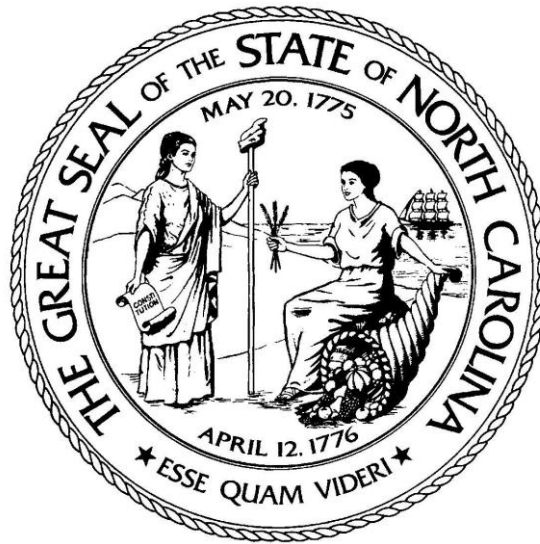


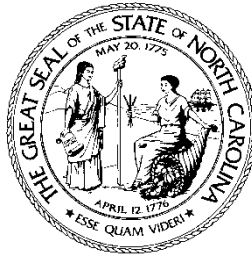
House Appropriations Committee on Capital

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS HOUSE APPROPRIATIONS, CAPITAL REPORT

MAY 14, 2015

Report Last Updated: 5/14/15 2:22 PM

2015-CAP-H1-P	1
GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION	
2015-CAP-H2-P	2
CAPITAL PROJECTS/GENERAL FUND	
2015-CAP-H3-P	4
WATER RESOURCES DEVELOPMENT PROJECTS	
2015-CAP-H4-P	7
NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS	
2015-CAP-H5-P	9
REPAIRS AND RENOVATIONS RESERVE ALLOCATION	
2015-CAP-H6-P	11
PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS	
2015-CAP-H8-P	12
REPORTING ON CAPITAL PROJECTS	
2015-CAP-H9-P	14
NATIONAL GUARD PROJECTS	
2015-CAP-H10-P	15
REQUIRE NON-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED PLANNING OF UNIVERSITY CAPITAL PROJECTS	
2015-CAP-H12-P	16
TRANSFER OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFF OF THE DOROTHEA DIX CAMPUS	
2015-CAP-H13-P	17
MODIFY SPECIAL INDEBTEDNESS PROVISIONS	
2015-CAP-H14.....	19
TWO-THIRDS BONDS ACT OF 2015	
2015-CAP-H15-P	26
DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA	

2015-CAP-H16-P	28
AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND RENOVATIONS PROJECTS WITH FUNDS AVAILABLE	
2015-CAP-H17-P	29
ADVANCE PLANNING/NEW SCHOOL OF SCIENCE AND MATHEMATICS	
2015-CAP-H18-P	30
CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS	

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

**DRAFT
SPECIAL PROVISION**



2015-CAP-H1-P

**Capital
House Appropriations, Capital**

Requested by: Representative

1 ***GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION***

2 **SECTION #.** The appropriations made by the 2015 General Assembly for capital
3 improvements are for constructing, repairing, or renovating State buildings, utilities, and other
4 capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and
5 land for State government purposes.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H2-P

Capital
House Appropriations, Capital

Requested by: Representative

CAPITAL PROJECTS/GENERAL FUND

SECTION #.(a) Of the funds appropriated in this act from the General Fund for the 2015-2017 fiscal biennium the following amounts shall be allocated for capital improvements:

Capital Improvements – General Fund	2015-2016	2016-2017
Department of Agriculture and Consumer Services		
Dorton Arena Roof Replacement	\$ 2,305,000	—
Department of Cultural Resources		
USS North Carolina Hull Repair and Cofferdam	3,000,000	—
Department of Environment and Natural Resources		
Water Resources Development	5,083,000	—
Department of Justice		
State Crime Laboratory Facilities	15,000,000	—
Department of Public Safety		
Armory and Facility Development Projects	618,000	5,087,500
General Assembly		
Legislative Building Roof Replacement and Asbestos Abatement	4,001,000	—
University of North Carolina		
NCSU Engineering Building Planning	11,900,000	—
NCSU Plant Sciences Building Planning	5,000,000	—
Western School of Science and Math Advance Planning	1,600,000	—
TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND	\$ 48,507,000	5,087,500

SECTION #.(b) The General Assembly authorizes planning of the Plant Sciences Building at North Carolina State University to be funded at a maximum cost of fourteen million dollars (\$14,000,000) in accordance with this section. The sum of five million dollars (\$5,000,000) allocated for this purpose in subsection (a) of this section shall be used for this purpose. The remainder shall be funded with receipts or from other non-General Fund sources

1 available to North Carolina State University, and those funds are hereby appropriated for that
2 purpose.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H3-P

Capital
House Appropriations, Capital

Requested by: Representative

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION #.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated forty-four million three hundred fifty-three thousand dollars (\$44,353,000) in federal funds.

