

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

D

HOUSE DRH40498-MC_x-182Z (06/30)

Short Title: Connect NC Bond Act of 2015.

(Public)

Sponsors: Committee on Rules, Calendar, and Operations of the House.

Referred to:

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



- 1 (5) New facilities for agriculture will assist current agricultural endeavors in the
2 State and will attract bioscience and other related industries, thereby
3 benefitting the State's economic development.
- 4 (6) Parks and public facilities that are accessible to children with disabilities and
5 veterans with disabilities are essential for the twenty-first century to attract
6 new and assist existing industry, business, technology, and tourism for the
7 benefit of the State and its citizenry.
- 8 (7) Clean water and sewer systems are essential for the twenty-first century to
9 attract new and assist existing industry, business, technology, and tourism
10 for the benefit of the State and its citizenry.
- 11 (8) Adequate National Guard and military facilities attract new defense industry
12 companies and suppliers.
- 13 (9) Adequate public safety and court facilities are essential for the twenty-first
14 century to attract new and assist existing industry, business, technology, and
15 tourism for the benefit of the State and its citizenry.
- 16 (10) State and local facilities need routine repair and renovations in order for the
17 facilities to be up-to-date for the twenty-first century to attract new and assist
18 existing industry, business, technology, and tourism for the benefit of the
19 State and its citizenry.
- 20 (11) Highways, roads, bridges, and related road infrastructure of the State is vital
21 for all the components set forth above, as well as individually, to help retain
22 and attract new and assist existing industry, business, technology, and
23 tourism for the benefit of the State and its citizenry.
- 24 (12) The components set forth above are all interrelated and united and comprise
25 a single plan for updating the State's infrastructure for the twenty-first
26 century and for providing the State with necessary economic development
27 tools to attract new and assist existing industry, business, technology, and
28 tourism for the benefit of the State and its citizenry.

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

- 31 (1) Bonds. – Bonds issued under this section.
- 32 (2) Cost. – Without intending thereby to limit or restrict any proper definition of
33 this term in financing the cost of facilities or purposes authorized by this
34 section, any of the following:
- 35 a. The cost of constructing, reconstructing, enlarging, acquiring, and
36 improving facilities and acquiring equipment and land therefor.
- 37 b. The cost of engineering, architectural, and other consulting services
38 as may be required.
- 39 c. Administrative expenses and charges. Nothing in this section shall
40 permit use of bond funds to pay salaries or fees for bond
41 administration; such salaries and fees shall come from funds
42 appropriated by the General Assembly.
- 43 d. Finance charges and interest prior to and during construction and, if
44 deemed advisable by the State Treasurer, for a period not exceeding
45 three years after the estimated date of completion of construction.
- 46 e. The cost of bond insurance, investment contracts, credit enhancement
47 and liquidity facilities, interest-rate swap agreements or other
48 derivative products, financial and legal consultants, and related costs
49 of bond and note issuance, to the extent and as determined by the
50 State Treasurer.

- 1 f. The cost of reimbursing the State for any payments made for any cost
2 described in this subdivision.
3 g. Any other costs and expenses necessary or incidental to the purposes
4 of this section.

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

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

- 22 (4) Notes. – Notes issued under this section.

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

- 26 a. A provision providing for such adjustment so that the purchase price
27 of such bonds or notes in the open market would be as close to par as
28 possible;
29 b. A provision providing for such adjustment based upon a percentage
30 or percentages of a LIBOR rate, a prime rate, or base rate, which
31 percentage or percentages may vary or be applied for different
32 periods of time; or
33 c. Such other provision as the State Treasurer may determine to be
34 consistent with this section and will not materially and adversely
35 affect the financial position of the State and the marketing of bonds
36 or notes at a reasonable interest cost to the State.

- 37 (6) State. – The State of North Carolina.

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

the intent of the General Assembly that the debt service on such bonds will be provided from amounts deposited to the Highway Trust Fund.

