

NORTH CAROLINA GENERAL ASSEMBLY
1963 SESSION

CHAPTER 757
HOUSE BILL 905

1 AN ACT TO CREATE THE NORTH CAROLINA TURNPIKE AUTHORITY TO
2 EMPOWER THE AUTHORITY TO CONSTRUCT, MAINTAIN AND OPERATE TOLL
3 ROADS AND TO PROVIDE FOR THE . PAYMENT OF THE COST OF SAME BY THE
4 ISSUANCE OF REVENUE BONDS.

5
6 The General Assembly of North Carolina do enact:
7

8 **Section 1.** Turnpike Projects. In order to provide for the construction of modern
9 highways and express highways or superhighways embodying safety devices, including center
10 division, ample shoulder widths long-sight distances, multiple lanes in each direction and grade
11 separation at intersections with other highways and railroads, and thereby facilitate vehicular
12 traffic, provide better connections between the highway system of North Carolina and the
13 highway systems of the adjoining states remove many of the present handicaps and hazards on
14 the congested highways in the State and promote the agricultural and industrial development of
15 the State the North Carolina Turnpike Authority (hereinafter created), is hereby authorized and
16 empowered to construct, maintain, repair and operate turnpike projects (as hereinafter denned),
17 and to issue revenue bonds of the Authority, payable solely from revenues, to finance such
18 projects.

19 **Sec. 2.** Credit of State not Pledged. Revenue bonds issued under the provisions of
20 the Article shall not be deemed to constitute a debt of the State or of any political subdivision
21 thereof or a pledge of the faith and credit of the State or of any such political subdivision, but
22 all such bonds shall be payable solely from the funds herein provided therefor from revenues.
23 All such revenue bonds shall contain on the face thereof a statement to the effect that neither
24 the State nor the Authority shall be obligated to pay the same or the interest thereon except
25 from revenues of the project or projects for which they are issued and that neither the faith and
26 credit nor the taxing power of the State or of any political subdivision thereof is pledged to the
27 payment of the principal of or the interest on such bonds.

28 All expenses incurred in carrying out the provisions of this Article shall be payable
29 solely from funds provided under the authority of this Article and no liability or obligation shall
30 be incurred by the Authority hereunder beyond the extent to which money shall have been
31 provided under the provision of this Article.

32 **Sec. 3.** North Carolina Turnpike Authority. There is hereby created a body politic
33 and corporate to be known as the "North Carolina Turnpike Authority". The Authority is
34 hereby constituted a public agency, and the exercise by the Authority of the powers conferred
35 by this Article in the construction, operation and maintenance of turnpike projects shall be
36 deemed and held to be the performance of an essential governmental function.

37 The North Carolina Turnpike Authority shall consist of four members, including the
38 Chairman of the State Highway Commission who shall be a member ex officio, and three
39 members appointed by the Governor who shall serve for terms expiring on July 1, 1964, July 1,
40 1965, and July 1, 1966, respectively, the term of each to be designated by the Governor, and
41 until their respective successors shall be duly appointed and qualified. The successor of each of
42 the three appointed members shall be appointed for a term of four (4) years but any person
43 appointed to fill a vacancy shall be appointed to serve only for the unexpired terms, and a

1 member of the Authority shall be eligible for reappointment. Each appointed member of the
2 Authority may be removed by the Governor for misfeasance, malfeasance, or wilful neglect of
3 duty, but only after reasonable notice and a public hearing, unless the same are in writing
4 expressly waived. Each appointed member of the Authority before entering upon his duties
5 shall take an oath to administer the duties of his office faithfully and impartially, and a record
6 of each oath shall be filed in the office of the Secretary of State.

7 The Authority shall elect one of the appointed members as chairman of the
8 Authority and another as vice-chairman, and shall also elect a secretary-treasurer who need not
9 be a member of the Authority. The chairman, vice-chairman and secretary-treasurer shall serve
10 as such officers at the pleasure of the Authority. Three members of the Authority shall
11 constitute a quorum and the affirmative vote of three members shall be necessary for any action
12 taken by the Authority. No vacancy in the membership of the Authority shall impair the right of
13 a quorum to exercise all the rights and perform all the duties of the Authority.