Name of Project	2015-2016
(1) Jordan Water Supply	\$ 200,000
(2) Wilmington Harbor Study	225,000
(3) Planning Assistance	25,000
(4) Wilmington Harbor Deepening	600,000
(5) Wilmington Harbor Maintenance	-
(6) Morehead City Harbor Maintenance	-
(7) Carolina Beach Storm Damage Reduction	1,400,000
(8) Carolina Beach Storm Damage Reduction 15-Year Extension Study	81,000
(9) Kure Beach Storm Damage Reduction	1,450,000
(10) Wrightsville Storm Damage Reduction Reevaluation Report	81,000
(11) Ocean Isle Storm Damage Reduction Reevaluation Report	81,000
(12) Bogue Banks Storm Damage Reduction Preconstruction, Engineering, and Design	165,000
(13) Surf City/North Topsail Preconstruction Activities	135,000
(14) West Onslow Beach Preconstruction Activities	135,000
(15) NRCS EQIP (65/35)	1,000,000
(16) Planning for S.L. 2010-143	75,000
(17) State-Local Projects	1,000,000
(18) Lock and Dam #2 – Fish Ramp – Phase 1	250,000
(19) Linville River Restoration	250,000
(20) Assistance to Counties – EAP Preparation	250,000
(21) North Topsail Shoreline Protection – Phase 2	500,000
TOTALS	\$ 7,903,000

SECTION #.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million eighty-three thousand dollars (\$5,083,000) appropriated for water resources development projects in Section # of this act.

Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

Name of Project	Amount Carried Forward
(1) Wilmington Harbor Study	\$ 225,000
(2) Planning Assistance	25,000
(3) Wilmington Harbor Deepening	600,000
(4) Carolina Beach Storm Damage Reduction	727,000
(5) Kure Beach Storm Damage Reduction	808,000
(6) Bogue Banks Storm Damage Reduction Preconstruction, Engineering, and Design	165,000
(7) Surf City/North Topsail Preconstruction Activities	135,000
(8) West Onslow Beach Preconstruction Activities	135,000
TOTALS	\$ 2,820,000

SECTION #.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2015-2016 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) U.S. Army Corps of Engineers project feasibility studies.
- (2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2015-2016 fiscal year.
- (3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2016-2017 fiscal year.

SECTION #.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION #.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this

1 subsection applies only to projects in which a local government or local governments
2 participate.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H4-P

Capital
House Appropriations, Capital

Requested by: Representative

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION #.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project	Amount of Non-General Fund Funding Authorized	
	FY 2015-2016	FY 2016-2017
Department of Agriculture and Consumer Services		
WNC Farmers Market Improvements/Robert G. Shaw Piedmont Triad Farmers Market Improvements	\$ 3,000,000	-
WNC Agricultural Center Events/Restroom Building	500,000	-
NC Forest Service Mountain Island Educational Forest-Visitor and Interpretive Center	4,000,000	-
Deer Fence on Research Stations	200,000	-
Aviary Egg Layer Research Building	1,750,000	-
State Fair Renovations/Infrastructure Improvements	2,500,000	-
State Fair Horse Complex	1,000,000	-
Animal Disease Diagnostic Laboratory Equipment	500,000	-
Department of Environment and Natural Resources		
Fort Fisher Aquarium Seawall	590,000	590,000
Gorilla Expansion	450,000	-
Department of Transportation		
Anson County Blacksmith Shop	-	195,000
Nash County Equipment Shop	-	194,200
Gaston County Equipment Shop	-	2,409,000
Greenville DMV Office	-	4,168,866
Wildlife Resources Commission		
Boating Access New Construction	3,750,000	3,750,000
Land Acquisition	900,000	900,000
Jordan Lake Depot	500,000	-
Fishing Access Construction	-	200,000
TOTAL AMOUNT OF NON-GENERAL		

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
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- 10
- 11
- 12

\$ 19,640,000

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SECTION #.(b) From funds deposited with the State Treasurer in a capital account to the credit of the Department of Agriculture and Consumer Services to G.S. 146-30, the sum of seventy-five thousand dollars (\$75,000) for the 2015-2016 fiscal year and the sum of seventy-five thousand dollars (\$75,000) for the 2016-2017 fiscal year transferred to the Department of Agriculture and Consumer Services to be used, ending G.S. 146-30, by the Department for its plant conservation program under B of Chapter 106 of the General Statutes for costs incidental to the acquisition of such as land appraisals, land surveys, title searches, and environmental studies, and for the maintenance of the plant conservation program preserves owned by the Department.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H5-P

Capital
House Appropriations, Capital

Requested by: Representative

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION #.(a) Of the funds in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal years, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

- (1) One-third of the funds shall be allocated to the Board of Governors of The University of North Carolina.
- (2) Two-thirds of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(e). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION #.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in university residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire

1 protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be
2 submitted on January 1 and July 1 until all residence halls have fire sprinklers.