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

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

Agriculture

NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	\$85,000,000
Agriculture and Consumer Services	Wake	Veterinary/Food/Drug/Motor Fuels Lab	\$110,000,000
Total for Agriculture (2 projects)			\$195,000,000

Attractions, Parks, and Historic Sites

Cultural Resources	New Hanover	USS NC Battleship – Visitor's Center	\$10,800,000
State Parks	Cumberland	Carvers Creek	\$7,601,000
State Parks	Durham/ Orange	Eno River	\$3,774,000
State Parks	Washington/ Beaufort	Goose Creek	\$1,970,000
State Parks	Onslow	Hammocks Beach	\$1,500,000
State Parks	Dare	Jockeys Ridge	\$1,002,000
State Parks	Vance/ Warren	Kerr Lake State Recreational Area	\$5,000,000
State Parks	Burke/ McDowell	Lake James	\$4,028,000
State Parks	Iredell	Lake Norman	\$3,076,000
State Parks	Yancey	Mount Mitchell	\$800,000
State Parks	Various	Mountain-To-Sea/Other State Trails	\$6,000,000
State Parks	Surry/ Yadkin	Pilot Mountain	\$5,975,800
State Parks	Camden	Dismal Swamp	\$1,321,000

1	State Parks	Watauga	Elk Knob	\$1,200,000
2				
3	State Parks	Durham/ Wake	Falls Lake	\$1,053,000
4				
5				
6	State Parks	New Hanover	Fort Fisher State Recreational Area	\$1,500,000
7				
8	State Parks	Transylvania	Gorges State	\$3,341,000
9				
10	State Parks	Stokes	Hanging Rock	\$2,800,000
11				
12	State Parks	Guilford/ Rockingham	Haw River	\$2,000,000
13				
14				
15	State Parks	Chatham/ Wake	Jordan Lake State Recreational Area	\$4,000,000
16				
17				
18	State Parks	Columbus	Lake Waccamaw	\$2,008,000
19				
20	State Parks	Scotland/ Hoke/ Robeson/ Columbus	Lumber River	\$3,505,000
21				
22				
23				
24				
25	State Parks	Rockingham	Mayo River	\$1,000,000
26				
27	State Parks	Tyrell/ Washington	Pettigrew	\$3,774,000
28				
29				
30	State Parks	Burke	South Mountain	\$3,000,000
31				
32	State Parks	Alleghany/ Wilkes	Stone Mountain	\$1,784,000
33				
34				
35	State Parks	Wake	William B. Umstead State Park	\$2,300,000
36				
37	State Parks	Avery	Yellow Mountain Natural Area	\$3,000,000
38				
39	State Parks	Watauga	Beech Creek Bog State Natural Area	\$800,000
40				
41	State Parks	New Hanover	Carolina Beach State Park	\$1,140,000
42				
43	State Parks	Rutherford	Chimney Rock	\$2,000,000
44				
45	State Parks	Wayne	Cliffs of the Neuse	\$923,200
46				
47	State Parks	Gaston	Crowders Mountain	\$1,000,000
48				
49	State Parks	Chatham	Deep River State Trail	\$1,708,000
50				
51	State Parks	Carteret	Fort Macon	\$180,000

1				
2	State Parks	Watauga	Grandfather Mountain	\$2,002,000
3				
4	State Parks	Bladen	Jones Lake	\$869,000
5				
6	State Parks	Chatham	Lower Haw River Natural Area	\$271,000
7				
8	State Parks	Halifax	Medoc Mountain	\$1,845,000
9				
10	State Parks	Gates	Merchants Millpond	\$1,161,000
11				
12	State Parks	Stanly	Morrow Mountain	\$2,050,000
13				
14	State Parks	Ashe	Mount Jefferson State Natural Area	\$2,000,000
15				
16	State Parks	Ashe	New River	\$900,000
17				
18	State Parks	Harnett	Raven Rock	\$1,500,000
19				
20	State Parks	Bladen	Singletary Lake	\$767,000
21				
22	State Parks	Moore	Weymouth Woods State Natural Area	\$571,000
23				
24	Zoo	Randolph	Australasia Exhibit Complex	\$15,000,000
25				
26	Zoo	Randolph	Australasia Exhibit Complex	\$9,000,000
27			Replace Africa Pavilion	
28				
29	Zoo	Randolph	Africa Plains Safari	\$250,000
30				
31	Total for Attractions, Parks, and Historic Sites (49 projects)			\$135,050,000
32				
33				
34	<u>Local Parks and Infrastructure</u>			
35				
36	DENR	Statewide	Children With Disabilities and	\$10,000,000
37			Veterans With Disabilities Local	
38			Parks (Matching Grants)	
39				
40	DENR	Statewide	Water/Sewer Loans	\$75,000,000
41				
42	Total for Local Parks and Infrastructure			\$85,000,000
43				
44				
45	<u>National Guard and Military</u>			
46				
47	Military	Durham/ Granville	Camp Butner Buffer Zones	\$500,000
48				
49				
50	National Guard	Wake	JFHQ Heli-Pads	\$746,000
51				

