

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 750
PROPOSED COMMITTEE SUBSTITUTE S750-PCS15247-TDx-17

Short Title: Turnpike GAP Funding and Debt.

(Public)

Sponsors:

Referred to:

March 24, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT TRANSFERS OF FUNDS FROM THE HIGHWAY TRUST FUND
3 TO THE NORTH CAROLINA TURNPIKE AUTHORITY TO BE USED FOR DEBT
4 SERVICE ON BONDS ISSUED TO BUILD TURNPIKE PROJECTS FROM THE
5 EQUITY FORMULA AND TO ENABLE THE TURNPIKE AUTHORITY TO ISSUE
6 REFUNDING BONDS THAT ENABLE THE RESTRUCTURING AND EXTENSION
7 OF BONDED INDEBTEDNESS.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 136-176(b2) reads as rewritten:

10 "(b2) There is annually appropriated to the North Carolina Turnpike Authority from the
11 Highway Trust Fund the sum of twenty-five million dollars (\$25,000,000) to be used to service
12 debt on bonds issued for the construction of the Triangle Expressway. The amounts
13 appropriated to the Authority pursuant to this subsection shall be used by the Authority to pay
14 debt service or related financing costs and expenses on revenue bonds or notes issued by the
15 Authority to finance the costs of one or more Turnpike Projects, to refund such bonds or notes,
16 or to fund debt service reserves, operating reserves, and similar reserves in connection
17 therewith. The appropriations established by this subsection constitute an agreement by the
18 State to pay the funds appropriated hereby to the Authority within the meaning of
19 G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that
20 the enactment of this provision and the issuance of bonds or notes by the Authority in reliance
21 thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of
22 the State, and nothing contained herein shall prohibit the General Assembly from amending the
23 appropriations ~~set forth in this act~~ made in this subsection at any time to decrease or eliminate
24 the amount annually appropriated to the Authority. Funds transferred from the Highway Trust
25 Fund to the Authority pursuant to this subsection are not subject to the equity formula in
26 G.S. 136-17.2A."

27 **SECTION 2.** G.S. 136-89.189 reads as rewritten:

28 "**§ 136-89.189. Turnpike Authority revenue bonds.**

29 The Authority shall be a municipality for purposes of Article 5 of Chapter 159 of the
30 General Statutes, the State and Local Government Revenue Bond Act, and may issue revenue
31 bonds pursuant to that Act to pay all or a portion of the cost of a Turnpike Project or to refund
32 any previously issued bonds. In connection with the issuance of revenue bonds, the Authority
33 shall have all powers of a municipality under the State and Local Government Revenue Bond



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1 Act, and revenue bonds issued by the Authority shall be entitled to the protection of all
2 provisions of the State and Local Government Revenue Bond Act.

3 Except as provided in this section, the provisions of Chapter 159 of the General Statutes,
4 the Local Government Finance Act, apply to revenue bonds issued by the Turnpike Authority.

5 (1) The term of a lease between the Turnpike Authority and the Department for
6 all or any part of a Turnpike Project may exceed 40 years, as agreed by the
7 Authority and the Department.

8 (2) The maturity date of a refunding bond may extend to the earlier of the
9 following:

10 a. Forty years from the date of issuance of the refunding bond.

11 b. The date the Turnpike Authority determines is the maturity date
12 required for the Turnpike Project funded with the refunding bonds to
13 generate sufficient revenues to retire the refunding bonds and any
14 other outstanding indebtedness issued for that Project. The
15 Authority's determination of the appropriate maturity date is
16 conclusive and binding. In making its determination, the Authority
17 may take into account appropriate financing terms and conventions."

18 **SECTION 3.** This act is effective when it becomes law.