treasurer. Should any  
13 officer whose signature or facsimile signature appears on bonds or notes  
14 cease to be such officer before the delivery of the bonds or notes, the  
15 signature or facsimile signature shall nevertheless have the same validity for  
16 all purposes as if the officer had remained in office until delivery, and bonds  
17 or notes may bear the facsimile signatures of persons who at the actual time  
18 of the execution of the bonds or notes shall be the proper officers to sign any  
19 bond or note, although at the date of the bond or note such persons may not  
20 have been such officers. The form and denomination of bonds or notes,  
21 including the provisions with respect to registration of the bonds or notes  
22 and any system for their registration, shall be as the State Treasurer may  
23 determine in conformity with this section; provided, however, that nothing in  
24 this section shall prohibit the State Treasurer from proceeding, with respect  
25 to the issuance and form of the bonds or notes, under the provisions of  
26 Chapter 159E of the General Statutes, the Registered Public Obligations Act,  
27 as well as under this section.

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

41 (4) Notes; repayment. –

42 a. Subject to the consent of the Council of State, the State Treasurer is  
43 hereby authorized to borrow money and to execute and issue notes of  
44 the State for the same, but only in the following circumstances and  
45 under the following conditions:

46 1. For anticipating the sale of bonds to the issuance of which the  
47 Council of State shall have given consent, if the State  
48 Treasurer shall deem it advisable to postpone the issuance of  
49 the bonds.

50 2. For the payment of interest on or any installment of principal  
51 of any bonds then outstanding, if there shall not be sufficient

- 1 funds in the State treasury with which to pay the interest or  
2 installment of principal as they respectively become due.
- 3 3. For the renewal of any loan evidenced by notes herein  
4 authorized.
- 5 4. For the purposes authorized in this section.
- 6 5. For refunding bonds or notes as herein authorized.
- 7 b. Funds derived from the sale of bonds or notes may be used in the  
8 payment of any bond anticipation notes issued under this section.  
9 Funds provided by the General Assembly for the payment of interest  
10 on or principal of bonds shall be used in paying the interest on or  
11 principal of any notes and any renewals thereof, the proceeds of  
12 which shall have been used in paying interest on or principal of the  
13 bonds.
- 14 (5) Refunding bonds and notes. – By and with the consent of the Council of  
15 State, the State Treasurer is authorized to issue and sell refunding bonds and  
16 notes pursuant to the provisions of the State Refunding Bond Act for the  
17 purpose of refunding bonds or notes issued pursuant to this section. The  
18 refunding bonds and notes may be combined with any other issues of State  
19 bonds and notes similarly secured.
- 20 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county,  
21 and municipal taxation or assessment, direct or indirect, general or special,  
22 whether imposed for the purpose of general revenue or otherwise, excluding  
23 inheritance and gift taxes, income taxes on the gain from the transfer of  
24 bonds and notes, and franchise taxes. The interest on bonds and notes shall  
25 not be subject to taxation as to income.
- 26 (7) Investment eligibility. – Bonds and notes are hereby made securities in  
27 which all public officers, agencies, and public bodies of the State and its  
28 political subdivisions; all insurance companies, trust companies, investment  
29 companies, banks, savings banks, savings and loan associations, credit  
30 unions, pension or retirement funds, other financial institutions engaged in  
31 business in the State; executors, administrators, trustees, and other  
32 fiduciaries may properly and legally invest funds, including capital in their  
33 control or belonging to them. Bonds and notes are hereby made securities  
34 that may properly and legally be deposited with and received by any officer  
35 or agency of the State or political subdivision of the State for any purpose  
36 for which the deposit of bonds, notes, or obligations of the State or any  
37 political subdivision of the State is now or may hereafter be authorized by  
38 law.
- 39 (8) Faith and credit. – The faith and credit and taxing power of the State are  
40 hereby pledged for the payment of the principal of and the interest on bonds  
41 and notes. In addition to the State's right to amend any provision of this  
42 section to the extent it does not impair any contractual right of a bond owner,  
43 the State expressly reserves the right to amend any provision of this section  
44 with respect to the making and repayment of loans, the disposition of any  
45 repayments of loans, and any intercept provisions relating to the failure of a  
46 local government unit to repay a loan, the bonds not being secured in any  
47 respect by loans, any repayments thereof, or any intercept provisions with  
48 respect thereto.