1	National Guard	Davidson/	High Point Armory Major	\$625,000
2		Forsyth/	Renovations	
3		Guilford/		
4		Randolph		
5				
6	National Guard	Franklin	Louisburg Armory	\$2,377,288
7				
8	National Guard	Rockingham	Reidsville Armory	\$2,377,288
9				
10	National Guard	Richmond	Hamlet Armory	\$2,108,334
11				
12	National Guard	Union	Monroe Armory	\$2,658,334
13				
14	National Guard	Wayne	Goldsboro Armory	\$1,558,334
15				
16	National Guard	Cumberland	Fayetteville Armory	\$2,658,334
17				
18	National Guard	Lee	Sanford Armory	\$2,108,334
19				
20	National Guard	Surry/Wilkes	Elkin Armory	\$1,558,334
21				
22	National Guard	Macon	Franklin Armory	\$1,558,334
23				
24	National Guard	Halifax	Scotland Neck Armory	\$1,558,334
25				
26	National Guard	Guilford	McLeansville Regional Readiness Ctr.	\$43,959,375
27				
28	National Guard	Burke	Western Youth Institution Renovation	\$26,400,000
29				
30	Total for National Guard and Military (15 projects)			\$92,751,623

NC Community Colleges

35	Alamance Comm. College		New Construction, Repairs, Renovations	\$4,316,608
36				
37	Asheville-Buncombe		New Construction, Repairs, Renovations	\$8,056,622
38	Technical Comm. College			
39				
40	Beaufort Co. Comm. College		New Construction, Repairs, Renovations	\$3,746,460
41				
42	Bladen Comm. College		New Construction, Repairs, Renovations	\$3,560,367
43				
44	Blue Ridge Comm. College		New Construction, Repairs, Renovations	\$2,605,366
45				
46	Brunswick Comm. College		New Construction, Repairs, Renovations	\$2,418,939
47				
48	Caldwell Comm. College		New Construction, Repairs, Renovations	\$4,303,524
49	and Technical Institute			
50				
51	Cape Fear Comm. College		New Construction, Repairs, Renovations	\$5,650,810

1			
2	Carteret Comm. College	New Construction, Repairs, Renovations	\$1,961,128
3			
4	Catawba Valley Comm. College	New Construction, Repairs, Renovations	\$4,901,484
5			
6	Central Carolina Comm. College	New Construction, Repairs, Renovations	\$4,846,230
7			
8	Central Piedmont Comm. College	New Construction, Repairs, Renovations	\$11,269,441
9			
10	Cleveland Comm. College	New Construction, Repairs, Renovations	\$3,751,987
11			
12	College of the Albermarle	New Construction, Repairs, Renovations	\$4,863,383
13			
14	Coastal Carolina Comm. College	New Construction, Repairs, Renovations	\$4,313,926
15			
16	Craven Comm. College	New Construction, Repairs, Renovations	\$3,607,717
17			
18	Davidson County Comm. College	New Construction, Repairs, Renovations	\$4,393,838
19			
20	Durham Tech. Comm. College	New Construction, Repairs, Renovations	\$4,072,442
21			
22	Edgecombe Comm. College	New Construction, Repairs, Renovations	\$4,353,522
23			
24	Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	\$10,264,710
25			
26	Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	\$6,288,257
27			
28	Gaston College	New Construction, Repairs, Renovations	\$4,935,995
29			
30	Guilford Tech. Comm. College	New Construction, Repairs, Renovations	\$9,071,603
31			
32	Halifax Comm. College	New Construction, Repairs, Renovations	\$3,737,553
33			
34	Haywood Comm. College	New Construction, Repairs, Renovations	\$2,374,457
35			
36	Isothermal Comm. College	New Construction, Repairs, Renovations	\$4,225,417
37			
38	James Sprunt Comm. College	New Construction, Repairs, Renovations	\$2,661,578
39			
40	Johnston Comm. College	New Construction, Repairs, Renovations	\$3,356,734
41			
42	Lenoir Comm. College	New Construction, Repairs, Renovations	\$6,851,267
43			
44	Martin Comm. College	New Construction, Repairs, Renovations	\$3,819,225
45			
46	Mayland Comm. College	New Construction, Repairs, Renovations	\$2,752,960
47			
48	McDowell Tech. Comm. College	New Construction, Repairs, Renovations	\$2,727,637
49			
50	Mitchell Comm. College	New Construction, Repairs, Renovations	\$2,824,345
51			