3 **SECTION #.(c)** Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the
4 Board of Governors of The University of North Carolina in subsection (a) of this section, a
5 portion shall be used each fiscal year by the Board of Governors for campus public safety
6 improvements allowable under G.S. 143C-4-3(b).

7 **SECTION #.(d)** The Board of Governors shall consider the availability of
8 non-General Fund resources in determining which projects to fund with funds allocated to the
9 Board of Governors of The University of North Carolina in subsection (a) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H6-P

Capital
House Appropriations, Capital

Requested by: Representative

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION #. The appropriations made by the 2015 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2015 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2015 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H8-P

Capital
House Appropriations, Capital

Requested by: Representative

REPORTING ON CAPITAL PROJECTS

SECTION #.(a) Definitions. – The following definitions apply in this section:

- (1) Capital project. – Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars (\$100,000) or more.
- (2) Construction phase. – The status of a particular capital project as described using the terms customarily employed in the design and construction industries.
- (3) New capital project. – A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION #.(b) Reporting. – The following reports are required:

- (1) By October 1, 2015, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.
- (2) By October 1, 2015, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION #.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

- (1) The current construction phase of the project.
- (2) The anticipated time line from the current construction phase to project completion.
- (3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.
- (4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.
- (5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION #.(d) In addition to the other reports required by this section, on October 1, 2015, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State building; (ii) detailed information about when the last FCAP assessment was for each State

1 building complex; and (iii) detailed information about the condition and repairs and renovations
2 needs of each State building complex.

3 **SECTION #.(e)** In addition to the other reports required by this section, on October
4 1, 2015, and quarterly thereafter, the State Construction Office shall report to the General
5 Assembly on the status of plan review, approval, and permitting for each State capital
6 improvement project and community college capital improvement project over which the
7 Office exercises plan review, approval, and permitting authority. Each report shall include (i)
8 summary information about the workload of the Office during the previous quarter, including
9 information about the average length of time spent by the State Construction Office on each
10 major function it performs that is related to capital project approval, and (ii) detailed
11 information about the amount of time spent engaged in those functions for each project that the
12 State Construction Office worked on during the previous quarter.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H9-P

Capital
House Appropriations, Capital

Requested by: Representative

NATIONAL GUARD PROJECTS

SECTION #.(a) The Department of Public Safety shall allocate the funds appropriated for armory and facility development projects in Section # of this act to projects designated by the Adjutant General of the North Carolina National Guard. The Adjutant General shall only provide for the allocation of funds to projects that were included in the latest Armory and Facilities Development Plan developed pursuant to G.S. 127A-210 and may determine which fiscal year of the biennium each designated project shall be funded. These funds will provide a State match for federal funds made available for this purpose.

SECTION #.(b) No later than June 1, 2017, and every two years thereafter, the Department shall report on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division of the General Assembly, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) The status of all projects undertaken pursuant to this section.
- (2) The estimated total cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project, including federal matching funds.
- (6) Facilities planned for closure or reversion.
- (7) A list of projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H10-P

Capital
House Appropriations, Capital

Requested by: Representative

***REQUIRE NON-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED
PLANNING OF UNIVERSITY CAPITAL PROJECTS***

SECTION #. G.S. 143C-3-3 reads as rewritten:

"§ 143C-3-3. Budget requests from State agencies in the executive branch.

...

(b) University of North Carolina System Request. – Notwithstanding the requirement in G.S. 116-11 that the Board of Governors prepare a unified budget request for all of the constituent institutions of The University of North Carolina, repairs budget requests of the University shall be subject to all of the following:

(1) Repairs and renovations requests, capital fund requests, and information technology requests shall comply with subsections (c), (d), and (e) of this section.

(2) The University of North Carolina shall not make a capital funds request proposing to construct a new facility, expand the building area (square feet) of an existing facility, or rehabilitate an existing facility to accommodate new or expanded uses unless the University has first completed advanced planning of the project with funds other than General Fund appropriations and other than funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3.

