

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 248
PROPOSED COMMITTEE SUBSTITUTE H248-PCS90098-SV-12

Short Title: Taxpayer Debt Information Act.

(Public)

Sponsors:

Referred to:

March 7, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE DISCLOSURE ON THE BALLOT THAT AUTHORIZATION OF
3 INDEBTEDNESS INCLUDES INTEREST AND THAT TAXES MAY BE LEVIED TO
4 REPAY THE INDEBTEDNESS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 159-55 reads as rewritten:

7 "**§ 159-55. Sworn statement of debt; debt ~~limitation~~.limitation; statement of estimated**
8 **interest on the bonds.**

9 ...

10 (d) At the time the bond order is introduced, the finance officer (or some other officer
11 designated by the governing board for this purpose) shall file with the clerk a statement of the
12 finance officer estimating the total amount of interest that will be paid on the bonds over the
13 expected term of the bonds, if issued, and a summary of the assumptions upon which the
14 estimate is based. The statement shall include a statement to the effect that the amount
15 estimated is preliminary and is for general informational purposes only, that there is no
16 assurance that the assumptions upon which the estimate is based will occur, that the occurrence
17 of certain of the assumptions is beyond the control of the unit, and that differences between the
18 actual circumstances at the time the bonds are issued from the assumptions included in the
19 estimate could result in significant differences between the estimated interest and the actual
20 interest on the bonds. The statement may include other qualifications as the finance officer
21 deems appropriate. The validity of the bonds authorized by the order is not subject to challenge
22 on the grounds that the actual interest cost of the bonds when issued is different than the
23 amount set forth in the statement. The statement shall be filed with the Local Government
24 Commission and maintained by the Clerk."

25 SECTION 2. G.S. 159-56 reads as rewritten:

26 "**§ 159-56. Publication of bond order as introduced.**

27 After the introduction of the bond order, the clerk shall publish it once with the following
28 statement appended:

29 "The foregoing order has been introduced and a sworn statement of debt has been filed
30 under the Local Government Bond Act showing the appraised value of the [issuing unit] to be \$
31 _____ and the net debt thereof, including the proposed bonds, to be \$ _____.
32 The finance officer of the [issuing unit] has filed a statement estimating that the total amount of
33 interest that will be paid on the bonds over the expected term of the bonds, if issued, is
34 \$_____. The estimate is preliminary, is for general informational purposes only, and
35 may differ from the actual interest paid on the bonds. A tax will [may] be levied to pay the
36 principal of and interest on the bonds if they are issued. Anyone who wishes to be heard on the



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1 questions of the validity of the bond order and the advisability of issuing the bonds may appear
 2 at a public hearing or an adjournment thereof to be held at _____

3 _____
 4 Clerk"

5 The publication may include a summary of the assumptions upon which the estimate of the
 6 total amount of interest that will be paid on the bonds over the expected term of the bonds, if
 7 issued, is based, and may further state that there is no assurance that the circumstances included
 8 in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the
 9 control of the issuing unit, and that differences between the actual circumstances at the time the
 10 bonds are issued from the assumptions included in the estimate could result in significant
 11 differences between the estimated interest and the actual interest on the bonds. The statement
 12 may include additional qualifications as the unit deems appropriate. The validity of bonds
 13 authorized to be issued pursuant to this act is not subject to challenge on the grounds that the
 14 actual interest cost of the bonds when issued is different than the amount set forth in the
 15 estimate referenced in the publication of the bond order as introduced."

16 **SECTION 3.** G.S. 159-58 reads as rewritten:

17 **"§ 159-58. Publication of bond order as adopted.**

18 After adoption, the clerk shall publish the bond order once, with the following statement
 19 appended:

20 "The foregoing order was adopted on the _____ day of _____, _____,
 21 and is hereby published this _____ day of _____, _____. Any action or
 22 proceeding questioning the validity of the order must be begun within 30 days after the date of
 23 publication of this notice. The finance officer of the [issuing unit] has filed a statement
 24 estimating that the total amount of interest that will be paid on the bonds over the expected
 25 term of the bonds, if issued, is \$ _____ . The estimate is preliminary, is for general
 26 informational purposes only, and may differ from the actual interest paid on the bonds.

27 _____
 28 Clerk"

29 The publication may include a summary of the assumptions upon which the estimate of the
 30 total amount of interest that will be paid on the bonds over the expected term of the bonds, if
 31 issued, is based, and may further state that there is no assurance that the circumstances included
 32 in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the
 33 control of the issuing unit, and that differences between the actual circumstances at the time the
 34 bonds are issued from the assumptions included in the estimate could result in significant
 35 differences between the estimated interest and the actual interest on the bonds. The statement
 36 may include such additional qualifications as the unit deems appropriate. The validity of bonds
 37 authorized to be issued pursuant to this act is not subject to challenge on the grounds that the
 38 actual interest cost of the bonds when issued is different than the amount set forth in the
 39 estimate referenced in the publication of the bond order as adopted."

40 **SECTION 4.** G.S. 159-61(d) reads as rewritten:

41 "(d) The form of the question as stated on the ballot shall be in substantially the
 42 following words: "Shall the order authorizing \$ _____ bonds plus interest for (briefly stating
 43 the purpose) and providing that additional taxes may be levied in an amount sufficient to pay
 44 the principal of and interest on the bonds be approved?"

45 [] YES

46 [] NO""

47 **SECTION 5.** This act is effective when it becomes law and applies to bonds for
 48 which a bond order authorizing the issuance of such bonds is introduced on or after that date.
 49 This act does not affect the validity of any bonds that are issued under bond orders introduced
 50 prior to the effective date of this act.