General Assembly of North Carolina

Session 2015

1	Montgomery Comm. College	New Construction, Repairs, Renovations	\$3,327,420
2			
3	Nash Comm. College	New Construction, Repairs, Renovations	\$10,142,192
4			
5	Pamlico Comm. College	New Construction, Repairs, Renovations	\$8,496,536
6			
7	Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,031,602
8			
9	Pitt Comm. College	New Construction, Repairs, Renovations	\$12,692,701
10			
11	Randolph Comm. College	New Construction, Repairs, Renovations	\$3,632,718
12			
13	Richmond Comm. College	New Construction, Repairs, Renovations	\$12,938,769
14			
15	Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	\$3,407,445
16			
17	Robeson Comm. College	New Construction, Repairs, Renovations	\$4,492,942
18			
19	Rockingham Comm. College	New Construction, Repairs, Renovations	\$4,302,087
20			
21	Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	\$5,588,267
22			
23	Sampson Comm. College	New Construction, Repairs, Renovations	\$2,936,298
24			
25	Sandhills Comm. College	New Construction, Repairs, Renovations	\$3,423,123
26			
27	South Piedmont Comm. College	New Construction, Repairs, Renovations	\$2,987,899
28			
29	Southeastern Comm. College	New Construction, Repairs, Renovations	\$4,060,783
30			
31	Southwestern Comm. College	New Construction, Repairs, Renovations	\$4,381,169
32			
33	Stanly Comm. College	New Construction, Repairs, Renovations	\$3,600,740
34			
35	Surry Comm. College	New Construction, Repairs, Renovations	\$4,750,239
36			
37	Tri-County Comm. College	New Construction, Repairs, Renovations	\$3,322,734
38			
39	Vance-Granville Comm. College	New Construction, Repairs, Renovations	\$4,988,371
40			
41	Wake Tech. Comm. College	New Construction, Repairs, Renovations	\$24,286,276
42			
43	Wayne Comm. College	New Construction, Repairs, Renovations	\$4,591,238
44			
45	Western Piedmont Comm. College	New Construction, Repairs, Renovations	\$3,783,579
46			
47	Wilkes Comm. College	New Construction, Repairs, Renovations	\$3,898,805
48			
49	Wilson Comm. College	New Construction, Repairs, Renovations	\$4,050,535
50			
51	Total for NC Community Colleges		\$300,000,000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

Public Instruction

Public Schools	Statewide	New Schools, Additions, Renovations	\$500,000,000
Capital Assistance Program			

Total for Public Instruction **\$500,000,000**

Public Safety

DPS	Wake	Highway Patrol Training Academy	\$38,225,000
DPS	Moore	Samarcand Training Academy	\$8,500,000

Total for Public Safety (2 projects) **\$46,725,000**

State Government Agencies

Various	Statewide	Capital Repairs and Renovations	\$200,000,000
AOC	Statewide	Courthouse Grants	\$15,000,000

Total for State Agencies **\$215,000,000**

Transportation

Transportation	Statewide	Supplemental Highway Funding	\$400,000,000
----------------	-----------	------------------------------	---------------

Total for Transportation **\$400,000,000**

University of North Carolina

Appalachian State University	Watauga	New Health Sciences Building	\$70,781,681
------------------------------	---------	------------------------------	--------------

East Carolina University	Pitt	Life Sciences & Biotech. Building	\$124,522,662
--------------------------	------	-----------------------------------	---------------

Elizabeth City State University	Pasquotank	School of Aviation	\$15,794,660
---------------------------------	------------	--------------------	--------------