...."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H12-P

Capital
House Appropriations, Capital

Requested by: Representative

***TRANSFER OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFF OF
THE DOROTHEA DIX CAMPUS***

SECTION #.(a) The Department of Administration, in consultation with the Department of Health and Human Services and any other relevant State agencies, shall develop a plan for moving the personnel and resources of the Department of Health and Human Services that currently reside on the Dorothea Dix campus to other space available to the State. The Department of Administration shall report the plan to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division no later than the earlier of October 1, 2016, or six months prior to the date on which the Department is required to move some or all of its personnel and resources from the Dorothea Dix campus under the terms of an agreement between the State and the City of Raleigh. The plan required by this section shall include at least the following information:

- (1) The location to which the personnel and resources of the Department of Health and Human Services will be relocated.
- (2) The square footage needed in order to accommodate the relocation.
- (3) A statement of anticipated costs or benefits associated with the relocation.
- (4) A schedule for implementation of the relocation plan.
- (5) Identification of any potential obstacles to the relocation plan.
- (6) Options for financing the relocation plan, developed in conjunction with the State Treasurer and the State Controller.

SECTION #.(b) Notwithstanding any other provision of law, the Department of Administration shall not enter into any lease or other agreement to move the personnel or resources of the Department of Health and Human Services that currently reside on the Dorothea Dix campus to other space until specifically authorized to do so by the General Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H13-P

Capital
House Appropriations, Capital

Requested by: Representative

MODIFY SPECIAL INDEBTEDNESS PROVISIONS

SECTION #.(a) G.S. 143-128.1C reads as rewritten:

"§ 143-128.1C. Public-private partnership construction contracts.

(a) Definitions for purposes of this section:

...

(4) Development contract. – Any contract between a governmental entity and a private developer under this section and, as part of the contract, the private developer is required to provide at least fifty percent (50%) of the financing for the total cost necessary to deliver the capital improvement project, whether through lease or ownership, for the governmental entity. For purposes of determining whether the private developer is providing the minimum percentage of the total financing costs, the calculation shall not include any payment made by a public entity or proceeds of financing arrangements by a private entity where the source of repayment is a public entity.

...

(10) State-supported financing arrangement. – Any installment financing arrangement, lease-purchase arrangement, arrangement under which funds are to be paid in the future based upon the availability of an asset or funds for payment, or any similar arrangement in the nature of a financing, under which a State entity agrees to make payments to acquire or obtain ownership or beneficial use of a capital asset for the State entity or any other State entity for a term, including renewal options, of greater than one year. Any arrangement that results in the identification of a portion of a lease payment, installment payment, or similar scheduled payment thereunder by a State entity as "interest" for purposes of federal income taxation shall automatically be a State-supported financing arrangement for purposes of this section. A true operating lease is not a State-supported financing arrangement.

...

(k) Leases and other agreements entered into under this section are subject to approval as follows:

...

(2) If a capital lease is or other agreement entered into by a State entity ~~that~~ constitutes a State-supported financing arrangement and requires payments thereunder that are payable, whether directly or indirectly, and whether or not subject to the appropriation of funds for such payment, by payments from the General Fund of the State or other funds and accounts of the State that are funded from the general revenues and other taxes and fees of the

1 State or State entities, not including taxes and fees that are required to be
2 deposited to the Highway Fund or Highway Trust ~~Fund~~, Fund to be used to
3 make payments under capital leases or other agreements for projects covered
4 under Article 14B of Chapter 136 of the General Statutes, that capital lease
5 or other agreement shall be subject to the approval procedures required for
6 special indebtedness by G.S. 142-83 and G.S. 142-84. This requirement shall
7 not apply to any arrangement where bonds or other obligations are issued or
8 incurred by a State entity to carry out a financing program authorized by the
9 General Assembly under which such bonds or other obligations are payable
10 from monies derived from specified, limited, nontax sources, so long as the
11 payments under that arrangement by a State entity are limited to the sources
12 authorized by the General Assembly.

13"

14 **SECTION #.(b)** This section is effective when this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H14

Capital
House Appropriations, Capital

Requested by: Representative

TWO-THIRDS BONDS ACT OF 2015

SECTION #.(a) Short Title. – This section may be cited as the "Two-Thirds Bonds Act of 2015."

SECTION #.(b) Findings and Determinations. – It is the intent and purpose of the General Assembly by this section to provide for the issuance of general obligation bonds or notes of the State in order to provide funds for the cost of State capital facilities.