14 Before the issuance of any turnpike revenue bonds under the provisions of this
15 Article, each member of the Authority shall execute a surety bond in the penal sum of twenty-
16 five thousand dollars (\$25,000.00) and the secretary-treasurer shall execute a surety bond in the
17 penal sum of fifty thousand (\$50,000.00), each such surety bond to be conditioned upon the
18 faithful performance of the duties of his office, to be executed by a surety company authorized
19 to transact business in the State as surety and to be approved by the Attorney General and filed
20 in the office of the Secretary of State.

21 The chairman of the Authority shall receive the sum of fifteen dollars (\$15.00) for
22 each day or part thereof of service, but not exceeding three thousand dollars (\$3,000.00) in any
23 one (1) year. The other appointed members of the Authority shall receive the sum of ten dollars
24 (\$10.00) for each day or part thereof of service, but not exceeding two thousand dollars
25 (\$2,000.00) in any one (1) year. The Chairman of the State Highway Commission shall serve as
26 a member of the Authority without extra compensation for such service. Each member shall be
27 reimbursed for his actual expenses necessarily incurred in the performance of his duties.

28 **Sec. 4.** Definitions. As used in this Article, the following words and terms shall
29 have the following meanings, unless the context shall indicate another or different meaning or
30 intent:

31 (a) The word "Authority" shall mean the North Carolina Turnpike Authority,
32 created by Section 3, or, if said Authority shall be abolished, the board, body or commission
33 succeeding to the principal function thereof or to whom the powers given by this Article to the
34 Authority shall be given by law.

35 (b) The word "project" or the words "turnpike project" shall mean any highway,
36 express highway or superhighway, toll road constructed under the provisions of this Article by
37 the Authority, including all tunnels, overpasses, underpasses, interchanges, entrance places,
38 approaches, toll houses, service stations, and administration, storage and other buildings, and
39 facilities which the Authority may deem necessary for the operation of such project, together
40 with all property, rights, easements, and interests which may be acquired by the Authority for
41 the construction or the operation of such project.

42 (c) The word "cost" as applied to a turnpike project shall embrace the costs of
43 construction, the cost of the acquisition of all land, rights of way, property, rights, easements
44 and interests acquired by the Authority for such construction, the cost of demolishing or
45 removing any buildings or structures on land so acquired, including the costs of acquiring any
46 lands to which such buildings or structures may be moved, the cost of all machinery and
47 equipment, financing charges, interest prior to and during construction and, if deemed
48 advisable by the Authority, for a period not exceeding one (1) year after completion of
49 construction, cost of traffic estimates and of engineering and legal services, plans,
50 specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident
51 to determining the feasibility or practicability of constructing any such project, administrative

1 expense, and such other expense as may be necessary or incident to the construction of the
2 project, the financing of such construction and the placing of the project in operation. Any
3 obligation of expense hereafter incurred by the State Highway Commission with the approval
4 of the Authority for traffic surveys, borings, preparation of plans and specifications, and other
5 engineering services in connection with the construction of a project shall be regarded as a part
6 of the cost of such project and shall be reimbursed to the Commission out of the proceeds of
7 turnpike revenue bonds hereinafter authorized.

8 (d) The words "public highways" shall include all public highways, roads and
9 streets in the State, whether maintained by the State or by any county, city, town or other
10 political subdivision.

11 (e) The word "bonds" or the words "turnpike revenue bonds" shall mean
12 revenue bonds of the Authority authorized under the provisions of this Article.

13 (f) The word "owner" shall include all individuals, copartnerships, associations
14 or corporations having any title or interest in any property, rights, easements and interests
15 authorized to be acquired by this Article.

16 **Sec. 5.** General Grant of Powers. The Authority is hereby authorized and
17 empowered:

18 (a) To adopt bylaws for the regulation of its affairs and the conduct of its
19 business;

20 (b) To adopt an official seal and alter the same at pleasure;

21 (c) To maintain an office at such place or places within the State as it may
22 designate;

23 (d) To sue in its own name, and to enforce by mandamus or other proper legal
24 remedies all legal rights or causes of action of the Authority with other public bodies,
25 corporations, or persons.