Fayetteville State University	Cumberland	Lyons Science Bldg. Renovation	\$10,616,373
-------------------------------	------------	--------------------------------	--------------

General Assembly of North Carolina				Session 2015
------------------------------------	--	--	--	--------------

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

41

42

43 **Grand Total** **\$2,859,076,952**

44

45 (2) Special Allocation Provisions. – In determining the use of the proceeds of

46 public improvement bonds and notes, including premium thereon, if any, set

47 forth in subdivision (1) of this subsection, the following special allocation

48 provisions apply:

49 a. The proceeds of public improvement bonds and notes, including

50 premium thereon, if any, for State Parks, as provided in subdivision

51 (1) of this subsection, shall be used for capital improvements, as

1 defined in G.S. 143C-1-1(d)(5). Any items purchased with such
2 proceeds and installed or replaced as part of a renovation or
3 rehabilitation must have a useful life of at least 10 years or must
4 extend the life of the facility by at least 10 years once renovated or
5 rehabilitated.

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

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

32 d. The proceeds of public improvement bonds and notes, including
33 premium thereon, if any, for NC Community Colleges, as provided
34 in subdivision (1) of this subsection, shall be used for new
35 construction or rehabilitation of existing facilities and repairs and
36 renovations. Any items purchased with such proceeds and installed
37 or replaced as part of a renovation or rehabilitation must have a
38 useful life of at least 10 years or must extend the life of the facility
39 by at least 10 years once renovated or rehabilitated.

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

- 44 1. One hundred fifty million dollars (\$150,000,000) of such
45 proceeds shall be allocated equally to each county. Each
46 county's allocation shall be distributed to the local school
47 administrative units located in whole or in part in the county
48 based on the average daily membership of the county's
49 students in the school units.
- 50 2. Two hundred eighty million dollars (\$280,000,000) of such
51 proceeds shall be allocated among local school administrative

- 1 units located in counties whose wealth is less than the State
2 average wealth, as computed pursuant to Section 8.3 of
3 House Bill 97 of the 2015 Regular Session of the General
4 Assembly. The portion of such proceeds allocated pursuant to
5 this sub-sub-subdivision shall be initially proportionally
6 allocated to each county according to average daily
7 membership. Each county's allocation shall be distributed to
8 the local school administrative units located in whole or in
9 part in the county based on the average daily membership of
10 the county's students in the school units.
- 11 3. Seventy million dollars (\$70,000,000) of such proceeds shall
12 be allocated among local school administrative units that have
13 increased average daily membership when comparing the
14 average daily membership for fiscal year 2005-2006 with the
15 average daily membership for fiscal year 2015-2016. The
16 portion of the proceeds allocated pursuant to this
17 sub-sub-subdivision to each unit is calculated by multiplying
18 seventy million dollars (\$70,000,000) by a fraction, the
19 numerator of which is the increased average daily
20 membership of the local school administrative unit for the
21 time period specified in this sub-subdivision and the
22 denominator of which is the collective increased average
23 daily membership of all local school administrative units with
24 increased average daily membership in the State for the time
25 period specified in this sub-sub-subdivision.
- 26 4. In order to receive proceeds under this sub-subdivision, a
27 county shall provide matching funds. The amount of
28 matching funds for a local school administrative unit
29 otherwise eligible to receive such proceeds under
30 sub-sub-subdivision 2. of this sub-subdivision shall be one
31 dollar (\$1.00) of local funds for every four dollars (\$4.00)
32 of such proceeds. The amount of matching funds for all other
33 local school administrative units shall be one dollar (\$1.00) of
34 local funds for every one dollar (\$1.00) of such proceeds. The
35 match requirement may be satisfied by non-State
36 expenditures for public school facilities made on or after July
37 1, 2014. A non-State expenditure has been made for the
38 purpose of the match if funds, including funds expended for
39 debt service, have been budgeted, earmarked, or committed
40 for the general purpose of public school facilities. If a debt
41 has been authorized or incurred since July 1, 2014, for the
42 general purpose of public school facilities, then the face
43 amount of the debt shall be considered as a non-State
44 expenditure for public school facilities for the purpose of the
45 match.
- 46 5. A local school administrative unit that receives proceeds
47 under this section shall ensure that such proceeds are used (i)
48 for acquisition of real property and construction, acquisition,
49 reconstruction, enlargement, renovation, or replacement of
50 buildings and other structures and (ii) to supplement local
51 funds for public school capital outlay projects and shall not