SECTION #.(c) Definitions. – The following definitions apply in this section unless the context otherwise requires:

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

(2) Cost. – The term includes all of the following:

- a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving State capital facilities, including the acquisition of land, rights-of-way, easements, franchises, equipment, machinery, furnishings, and other interests in real or personal property acquired or used in connection with a State capital facility.
- b. The cost of engineering, architectural, and other consulting services as may be required.
- c. Administrative expenses and charges.
- d. The cost of providing personnel to ensure effective project management.
- e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.
- f. Finance charges, reserves for debt service, and other types of reserves required pursuant to the terms of any bond or note or related documents, interest before and during construction or acquisition of a State capital facility and, if considered advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction or acquisition.
- g. The cost of bond insurance, investment contracts, credit enhancement facilities and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of the incurrence or issuance of any bond or note.
- h. The cost of reimbursing the State for any payments made for any cost described in this subdivision.

- 1 i. Any other costs and expenses necessary or incidental to the purposes
2 of this section.
- 3 (3) Credit facility. – An agreement entered into by the State Treasurer on behalf
4 of the State with a bank, savings and loan association, or other banking
5 institution, an insurance company, reinsurance company, surety company or
6 other insurance institution, a corporation, investment banking firm, or other
7 investment institution, or any financial institution or other similar provider
8 of a credit facility, which provider may be located within or without the
9 United States, such agreement providing for prompt payment of all or any
10 part of the principal or purchase price (whether at maturity, presentment or
11 tender for purchase, redemption, or acceleration), redemption premium, if
12 any, and interest on any bonds or notes payable on demand or tender by the
13 owner, in consideration of the State agreeing to repay the provider of the
14 credit facility in accordance with the terms and provisions of such
15 agreement.
- 16 (4) Notes. – Notes issued under this section.
- 17 (5) Par formula. – A provision or formula adopted by the State to provide for the
18 adjustment, from time to time, of the interest rate or rates borne by any
19 bonds or notes, including the following:
- 20 a. A provision providing for such adjustment so that the purchase price
21 of such bonds or notes in the open market would be as close to par as
22 possible.
- 23 b. A provision providing for such adjustment based upon a percentage
24 or percentages of a prime rate or base rate, which percentage or
25 percentages may vary or be applied for different periods of time.
- 26 c. Such other provision as the State Treasurer may determine to be
27 consistent with this act and will not materially and adversely affect
28 the financial position of the State and the marketing of bonds or notes
29 at a reasonable interest cost to the State.
- 30 (6) State. – The State of North Carolina, including any State agency.
- 31 (7) State agency. – Any agency, institution, board, commission, bureau, council,
32 department, division, officer, or employee of the State. The term does not
33 include counties, municipal corporations, political subdivisions, local boards
34 of education, or other local public bodies.

35 **SECTION #.(d)** Authorization of Bonds and Notes. – The State Treasurer is
36 authorized, by and with the consent of the Council of State, to issue and sell at one time or from
37 time to time general obligation bonds of the State to be designated "State of North Carolina
38 General Obligation Bonds," with any additional designations as may be determined, or notes of
39 the State, in the aggregate principal amount of up to two hundred sixty-nine million five
40 hundred twenty-five thousand two hundred dollars (\$269,525,200), this amount being not in
41 excess of two-thirds of the amount by which the State's outstanding indebtedness was reduced
42 during the fiscal biennium that ended June 30, 2015, for the purpose of providing funds, with
43 any other available funds, for the purposes authorized by this section. However, bonds shall
44 only be issued under this section for projects listed in subsection (f) of this section that are not
45 otherwise authorized during the 2015-2017 fiscal biennium to be financed with general
46 obligation bonds.

47 **SECTION #.(e)** Uses of Bond and Note Proceeds. – The proceeds of bonds and
48 notes shall be used for financing the cost of State capital facilities as provided in this section.
49 Any additional moneys which may be received by grant from the United States of America or
50 any agency or department thereof or from any other source to aid in financing the cost of any

1 State capital facilities authorized by this section may be placed by the State Treasurer in a
2 separate fund or funds and shall be disbursed, to the extent permitted by the terms of the grant,
3 without regard to any limitations imposed by this section.

4 The proceeds of bonds and notes may be used with any other moneys made
5 available by the General Assembly for the cost of State capital facilities, including the proceeds
6 of any other State bond or special indebtedness issues, whether heretofore made available or
7 which may be made available at the session of the General Assembly at which this section is
8 ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and
9 disbursed under the direction and supervision of the Director of the Budget. The funds provided
10 by this section shall be disbursed for the purposes provided in this section upon warrants drawn
11 on the State Treasurer by the State Controller, which warrants shall not be drawn until
12 requisition has been approved by the Director of the Budget and which requisition shall be
13 approved only after full compliance with the State Budget Act, Chapter 143C of the General
14 Statutes.

15 The Office of State Budget and Management shall provide semiannual reports to the
16 Chairs of the Senate Appropriations Committees and the House Appropriations Subcommittees
17 and to the Fiscal Research Division on the expenditure of moneys authorized by this section.
18 The reports shall continue until the completion of the projects provided for in this section.