26 (e) To construct, maintain, repair and operate turnpike projects at such locations
27 within the State as may be determined by the Authority and approved by the State Highway
28 Commission; provided, further, that no turnpike or toll road shall be constructed or operated in
29 this State unless and until a certificate of approval be first obtained from the State Highway
30 Commission certifying that the operation of such toll road or turnpike will not be harmful or
31 injurious to the secondary or primary roads embraced in the system of State highways;

32 (f) To issue turnpike revenue bonds of the Authority for any of its corporate
33 purposes, payable solely from the tolls and revenues pledged for their payment, and to refund
34 its bonds, all as provided in this Article;

35 (g) To fix and revise from time to time and charge and collect tolls for transit
36 over each turnpike project constructed by it;

37 (h) To establish rules and regulations and ordinances for the use of any such
38 turnpike project;

39 (i) To acquire, hold and dispose of real and personal property in the exercise of
40 its powers and the performance of its duties under this Article;

41 (j) To designate the locations, and establish, limit and control such points of
42 ingress to and egress from each turnpike project as may be necessary or desirable in the
43 judgment of the Authority to insure the proper operation and maintenance of such project, and
44 to prohibit entrance to such project from any point or points not so designated;

45 (k) To make and enter into contracts and operating agreements with similar
46 organizations or agencies of other states and to make and enter into all other contracts and
47 agreements necessary or incidental to the performance of its duties and the execution of its
48 powers under this Article;

49 (l) To employ consulting engineer, attorneys, accountants, construction experts,
50 superintendent, managers, and such other employees and agents as may be necessary in its
51 judgment, and to fix their compensation, and to employ financial experts and fiscal agents with

1 the advice and approval of the Local Government Commission; provided, however, that the
2 provisions of G.S. 159-20 shall be complied with to the extent that the same shall be applicable;

3 (m) To receive and accept from any Federal agency grants for or in aid of the
4 construction of any turnpike project, and to receive and accept aid or contributions from any
5 source of either money, property, labor or other things of value, to be held, used and applied
6 only for the purposes for which such grants and contributions may be made; and

7 (n) To do all acts and things necessary or convenient to carry out the powers
8 expressly granted in this Article.

9 **Sec. 6.** Acquisition of Property. The Authority is hereby authorized and empowered
10 to acquire by purchase, whenever it shall deem such purchase expedient, solely from funds
11 provided under the authority of this Article, such lands, structures, property, rights, rights of
12 way, franchises, easements and other interests in lands which are located within the State, as it
13 may deem necessary or convenient for the construction and operation of any project, upon such
14 terms and at such prices as may be considered by it to be reasonable and can be agreed upon
15 between it and the owner thereof, and to take title thereto in the name of the Authority.

16 Whenever a reasonable price cannot be agreed upon, or whenever the owner is
17 legally incapacitated or is absent, unknown or unable to convey valid title, the Authority is
18 hereby authorized and empowered to acquire by condemnation or by the exercise of the power
19 of eminent domain any lands, property, rights, rights of way, franchises, easements and other
20 property, including public lands or parts thereof or rights therein, of any person, copartnership,
21 association, railroad, public service, public utility or other corporation, municipality or political
22 subdivision, deemed necessary or convenient for the construction or the efficient operation of
23 any project. The amount and size of any lands, property, rights of way, easements and other
24 property to be obtained by the Authority under its exercise of the power of eminent domain
25 shall first be determined and approved by the State Highway Commission. In the exercise of its
26 power of condemnation and eminent domain, the ways, means, methods, and procedure of
27 Article 9 of Chapter 136 of the General Statutes shall be used by the Authority insofar as the
28 same are applicable. The measure of damages as set forth in G.S. 136-112 shall apply to
29 acquisition by the Authority. Title to any property acquired by the Authority shall be taken in
30 the name of the Authority.