49 **SECTION 1.(k)** Variable Interest Rates. – In fixing the details of bonds and notes,  
50 the State Treasurer may provide that any of the bonds or notes may:

- 1 (1) Be made payable from time to time on demand or tender for purchase by the  
2 owner thereof, provided a credit facility agreement supports the bonds or  
3 notes, unless the State Treasurer specifically determines that a credit facility  
4 agreement is not required, upon a finding and determination by the State  
5 Treasurer, that the absence of a credit facility agreement will not materially  
6 or adversely affect the financial position of the State and the marketing of  
7 the bonds or notes at a reasonable interest cost to the State;
- 8 (2) Be additionally supported by a credit facility agreement;
- 9 (3) Be made subject to redemption or a mandatory tender for purchase prior to  
10 maturity;
- 11 (4) Bear interest at a rate or rates that may vary for such period or periods of  
12 time, all as may be provided in the proceedings providing for the issuance of  
13 the bonds or notes, including, without limitation, such variations as may be  
14 permitted pursuant to a par formula; and
- 15 (5) Be made the subject of a remarketing agreement whereby an attempt is made  
16 to remarket bonds or notes to new purchasers prior to their presentment for  
17 payment to the provider of the credit facility agreement or to the State.

18 If the aggregate principal amount repayable by the State under a credit facility  
19 agreement is in excess of the aggregate principal amount of bonds or notes secured by the  
20 credit facility agreement, whether as a result of the inclusion in the credit facility agreement of  
21 a provision for the payment of interest for a limited period of time or the payment of a  
22 redemption premium or for any other reason, then the amount of authorized but unissued bonds  
23 or notes during the term of such credit facility agreement shall not be less than the amount of  
24 such excess, unless the payment of such excess is otherwise provided for by agreement of the  
25 State executed by the State Treasurer.

26 **SECTION 1.(I)** Interpretation of Section. –

- 27 (1) Additional method. – The foregoing subsections of this section shall be  
28 deemed to provide an additional and alternative method for the doing of the  
29 things authorized thereby and shall be regarded as supplemental and  
30 additional to powers conferred by other laws and shall not be regarded as in  
31 derogation of any powers now existing.
- 32 (2) Statutory references. – References in this section to specific sections or  
33 Chapters of the General Statutes or to specific acts are intended to be  
34 references to these sections, Chapters, or acts as they may be amended from  
35 time to time by the General Assembly.
- 36 (3) Broad construction. – The General Assembly specifically has chosen to  
37 combine what otherwise might be considered differing projects to be  
38 financed into one bond bill and bond question because the General  
39 Assembly finds that such differing projects, when taken together, constitute  
40 an interrelated, united, and single plan for the State's infrastructure as stated  
41 aforesaid. Accordingly, this section, being necessary for the health, welfare,  
42 and advancement of the people of the State, shall be broadly construed to  
43 affect the purposes thereof.
- 44 (4) Inconsistent provisions. – Insofar as the provisions of this section are  
45 inconsistent with the provisions of any general laws, or parts thereof, the  
46 provisions of this section shall be controlling.
- 47 (5) Severability. – If any provision of this section or the application thereof to  
48 any person or circumstance is held invalid, such invalidity shall not affect  
49 other provisions or applications of the section that can be given effect  
50 without the invalid provision or application, and to this end the provisions of  
51 this section are declared to be severable.