19 **SECTION #.(f) Allocation of Proceeds.** – The proceeds of bonds and notes shall be
20 allocated and expended as provided in this subsection:

- 21 (1) A maximum aggregate principal amount of seventy million seven hundred
22 eighty-two thousand dollars (\$70,782,000) to finance the capital facility
23 costs of a health sciences building at Appalachian State.
- 24 (2) A maximum aggregate principal amount of sixty-five million one hundred
25 thousand dollars (\$65,100,000) to finance the capital facility costs of an
26 engineering building at North Carolina State University.
- 27 (3) A maximum aggregate principal amount of ninety million dollars
28 (\$90,000,000) to finance the capital facility costs of a new sciences building
29 at the University of North Carolina Charlotte.
- 30 (4) A maximum aggregate principal amount of twelve million nine hundred
31 seventy-six thousand dollars (\$12,976,000) to finance the capital facility
32 costs of a new DHHS medical examiner facility at Wake Forest University.
- 33 (5) A maximum aggregate principal amount of thirty million six hundred sixty-
34 seven thousand two hundred dollars (\$30,667,200) to finance the capital
35 facility costs of Phase 1 of the Highway Patrol Training Academy.

36 **SECTION #.(g) Issuance of Bonds and Notes.** –

- 37 (1) Terms and conditions. – Bonds or notes may bear a 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 or greater than the face amount of
47 the bonds or notes, and under such terms and conditions, all as may be
48 determined by the State Treasurer, by and with the consent of the Council of
49 State.

- (2) Signatures; form and denomination; registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State, or a facsimile of the Seal shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery. Bonds or notes may bear the facsimile signatures of persons, who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section.
- (3) Manner of sale; expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than or greater than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.
- (4) Notes; repayment. –
- a. By and with the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:
1. For anticipating the sale of bonds, the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds;
 2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;
 3. For the renewal of any loan evidenced by notes authorized in this section;
 4. For the purposes authorized in this section; and
 5. For refunding bonds or notes as authorized in this section.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

(6) Tax exemption. – Bonds and notes shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of bonds or notes, and franchise taxes. The interest on bonds or notes is not subject to taxation as income.

(7) Investment eligibility. – Bonds and notes are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

1 (8) Faith and credit. – The faith and credit and taxing power of the State are
2 hereby pledged for the payment of the principal of and the interest on bonds
3 and notes. The State expressly reserves the right to amend any provision of
4 this section to the extent it does not impair any contractual right of a bond
5 owner.

6 (9) Other agreements. – The State Treasurer may authorize, execute, obtain, or
7 otherwise provide for bond insurance, investment contracts, credit and
8 liquidity facilities, interest-rate swap agreements and other derivative
9 products, and any other related instruments and matters the State Treasurer
10 determines are desirable in connection with issuance, incurrence, carrying,
11 or securing of bonds or notes. The State Treasurer is authorized to employ
12 and designate any financial consultants, underwriters, and bond attorneys to
13 be associated with any bond or note issue under this section as the State
14 Treasurer considers necessary.

15 **SECTION #.(h) Variable Rate Demand Bonds and Notes.** – In fixing the details of
16 bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

- 17 (1) Be made payable from time to time on demand or tender for purchase by the
18 owner, if a credit facility supports the bonds or notes, unless the State
19 Treasurer specifically determines that a credit facility is not required upon a
20 finding and determination by the State Treasurer that the absence of a credit
21 facility will not materially and adversely affect the financial position of the
22 State and the marketing of the bonds or notes at a reasonable interest cost to
23 the State;
24 (2) Be additionally supported by a credit facility;
25 (3) Be made subject to redemption or a mandatory tender for purchase prior to
26 maturity;
27 (4) Bear interest at a rate or rates that may vary for any period of time, as may
28 be provided in the proceedings providing for the issuance of the bonds or
29 notes, including, without limitation, such variations as may be permitted
30 pursuant to a par formula; and
31 (5) Be made the subject of a remarketing agreement whereby an attempt is made
32 to remarket bonds or notes to new purchasers prior to their presentment for
33 payment to the provider of the credit facility or to the State.

34 If the aggregate principal amount payable by the State under a credit facility is in
35 excess of the aggregate principal amount of bonds or notes secured by the credit facility,
36 whether as a result of the inclusion in the credit facility of a provision for the payment of
37 interest for a limited period of time or the payment of a redemption premium or for any other
38 reason, then the amount of authorized but unissued bonds or notes during the term of such
39 credit facility shall not be less than the amount of such excess, unless the payment of such
40 excess is otherwise provided for by agreement of the State executed by the State Treasurer.