31 If the owner, lessee or occupier of any property to be condemned shall refuse to
32 remove his personal property therefrom or give up possession thereof, the Authority may
33 proceed to obtain possession in any manner now or hereafter provided by law.

34 With respect to any railroad property or right of way upon which railroad tracks are
35 located, any powers of condemnation or of eminent domain may be exercised to acquire only
36 an easement interest therein which shall be located either sufficiently far above or sufficiently
37 far below the grade of any railroad track or tracks upon such railroad property so that neither
38 the proposed project nor any part thereof, including any bridges, abutments, columns,
39 supporting structures and appurtenances, nor any traffic upon it shall interfere in any manner
40 with the use, operation or maintenance of the trains, tracks, works or appurtenances or other
41 property of the railroad nor endanger the movement of the trains or traffic upon the tracks of
42 the railroad. Prior to the institution of condemnation proceedings for such easement over or
43 under such railroad property or right of way, plans and specifications of the proposed project
44 showing compliance with the above mentioned above or below grade requirements and
45 showing sufficient and safe plans and specifications of such overhead or undergrade structure
46 and appurtenances shall be submitted to the railroad for examination and approval. If the
47 railroad fails or refuses within thirty (30) days to approve the plans and specifications so
48 submitted, the matter shall be submitted to the North Carolina Utilities Commission whose
49 decision, arrived at after due consideration in accordance with its usual procedure, shall be final
50 as to the sufficiency and safety of such plans and specifications and as to such elevations or
51 distances above or below the tracks. Such overhead or undergrade structure and appurtenances

1 shall be constructed only in accordance with such plans and specifications and in accordance
2 with such elevations or distances above or below the tracks so approved by the railroad or the
3 North Carolina Utilities Commission as the case may be. A copy of the plans and specifications
4 approved by the railroad or the North Carolina Utilities Commission shall be filed as an exhibit
5 with the petition for condemnation.

6 Whenever it shall be found necessary to cross any electric power or telephone or
7 telegraph lines, any powers or condemnation or eminent domain may be exercised only to
8 acquire an easement thereover without any unnecessary interference with the continued use and
9 operation of such lines. The Authority shall pay any and all costs which may be necessary to
10 make such crossings reasonably safe and usable. If the Authority and the owner of such power,
11 telephone or telegraph lines are unable to agree upon the terms and conditions as to the
12 payment of damages and costs involved in such matters, and the way and manner in which such
13 crossings shall be made, this shall be determined by the North Carolina Utilities Commission
14 upon petition filed by the Authority and after notice and hearing as to the other utilities
15 concerned, in accordance with such rules and procedures as may be prescribed by the said
16 Commission Before using such easement as may be acquired by the Authority as herein
17 provided it shall fully comply with such agreement as shall be made by it with any such utility
18 or fully comply with any conditions set forth in the order of condemnation.

19 **Sec. 7. Incidental Powers.** The Authority, with the approval of the State Highway
20 Commission shall have power to construct grade separations at intersections of any turnpike
21 project with public highways and to change and adjust the lines and grades of such highways so
22 as to accommodate the same to the design of such grade separation. The cost of such grade
23 separations and any damage incurred in changing and adjusting the lines and grades of such
24 highways shall be ascertained and paid by the Authority as a part of the cost of such turnpike
25 project.

26 If the Authority shall find it necessary to change the location of any portion of any
27 public highway, it shall cause the same to be reconstructed at such locations as the Authority
28 shall deem most favorable and of substantially the same type and in as good condition as the
29 original highway. The cost of such reconstruction and any damage incurred in changing the
30 location of any such highway shall be ascertained and paid by the Authority as a part of the cost
31 of such turnpike project.

32 Any public highway affected by the construction of any turnpike project may be
33 vacated or relocated by the Authority in the manner now provided by law for the vacation or
34 relocation of public roads, and any damages awarded on account thereof shall be paid by the
35 Authority as a part of the cost of such project; provided where any part of an existing public
36 road is vacated, no charge may be made for the use of such vacated public road where the same
37 becomes a part of a turnpike project.