- 1 decrease local funds for those projects from one fiscal year to
2 the next fiscal year, as measured by the most recent five-year
3 annual average capital outlay expenditure. Any items
4 purchased with such proceeds and installed or replaced as
5 part of a renovation or rehabilitation must have a useful life
6 of at least 10 years or must extend the life of the facility by at
7 least 10 years once renovated or rehabilitated.
- 8 f. The proceeds of public improvement bonds and notes, including
9 premium thereon, if any, for statewide capital repairs and renovations
10 for State government agencies, as provided in subdivision (1) of this
11 subsection, shall be issued only if all of the following conditions are
12 satisfied:
- 13 1. The facility being renovated or rehabilitated is owned by or
14 allocated to a State agency other than The University of North
15 Carolina or the Department of Agriculture and Consumer
16 Services.
 - 17 2. The project is one that is eligible under G.S. 143C-4-3(b) to
18 receive funds from the Repairs and Renovations Reserve.
 - 19 3. Any items purchased with such proceeds and installed or
20 replaced as part of a renovation or rehabilitation will have a
21 useful life of at least 10 years or the life of the facility will be
22 extended by at least 10 years once renovated or rehabilitated.
- 23 g. The proceeds of public improvement bonds and notes, including
24 premium thereon, if any, for AOC Statewide Courthouse Grants, as
25 provided in subdivision (1) of this subsection, shall be allocated by
26 the Director of the Administrative Office of the Courts for grants for
27 courthouses in the State. In making grants, the Director shall comply
28 with all of the following requirements:
- 29 1. Priority for grants shall be, in descending priority, for (i)
30 repair and renovation, (ii) security, and (iii) new construction.
 - 31 2. Grants for projects for courthouses in development tier one
32 areas shall not exceed one million dollars (\$1,000,000).
33 Grants for projects for courthouses in development tier two
34 areas shall not exceed seven hundred fifty thousand dollars
35 (\$750,000). Grants for projects for courthouses in
36 development tier three areas shall not exceed two hundred
37 fifty thousand dollars (\$250,000). For purposes of this
38 sub-subdivision, development tier area is defined in
39 G.S. 143B-437.08.
 - 40 3. Projects for courthouses in development tier one areas shall
41 be eligible for a grant if the county in which the project is
42 located provides matching funds in the amount of one dollar
43 (\$1.00) for every four grant dollars (\$4.00). Projects for
44 courthouses in development tier two areas shall be eligible for
45 a grant if the county in which the project is located provides
46 matching funds in the amount of one dollar (\$1.00) for every
47 two grant dollars (\$2.00). All other projects for courthouses
48 are eligible for a grant if the county in which the project is
49 located provides matching funds in the amount equal to the
50 grant.

4. Grants for projects may be awarded only upon submission of a completed application received by the Director no later than July 1, 2016. The application shall be in the form prescribed and made available by the Director.
 5. Any items purchased with the proceeds of public improvement bonds and notes, including premium thereon, if any, and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.
- h. The proceeds of public improvement bonds and notes, including premium thereon, if any, for statewide supplemental highway funding for transportation, as provided in subdivision (1) of this subsection, shall be issued only for highway projects satisfying all of the following conditions:
1. An environmental impact statement, if required by law, was completed prior to January 1, 2015.
 2. Construction on the project is projected by the Department of Transportation to commence by January 1, 2017.
 3. The project meets the requirements set forth in Article 14B of Chapter 136 of the General Statutes.
- (3) Reallocation. – For public improvement bonds authorized by this section for projects other than transportation projects, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for such projects set forth in subdivision (1) of this subsection or reallocate any amounts among agencies or nontransportation projects, including nontransportation projects not listed in this subsection but listed in the six-year capital improvement plan developed pursuant to G.S. 143C-8-5, so long as the aggregate amount of the allocations does not exceed two billion four hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars (\$2,459,076,952). For public improvement bonds authorized by this section for transportation projects, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for such projects set forth in subdivision (1) of this subsection or reallocate any amounts among transportation projects, including transportation projects not listed in this subsection but listed as the next-highest-scoring Strategic Mobility-funded category project under G.S. 136-189.11 that is shovel-ready, so long as the aggregate amount of the allocations does not exceed four hundred million dollars (\$400,000,000).
- SECTION 1.(g)** Allocation and Tracking of Proceeds. –
- (1) Public improvement bonds. – The proceeds of public improvement bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Public Improvement Bonds Fund," which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this section.

