

February 1, 2001

**S 25. LEASE-PURCHASE UP TO THREE PRISONS. TO CLARIFY THE STATE'S AUTHORITY TO LEASE-PURCHASE THREE CLOSE SECURITY CORRECTIONAL FACILITIES.** Expands existing GS 148-37(b1) (private construction of three correctional facilities totaling up to 3,000 cells, with purchase by the state over a 20-year period) and recodifies it as GS 148-37.2. Authorizes state to enter lease-purchase agreements with special nonprofit corporations for purpose in title, with prior approval of the Council of State and the State Treasurer. Arrangement requires that nonprofits sell certificates of participation in order to provide funds to pay purchase price of the construction projects. The State Property Office of the Dep't of Administration, in consultation with the DOC, will authorize contractors to work with the nonprofits to build facilities. Contractors must arrange and obtain construction financing, consisting solely of private funds. Projects will be sold to the nonprofit, with the purchase price paid by the nonprofit from proceeds of the certificates of participation. State is permitted to lease state-owned property on which projects are built to the contractors or nonprofits for nominal consideration. Defines terms in statute, outlines process for requests for proposal, and defines terms of lease-purchase agreements and how they are to be approved. Provides guidelines about how certificates of participation may be handled. Exempts interest on lease-purchase payments and interest payable with respect to certificates of participation from taxation as state income. Exempts lease-purchase agreement from state and local taxes and certificates of participation, except for estate, inheritance, or gift taxes, income taxes on the gain from the transfer of the lease-purchase agreement and certificates of participation, and franchise taxes.

**Intro. by Jordan.**

Ref. to Finance	GS 148
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April 5, 2001

**S 25. LEASE-PURCHASE UP TO THREE PRISONS.** Intro. 2/1/01. Senate committee substitute makes the following changes to 1st edition. (1) Adds provisions requiring the approval of the General Assembly before entry into the lease-purchase agreements. (2) Adds a provision amending GS 105-275 to exempt from the tax base property owned by a nonprofit corporation organized upon the request of the state or local government (now, just local government) for the sole purpose of financing projects for public use, property that is leased to a unit of the state or local government (same change) whose property is exempt from taxation under GS 105-278.1, and property used in whole or in part for a public purpose by a unit of state or local government (same change).

April 19, 2001

**S 25. LEASE-PURCHASE UP TO THREE PRISONS.** Intro. 2/1/01. House committee substitute makes the following changes to 2<sup>nd</sup> edition. Removes provisions requiring approval of the General Assembly (in addition to the Council of State and State Treasurer before entry into the lease-purchase agreements).

April 25, 2001

**S 25. LEASE-PURCHASE UP TO THREE PRISONS.** Intro. 2/01/01. House amendment makes the following changes to 3rd edition. Adds amendment to GS 55A-3-07 to provide that a corporation organized upon the request of the state for the sole purpose of financing projects for public use is subject to the Public Records Act and Open Meetings Law.

**S 25. LEASE-PURCHASE UP TO THREE PRISONS.** Intro. 2/1/01. House committee substitute makes the following changes to 2<sup>nd</sup> edition. Removes provisions requiring approval of the General Assembly (in addition to the Council of State and State Treasurer before entry into the lease-purchase agreements.

May 22, 2001

**SL 2001-84 (S 25). LEASE-PURCHASE UP TO THREE PRISONS. AN ACT TO CLARIFY THE STATE'S AUTHORITY TO LEASE-PURCHASE THREE CLOSE SECURITY CORRECTIONAL FACILITIES.** Summarized in *Daily Bulletin* 2/1/01, 4/5/01, 4/19/01, 4/26/01. Enacted May 17, 2001. Effective May 17, 2001.