41 **SECTION #.(i) Interpretation of Section.** –

- 42 (1) Additional method. – The foregoing subsections of this section shall be
43 deemed to provide an additional and alternative method for the doing of the
44 things authorized under it and shall be regarded as supplemental and
45 additional to powers conferred by other laws and shall not be regarded as in
46 derogation of any powers now existing.
47 (2) Statutory references. – References in this section to specific sections or
48 Chapters of the General Statutes or to specific acts are intended to be
49 references to such sections, Chapters, or acts as they may be amended from
50 time to time by the General Assembly.

- 1 (3) Broad construction. – This section, being necessary for the health and
2 welfare of the people of the State, shall be broadly construed to effect the
3 purposes thereof.
- 4 (4) Inconsistent provisions. – Insofar as the provisions of this section are
5 inconsistent with the provisions of any general, special, or local laws, or
6 parts thereof, the provisions of this section shall be controlling.
- 7 (5) Severability. – If any provision of this section or the application thereof to
8 any person or circumstance is held invalid, such invalidity shall not affect
9 other provisions or applications of the section which can be given effect
10 without the invalid provision or application, and to this end the provisions of
11 this section are declared to be severable.

12 **SECTION #.(j)** The State, upon the direction of the Director of the Budget, may
13 finance with the proceeds of special indebtedness the capital facility costs of a project set forth
14 in subsection (f) of this section, approved for financing with proceeds of bonds authorized
15 pursuant to this section. If the financing is to be provided by special indebtedness, then such
16 indebtedness may be issued or incurred before the enactment of this act or during or beyond the
17 fiscal biennium ending June 30, 2017. The total amount of financing for a project from special
18 indebtedness and the proceeds of two-thirds bonds issued pursuant to this section shall not
19 exceed the applicable amount set forth in subsection (f) of this section.

20 **SECTION #.(k)** This section is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H15-P

Capital
House Appropriations, Capital

Requested by: Representative

DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA

SECTION #. Chapter 116D of the General Statutes is amended by adding a new Article to read:

"Article 5.
"Managing Debt Capacity.

"§ 116D-55. Purpose.

The purpose of this Article is to provide tools for sound debt management at The University of North Carolina by requiring each constituent institution to conduct an annual debt affordability study, by requiring the establishment of guidelines for maintaining prudent debt levels, and by establishing a system for prioritizing University capital needs when the needs exceed the University's capacity for new debt.

"§ 116D-56. Debt affordability study required.

(a) Study Required. – The Board of Governors shall annually advise the Governor and the General Assembly on the estimated debt capacity of The University of North Carolina for the upcoming five fiscal years. The Board shall oversee the undertaking of an annual debt affordability study and the establishment of guidelines for evaluating the University's debt burden. The guidelines should include target and ceiling ratios of debt to obligated resources and target and floor percentages for the five-year payout ratio. The Board shall also recommend any other debt management policies it considers desirable and consistent with sound management of the University's debt.

(b) Board of Governors Reporting Required. – The Board shall report its findings and recommendations to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the State Treasurer, and The University of North Carolina General Administration by February 1 of each year. The report shall be accompanied by each of the reports provided to the Board pursuant to subsection (c) of this section.

(c) Constituent Institution Reporting Required. – No later than November 1 of each year, each constituent institution shall report to the Board of Governors on its current and anticipated debt levels. The report shall be made in a uniform format to be prescribed by the Board of Governors. Each report shall include at least the following:

- (1) The amount and type of outstanding debt of the institution.
- (2) The sources of repayment of the debt.
- (3) The amount of debt that the institution plans to issue or incur during the next five years.
- (4) A description of projects financed with the debt.
- (5) The current bond rating of the institution and information about any changes to that bond rating since the last report was submitted.
- (6) Information about the constituent institution's debt management policies and any recommendations for methods to maintain or improve the University's bond rating.

- 1 (7) Debt burden comparisons to comparable peer institutions.
2 (8) Any other information requested by the Board of Governors.
3 (d) Definitions. – The following definitions apply in this section:
4 (1) Debt. – Debt incurred under this Chapter or any other debt that will be
5 serviced with funds available to the institutions from gifts, grants, receipts,
6 Medicare reimbursements for education costs, hospital receipts from patient
7 care, or other funds, or any combination of these funds, but not including
8 debt that will be serviced with funds appropriated from the General Fund of
9 the State.
10 (2) Obligated resources. – As defined in G.S. 116D-22."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H16-P

Capital
House Appropriations, Capital

Requested by: Representative

***AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND
RENOVATIONS PROJECTS WITH FUNDS AVAILABLE***

SECTION #.(a) Notwithstanding G.S. 143C-8-7, a State agency may undertake repairs and renovations projects so long as each project satisfies the following requirements:

- (1) Total project costs do not exceed three hundred thousand dollars (\$300,000).
- (2) The project satisfies the requirements of G.S. 143C-4-3(b).
- (3) The project is paid for with funds available to the agency.