38 In addition to the foregoing powers the Authority and its authorized agents and
39 employees may enter upon any lands and premises in the State for the purpose of making
40 surveys, soundings, drillings and examinations as they may deem necessary or convenient for
41 the purposes of this Article, and such entry shall not be deemed a trespass, nor shall an entry for
42 such purposes be deemed an entry under any condemnation proceedings which may be then
43 pending. The Authority shall make reimbursement for any actual damage resulting to such
44 lands, waters and premises as a result of such activities, and the owner, or owners, if necessary
45 shall be entitled to proceed under the provisions of Section 136-111 of the General Statutes to
46 recover for such damage.

47 The Authority shall also have power to make reasonable regulations for the
48 installation, construction, maintenance, repair, renewal, relocation, and removal of tracks,
49 pipes, mains, conduits, cables, wires, towers poles and other equipment and appliances (herein
50 called "public utility facilities) of any public utility in, on, along, over or under any turnpike
51 project Whenever the Authority shall determine that it is necessary that any such public utility

1 facility which now is, or hereafter may be, located in, on along, over or under any turnpike
2 project should be relocated in such turnpike project, or should be removed from such turnpike
3 project, the public utility owning or operating such facilities shall relocate or remove the same
4 in accordance with the order of the Authority; provided, however, that the cost and expenses of
5 such relocation or removal, including the cost of installing such facilities in a new location or
6 new locations, and the cost of any lands, or any rights or interests in lands, and any other rights,
7 acquired to accomplish such relocation or removal, shall be ascertained and paid by the
8 Authority as a part of the cost of such turnpike project. In case of any such relocation or
9 removal of facilities, the public utility owning or operating the same, its successors or assigns,
10 may maintain and operate such facilities, with the necessary appurtenances, in the new location
11 or new locations, for as long a period, and upon the same terms and conditions, as it had the
12 right to maintain and operate such facilities in their former location or locations.

13 The State hereby consents to the use of all lands owned by it which are deemed by
14 the Authority to be necessary for the construction or operation of any turnpike project; provided
15 no public property may be used except upon the approval of the State Highway Commission,
16 and with the consent of the Governor and the Council of State acting together.

17 **Sec. 8.** Turnpike Revenue Bonds. The Authority is hereby authorized to provide by
18 resolution, at one time or from time to time, for the issuance of turnpike revenue bonds of the
19 Authority for the purpose of paying all or any part of the cost of any one or more turnpike
20 projects. The principal of and interest on such bonds shall be payable solely from the funds
21 herein provided for such payment. The bonds of each issue shall be dated, shall bear interest at
22 such rate or rates not exceeding six per centum (6%) per annum, shall mature at such time or
23 times not exceeding forty (40) years from their date or dates, as may be determined by the
24 Authority, and may be made redeemable before maturity, at the option of the Authority, at such
25 price or prices and under such terms and conditions as may be fixed by the Authority prior to
26 the issuance of the bonds. The Authority shall determine the form of the bonds, including any
27 interest coupons to be attached thereto and shall fix the denomination or denominations of the
28 bonds and the place or places of payment of principal and interest, which may be at any bank or
29 trust company within or without the State. The bonds shall be signed by the chairman of the
30 Authority or shall bear his facsimile signature, and the official seal of the Authority shall be
31 impressed thereon and attested by the secretary-treasurer of the Authority, and any coupons
32 attached thereto shall bear the facsimile signature of the chairman of the Authority. In case any
33 officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons
34 shall cease to be such officer before the delivery of such bonds, such signature or such
35 facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had
36 remained in office until such delivery. All bonds issued under the provisions of this Article
37 shall have and are hereby declared to have all the qualities and incidents of negotiable
38 instruments under the negotiable instruments law of the State. The bonds may be issued in
39 coupon or in registered form, or both, as the Authority may determine, and provision may be
40 made for the registration of any coupon bonds as to principal alone and also as to both principal
41 and interest, and for the reconversion into coupon bonds of any bonds registered as to both
42 principal and interest.