1 Monies in the Public Improvement Bonds Fund shall be allocated and
2 expended as provided in this section.

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

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

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

35 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's
36 designee is hereby authorized and directed to set up a comprehensive system
37 of tracking the proceeds of the public improvement bonds and notes,
38 including premium thereon, if any, to the extent necessary to enable the State
39 Treasurer or the State Treasurer's designee to properly account for the use of
40 such proceeds for compliance with applicable requirements of the federal tax
41 law or otherwise. All recipients of such proceeds shall comply with any
42 tracking system implemented by the State Treasurer or the State Treasurer's
43 designee for this purpose. The State Treasurer may withhold such proceeds
44 from any State agency or department not complying with this subdivision.

45 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in
46 each case may include allocations to pay the costs set forth in
47 sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this
48 section in connection with the issuance of bonds for that capital
49 improvement or undertaking.

50 **SECTION 1.(i) Election.** – The question of the issuance of the bonds authorized by
51 this section shall be submitted to the qualified voters of the State at an election to be held in

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

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

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

15 " [] FOR [] AGAINST

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

28 If a majority of those voting on a bond question in the election vote in favor of the
29 issuance of the bonds described in the question, those bonds may be issued as provided in this
30 section. If a majority of those voting on a bond question in the election vote against the
31 issuance of the bonds described in the question, those bonds shall not be issued.

32 The results of the election shall be canvassed and declared as provided by law for
33 elections for State officers; the results of the election shall be certified by the State Board of
34 Elections to the Secretary of State in the manner and at the time provided by the general
35 election laws of the State.

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

- 37 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be
38 serial or term bonds or notes, or any combination thereof, may mature in
39 such amounts and at such time or times, not exceeding 40 years from their
40 date or dates, may be payable at such place or places, either within or
41 without the United States of America, in such coin or currency of the United
42 States of America as at the time of payment is legal tender for payment of
43 public and private debts, may bear interest at such rate or rates, which may
44 vary from time to time, and may be made redeemable before maturity, at the
45 option of the State or otherwise as may be provided by the State, at such
46 price or prices, including a price less than the face amount of the bonds or
47 notes, and under such terms and conditions, all as may be determined by the
48 State Treasurer by and with the consent of the Council of State.
- 49 (2) Signatures; form and denomination; registration. – Bonds or notes may be
50 issued as certificated or uncertificated obligations. If issued as certificated
51 obligations, bonds or notes shall be signed on behalf of the State by the

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

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

36 (4) Notes; repayment. –

37 a. Subject to the consent of the Council of State, the State Treasurer is
38 hereby authorized to borrow money and to execute and issue notes of
39 the State for the same, but only in the following circumstances and
40 under the following conditions:

- 41 1. For anticipating the sale of bonds to the issuance of which the
42 Council of State shall have given consent, if the State
43 Treasurer shall deem it advisable to postpone the issuance of
44 the bonds.
- 45 2. For the payment of interest on or any installment of principal
46 of any bonds then outstanding, if there shall not be sufficient
47 funds in the State treasury with which to pay the interest or
48 installment of principal as they respectively become due.
- 49 3. For the renewal of any loan evidenced by notes herein
50 authorized.
- 51 4. For the purposes authorized in this section.