SECTION #.(b) Projects undertaken pursuant to this section shall be reported to the Fiscal Research Division on a quarterly basis. A report under this subsection shall include information about all of the following for each project:

- (1) The facility at which the project is being undertaken.
- (2) The nature and scope of the project.
- (3) The source of funds for the project.
- (4) The category of projects set forth in G.S. 143C-4-3(b) that the project falls within.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H17-P

Capital
House Appropriations, Capital

Requested by: Representative

ADVANCE PLANNING/NEW SCHOOL OF SCIENCE AND MATHEMATICS

SECTION #.(a) Having considered the study conducted by the Board of Governors, the North Carolina School of Science and Mathematics and the Department of Public Instruction on the feasibility for a western campus of the North Carolina School of Science and Mathematics (School of Science and Math), the General Assembly finds that a western School of Science and Math located on the campus of the North Carolina School for the Deaf, vacated Broughton Hospital, or other State property adjacent to one of those tracts shall be established. The General Assembly further finds that the establishment of a western School of Science and Math at that location would be beneficial to the economic growth and workforce preparedness in western North Carolina and would extend the opportunity for the unique study experience provided by the School of Science and Math to a significant number of additional students with excellent academic records.

SECTION #.(b) No later than June 30, 2016, the Board of Governors shall do the following:

- (1) Determine the most appropriate location on any of the State property that is described in subsection (a) of this section, including the repurposing of property.
- (2) Begin advanced planning for the facility.

SECTION #.(c) The School of Science and Math shall consider opportunities to share services (such as maintenance) that may be available with any other State entity that is on, adjacent to, or near the property.

SECTION #.(d) The General Assembly authorizes advance planning of the western School of Science and Math to be funded at a maximum cost of two million four hundred thousand dollars (\$2,400,000) in accordance with this section. The sum of one million six hundred thousand dollars (\$1,600,000) allocated for this purpose in Section # of this act shall be used for this purpose. The remainder shall be funded by a non-State entity or combination of non-State entities.

SECTION #.(e) The Board of Governors and the School of Science and Math shall report to the Joint Legislative Education Oversight Committee regarding the progress on site selection and advanced planning for the western School of Science and Math by January 30, 2016.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-CAP-H18-P

Capital
House Appropriations, Capital

Requested by: Representative

CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS

SECTION #.(a) Article 29 of Chapter 120 of the General Statutes is amended by adding three new sections to read:

"§ 120-261. Creation and membership of Joint Legislative Oversight Committee on Capital Improvements.

The Joint Legislative Oversight Committee on Capital Improvements is established. The Committee consists of 16 members as follows:

- (1) Eight members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (2) Eight members of the Senate appointed by the President Pro Tempore of the Senate.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 2017 General Assembly. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-262. Purpose and powers of the Committee.

(a) The Joint Legislative Oversight Committee on Capital Improvements shall have the power to do all of the following:

- (1) Examine, on a continuing basis, capital improvements requested by, authorized for, and undertaken by or on behalf of State agencies.
- (2) Have oversight over implementation of the six-year capital improvements plan developed pursuant to G.S. 143C-8-5.
- (3) Make recommendations to the General Assembly on ways to improve the planning, financing, design, construction, and maintenance of State capital improvements.
- (4) Make reports and recommendations to the General Assembly regarding which capital improvements requested by State agencies should be authorized and how they should be funded.

(5) Examine any other topic the Committee believes to be related to its purpose.
(b) As used in this section, the term "capital improvement" shall have the same meaning as in G.S. 143C-1-1.

"§ 120-263. Organization of Committee.

1 (a) The President Pro Tempore of the Senate and the Speaker of the House of
2 Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on
3 Capital Improvements. The Committee shall meet upon the call of the cochairs.

4 (b) A quorum of the Committee is nine members. No action may be taken except by a
5 majority vote at a meeting at which a quorum is present. While in the discharge of its official
6 duties, the Committee has the powers of a joint committee under G.S. 120-19 through
7 G.S. 120-19.4.

8 (c) Members of the Committee receive subsistence and travel expenses as provided in
9 G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance
10 with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services
11 Officer, shall assign professional staff to assist the Committee in its work. Upon the direction
12 of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the
13 House of Representatives shall assign clerical staff to the Committee. The expenses for clerical
14 employees shall be borne by the Committee.

15 (d) The cochairs of the Committee may call upon other knowledgeable persons or
16 experts to assist the Committee in its work."

17 **SECTION #.(b)** G.S. 120-76(9) is repealed.