43 The proceeds of the bonds of each issue shall be used solely for the payment of the
44 cost of the turnpike project or projects for which such bonds shall have been issued, and shall
45 be disbursed in such manner and under such restrictions, if any, as the Authority may provide
46 in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter
47 mentioned securing the same. If the proceeds of the bonds of any issue, by error of estimates or
48 otherwise, shall be less than such cost, additional bonds may in like manner be issued to
49 provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing
50 the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of
51 the same issue and shall be entitled to payment from the same fund without preference or

1 priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such
2 cost, the surplus shall be deposited to the credit of the sinking fund for such bonds.

3 Prior to the preparation of definitive bonds the Authority may, under like
4 restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable
5 for definitive bonds when such bonds shall have been executed and are available for delivery.
6 The Authority may also provide for the replacement of any bonds which shall become
7 mutilated or shall be destroyed or lost.

8 All revenue bonds issued under the provisions of this Article shall be approved and
9 sold by the Local Government Commission in the same manner as municipal bonds are
10 approved and sold by the Local Government Commission, except that the notice of the
11 proposed sale shall be published at least once at least ten (10) days before the date fixed for the
12 receipt of bids in a newspaper having a general circulation in the City of Raleigh and, in the
13 discretion of the Commission, in some other newspaper of general circulation published in the
14 State and in a journal published in New York City devoted primarily to the subject of municipal
15 bonds. If no bid is received, upon such published notice, which is a legal bid and legally
16 acceptable under such notice, the bonds may be sold by private sale at any time within thirty
17 (30) days after the date set for receiving bids given in such notice.

18 The Local Government Commission may sell revenue bonds issued under the
19 provisions of this Article at less than par and accrued interest, but no such sale shall be made at
20 a price so low as to require the payment of interest on the money received therefor at more than
21 six per centum (6%) per annum, computed with relation to the absolute maturity or maturities
22 of the bonds in accordance with standard tables of bond values, excluding, however, from such
23 computation the amount of any premium to be paid on redemption of any such bonds prior to
24 maturity.

25 **Sec. 9.** Trust Agreement. In the discretion of the Authority any bonds issued under
26 the provisions of this Article may be secured by a trust agreement by and between the
27 Authority and a corporate trustee, which may be any trust company or bank having the powers
28 of a trust company within or without the State. Such trust agreement or the resolution providing
29 for the issuance of such bonds may pledge or assign the tolls and other revenues to be received,
30 but shall not convey or mortgage any turnpike project or any part thereof. Such trust agreement
31 or resolution providing for the issuance of such bonds may contain such provisions for
32 protecting and enforcing the rights and remedies of the bondholders as may be reasonable and
33 proper and not in violation of law, including covenants setting forth the duties of the Authority
34 in relation to the acquisition of property and the construction, improvement, maintenance,
35 repair, operation and insurance of the turnpike project or projects in connection with which
36 such bonds shall have been authorized, the rates of toll to be charged, and the custody,
37 safeguarding and application of all moneys. It shall be lawful for any bank or trust company
38 incorporated under the laws of the State which may act as depository of the proceeds of bonds
39 or of revenues to furnish such indemnifying bonds or to pledge such securities as may be
40 required by the Authority. Any such trust agreement may set forth the rights and remedies of
41 the bondholders and of the trustee, and may restrict the individual right of action by
42 bondholders. In addition to the foregoing, any such trust agreement or resolution may contain
43 such other provisions as the Authority may deem reasonable and proper for the security of the
44 bondholders. All expenses incurred in carrying out the provisions of such trust agreement or
45 resolution may be treated as a part of the cost of the operation of the turnpike project or
46 projects.