1           **SECTION 2.** Other than community colleges and local school administrative units,  
2 each entity receiving the proceeds of public improvement bonds and notes, including premium  
3 thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by  
4 January 1, 2017, and quarterly thereafter, to the Joint Legislative Capital Oversight Committee,  
5 the House of Representatives Appropriations Committee, and the Senate Committee on  
6 Appropriations/Base Budget on the projects funded from public improvement general  
7 obligation bonds authorized by Section 1 of this act. Each local school administrative unit  
8 receiving the proceeds of public improvement bonds and notes, including premium thereon, if  
9 any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1,  
10 2017, and quarterly thereafter, to the Department of Public Instruction on the projects funded  
11 from public improvement general obligation bonds authorized by Section 1 of this act, and the  
12 Department of Public Instruction shall combine the reports and submit them to the Joint  
13 Legislative Capital Oversight Committee, the House of Representatives Appropriations  
14 Committee, and the Senate Committee on Appropriations/Base Budget. Community colleges  
15 receiving the proceeds of public improvement bonds and notes, including premium thereon, if  
16 any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1,  
17 2017, and quarterly thereafter, to the North Carolina Community Colleges System Office on  
18 the projects funded from public improvement general obligation bonds authorized by Section 1  
19 of this act, and the System Office shall combine the reports and submit them to the Joint  
20 Legislative Capital Oversight Committee, the House of Representatives Appropriations  
21 Committee, and the Senate Committee on Appropriations/Base Budget. Each report shall  
22 include the total project costs, the amount to be funded from the bonds, the expenditures to date  
23 from the bonds and other sources, and the percentage of each project completed.

24           **SECTION 3.** The State Treasurer shall not issue bonds or notes otherwise  
25 authorized by Section 1 of this act in an amount or year where the issuance of the bonds or  
26 notes would violate the Debt Affordability Advisory Committee's recommendations on debt  
27 capacities required under G.S. 142-101.

28           **SECTION 4.(a)** Other than for projects for DENR Statewide Children With  
29 Disabilities and Veterans With Disabilities Local Parks (Matching Grants), NC Community  
30 Colleges, projects for Public Instruction, DENR Statewide Water/Sewer Loans, and AOC  
31 Statewide Courthouse Grants, projects funded in whole or in part with the proceeds of public  
32 improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1  
33 of this act, that portion of funds estimated to be needed for escalation of costs shall remain with  
34 the Office of State Budget and Management and shall be disbursed only for the following  
35 purposes:

- 36           (1) To address unforeseen contingencies related to the specific project for which  
37           the funds were made available.
- 38           (2) To address inflation costs related to that specific project.

39           **SECTION 4.(b)** Any funds retained by the Office of State Budget and  
40 Management pursuant to subsection (a) of this section at the time a project is completed shall  
41 be retained by the Office of State Budget and Management until reallocated for other purposes  
42 by the General Assembly. The Office of State Budget and Management shall report on any  
43 funds retained pursuant to this subsection within 90 days of a project's completion.

44           **SECTION 5.** Notwithstanding the period of time provided in G.S. 163-128(a) for  
45 which transfers are effective, transfers of voters from a given precinct, for the purpose of  
46 voting, to an adjacent precinct for the election held in November of 2015 shall be for that  
47 election only and shall not apply to any subsequent election.

48           **SECTION 6.** The Department of Public Safety shall take appropriate measures,  
49 including maximizing the use of the Inmate Construction Program, to reduce costs related to  
50 construction of correctional projects authorized in S.L. 2007-323, as amended by S.L.  
51 2009-209 and S.L. 2009-451, and S.L. 2008-107, as amended by S.L. 2009-209 and S.L.

1 2009-451. The Department, with the approval of the Office of State Budget and Management,  
2 may use the funds from any savings generated, together with available funds, to finance the  
3 capital facility costs of renovating existing space at Central Prison for bed space for long-term  
4 palliative care. No additional special indebtedness may be issued or incurred to finance the  
5 construction of bed space for such care. The use of funds authorized by this section shall not  
6 require further approval by the Council of State pursuant to Chapter 142 of the General  
7 Statutes.

8           **SECTION 7.** This act is effective when it becomes law.