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

44 **SECTION 1.(k)** Variable Interest Rates. – In fixing the details of bonds and notes,

45 the State Treasurer may provide that any of the bonds or notes may:

- 46 (1) Be made payable from time to time on demand or tender for purchase by the
- 47 owner thereof, provided a credit facility agreement supports the bonds or
- 48 notes, unless the State Treasurer specifically determines that a credit facility
- 49 agreement is not required, upon a finding and determination by the State
- 50 Treasurer, that the absence of a credit facility agreement will not materially

1 or adversely affect the financial position of the State and the marketing of
2 the bonds or notes at a reasonable interest cost to the State;

3 (2) Be additionally supported by a credit facility agreement;

4 (3) Be made subject to redemption or a mandatory tender for purchase prior to
5 maturity;

6 (4) Bear interest at a rate or rates that may vary for such period or periods of
7 time, all as may be provided in the proceedings providing for the issuance of
8 the bonds or notes, including, without limitation, such variations as may be
9 permitted pursuant to a par formula; and

10 (5) Be made the subject of a remarketing agreement whereby an attempt is made
11 to remarket bonds or notes to new purchasers prior to their presentment for
12 payment to the provider of the credit facility agreement or to the State.

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

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

22 (1) Additional method. – The foregoing subsections of this section shall be
23 deemed to provide an additional and alternative method for the doing of the
24 things authorized thereby and shall be regarded as supplemental and
25 additional to powers conferred by other laws and shall not be regarded as in
26 derogation of any powers now existing.

27 (2) Statutory references. – References in this section to specific sections or
28 Chapters of the General Statutes or to specific acts are intended to be
29 references to these sections, Chapters, or acts as they may be amended from
30 time to time by the General Assembly.

31 (3) Broad construction. – The General Assembly specifically has chosen to
32 combine what otherwise might be considered differing projects to be
33 financed into one bond bill and bond question because the General
34 Assembly finds that such differing projects, when taken together, constitute
35 an interrelated, united, and single plan for the State's infrastructure as stated
36 aforesaid. Accordingly, this section, being necessary for the health, welfare,
37 and advancement of the people of the State, shall be broadly construed to
38 affect the purposes thereof.

39 (4) Inconsistent provisions. – Insofar as the provisions of this section are
40 inconsistent with the provisions of any general laws, or parts thereof, the
41 provisions of this section shall be controlling.

42 (5) Severability. – If any provision of this section or the application thereof to
43 any person or circumstance is held invalid, such invalidity shall not affect
44 other provisions or applications of the section that can be given effect
45 without the invalid provision or application, and to this end the provisions of
46 this section are declared to be severable.

47 **SECTION 2.** Other than community colleges and local school administrative units,
48 each entity receiving the proceeds of public improvement bonds and notes, including premium
49 thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by
50 January 1, 2017, and quarterly thereafter, to the Joint Legislative Capital Oversight Committee
51 on the projects funded from public improvement general obligation bonds authorized by

1 Section 1 of this act. Each local school administrative unit receiving the proceeds of public
2 improvement bonds and notes, including premium thereon, if any, issued pursuant to and for
3 projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter,
4 to the Department of Public Instruction on the projects funded from public improvement
5 general obligation bonds authorized by Section 1 of this act, and the Department of Public
6 Instruction shall combine the reports and submit them to the Legislative Capital Oversight
7 Committee. Community Colleges receiving the proceeds of public improvement bonds and
8 notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1
9 of this act shall report by January 1, 2017, and quarterly thereafter, to the North Carolina
10 Community Colleges System Office on the projects funded from public improvement general
11 obligation bonds authorized by Section 1 of this act, and the System office shall combine the
12 reports and submit them to the Legislative Capital Oversight Committee. Each report shall
13 include the total project costs, the amount to be funded from the bonds, the expenditures to date
14 from the bonds and other sources, and the percentage of each project completed.

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

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

27 (1) To address unforeseen contingencies related to the specific project for which
28 the funds were made available.

29 (2) To address inflation costs related to that specific project.

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

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

39 **SECTION 6.** The Department of Public Safety shall take appropriate measures,
40 including maximizing the use of the Inmate Construction Program, to reduce costs related to
41 construction of correctional projects authorized in S.L. 2007-323, as amended by S.L.
42 2009-209 and S.L. 2009-451, and S.L. 2008-107, as amended by S.L. 2009-209 and S.L.
43 2009-451. The Department, with the approval of the Office of State Budget and Management,
44 may use the funds from any savings generated, together with available funds, to finance the
45 capital facility costs of renovating existing space at Central Prison for bed space for long-term
46 palliative care. No additional special indebtedness may be issued or incurred to finance the
47 construction of bed space for such care. The use of funds authorized by this section shall not
48 require further approval by the Council of State pursuant to Chapter 142 of the General
49 Statutes.

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