47 **Sec. 10.** Revenues. The Authority is hereby authorized to fix, revise, charge and
48 collect tolls for the use of each turnpike project and the different parts or sections thereof, and
49 to contract with any person, partnership, association or corporation desiring the use of any part
50 thereof, including the right of way adjoining the paved portion, for placing thereon telephone,
51 telegraph, electric light or power lines, gas stations, garages, stores, hotels, and restaurants, or

1 for any other purpose except for tracks for railroad or railway use, and to fix the terms,
2 conditions, rents and rates of charges for such use; provided that a sufficient number of
3 gasoline stations should be authorized to be established in each service area along any such
4 turnpike project to permit reasonable competition by private business in the public interest.
5 Such tolls shall be so fixed and adjusted in respect to the aggregate of tolls from the turnpike
6 project or projects in connection with which the bonds of any issue shall have been issued as to
7 provide a fund sufficient with other revenues, if any, to pay (a) the cost of maintaining,
8 repairing and operating such turnpike project or projects and (b) the principal of and the interest
9 on such bonds as the same shall become due and payable, and to create reserves for such
10 purposes. Such tolls shall not be subject to supervision or regulation by any other commission,
11 board, bureau or agency of the State. The tolls and all other revenues derived from the turnpike
12 project or projects in connection with which the bonds of any issue shall have been issued,
13 except such part thereof as may be necessary to pay such cost of maintenance, repair and
14 operation and to provide such reserves therefor as may be provided for in the resolution
15 authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set
16 aside at such regular intervals as may be provided in such resolution or such trust agreement in
17 a sinking fund which is hereby pledged to, and charged with, the payment of the principal of
18 and the interest on such bonds as the same shall become due, and the redemption price or the
19 purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be
20 valid and binding from the time when the pledge is made; the tolls or other revenues or other
21 money so pledged and thereafter received by the Authority shall immediately be subject to the
22 lien of such pledge without any physical delivery thereof or further act, and the lien of any such
23 pledge shall be valid and binding as against all parties having claims of any kind in tort,
24 contract or otherwise against the Authority, irrespective of whether such parties have notice
25 thereof. Neither the resolution nor any trust agreement by which a pledge is created need be
26 filed or recorded except in the records of the Authority. The use and disposition of moneys to
27 the credit of such sinking fund shall be subject to the provisions of the resolution authorizing
28 the issuance of such bonds or of such agreement. Except as may otherwise be provided in such
29 resolution or such trust agreement, such sinking fund shall be a fund for all such bonds without
30 distinction or priority of one over another.

31 **Sec. 11.** Trust Funds. All moneys received pursuant to the authority of this Article,
32 whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to
33 be held and applied solely as provided in this Article. The resolution authorizing the bonds of
34 any issue or the trust agreement securing such bonds shall provide that any officer with whom,
35 or any bank or trust company with which such moneys shall be deposited shall act as trustee of
36 such moneys and shall hold and apply the same for the purposes hereof, subject to such
37 regulations as this Article and such resolutions or trust agreements may provide.

38 **Sec. 12.** Remedies. Any holder of bonds issued under the provisions of this Article
39 or any of the coupons appertaining thereto, and the trustee under any trust agreement, except to
40 the extent the rights herein given may be restricted by such trust agreement, may, either at law
41 or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all
42 rights under the laws of the State or granted hereunder or under such trust agreement of the
43 resolution authorizing the issuance of such bonds, and may enforce and compel the
44 performance of all duties required by this Article or by such trust agreement or resolution to be
45 performed by the Authority or by any officer thereof, including the fixing, charging and
46 collecting of tolls.

47 **Sec. 13.** Exemption from Taxation. The exercise of the powers granted by this
48 Article will be in all respects for the benefit of the people of the State, for the increase of their
49 commerce and prosperity, and for the improvement of their health and living conditions, and as
50 the operation and maintenance of turnpike projects by the Authority will constitute the
51 performance of essential governmental functions, the Authority shall not be required to pay any

1 taxes or assessments upon any turnpike project or any property acquired or used by the
2 Authority under the provisions of this Article or upon the income therefrom and any bonds
3 issued under the provisions of this Article, their transfer and the income therefrom (including
4 any profit made on the sale thereof) shall at all times be free from taxation within the State,
5 except inheritance and gift taxes.

6 **Sec. 14.** Miscellaneous. Each turnpike project when constructed and opened to
7 traffic shall be maintained and kept in good condition and repair by the Authority. Each such
8 project shall also be policed and operated by such force of police, tolltakers and other operating
9 employees as the Authority may in its discretion employ.

10 All counties, cities, towns and other political subdivisions and all public agencies
11 and commissions of the State, notwithstanding any contrary provision of law, are hereby
12 authorized and empowered to lease, lend, grant or convey to the Authority at its request upon
13 such terms and conditions as the proper authorities of such counties, cities, towns, political
14 subdivisions, agencies or commissions of the State may deem reasonable and fair and without
15 the necessity for any advertisement, order of court or other action or formality, other than the
16 regular and formal action of the authorities concerned, any real property which may be
17 necessary or convenient to the effectuation of the authorized purposes of the Authority,
18 including public roads and other real property already devoted to public use.

19 On or before the thirtieth day of January in each year the Authority shall make an
20 annual report of its activities for the preceding calendar year to the Governor. Each report shall
21 set forth a complete operating and financial statement covering its operation during the year.
22 The Authority shall cause an audit of its books and accounts to be made at least once in each
23 year by certified public accountants and the cost thereof may be treated as a part of the cost of
24 construction or operation of the project.

25 Any member, agent or employee of the Authority who contracts with the Authority
26 or is interested, either directly or indirectly, in any contract with the Authority or in the sale of
27 any property, either real or personal, to the Authority shall be punished by a fine of not more
28 than one thousand dollars (\$1,000.00) or by imprisonment for not more than one (1) year, or
29 both.

30 **Sec. 15.** Turnpike Revenue Refunding Bonds. The Authority is hereby authorized
31 to provide by resolution for the issuance of turnpike revenue refunding bonds of the Authority
32 for the purpose of refunding any bonds then outstanding which shall have been issued under the
33 provisions of this Article, including the payment of any redemption premium thereon and any
34 interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable
35 by the Authority, for the additional purpose of constructing improvements, extensions, or
36 enlargements of the turnpike project or projects in connection with which the bonds to be
37 refunded shall have been issued. The Authority is further authorized to provide by resolution
38 for the issuance of its turnpike revenue bonds for the combined purpose of (a) refunding any
39 bonds then outstanding which shall have been issued under the provisions of this Article,
40 including the payment of any redemption premiums thereon and any interest accrued or to
41 accrue to the date of redemption of such bonds, and (b) paying all or any part of the cost of any
42 additional turnpike project or projects. The issuance of such bonds, the maturities and other
43 details thereof, the rights of the holders thereof, and the rights, duties and obligations of the
44 Authority in respect of the same, shall be governed by the provisions of this Article insofar as
45 the same may be applicable.

46 **Sec. 16.** Transfer to State. When all bonds issued under the provisions of this
47 Article in connection with any turnpike project or projects and the interest thereon shall have
48 been paid or a sufficient amount for the payment of all such bonds and the interest thereon to
49 the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such
50 project or projects, if then in good condition and repair, shall become part of the State Highway
51 system and shall thereafter be maintained by the State Highway Commission free of tolls;

1 provided, however, that the Authority may thereafter charge tolls for the use of any such
2 project and pledge such tolls to the payment of bonds issued under the provisions of this Article
3 in connection with another turnpike project or projects, but any such pledge of tolls of a
4 turnpike project to the payment of bonds issued in connection with another project or projects
5 shall not be effectual until the principal of and the interest on the bonds issued in connection
6 with the first mentioned project shall have been paid or provision made for their payment.

7 **Sec. 17.** Additional Method. The foregoing Sections of this Article shall be deemed
8 to provide an additional alternative method for the doing of the things authorized thereby, and
9 shall be regarded as supplemental and additional to powers conferred by other laws, and shall
10 not be regarded as in derogation of any powers now existing; provided, however, that the
11 issuance of turnpike revenue bonds or turnpike revenue refunding bonds under the provisions
12 of this Article need not comply with the requirement of any other law applicable to the issuance
13 of bonds.

14 **Sec. 18.** Article Liberally Construed. This Article, being necessary for the welfare
15 of the State and its inhabitants, shall be liberally construed to effect the purposes thereof.

16 **Sec. 18.1.** Limitation of Powers. The Authority herein created shall not construct
17 more than one turnpike project, which project shall not exceed one hundred (100) miles in
18 length, until the General Assembly shall have reviewed the activities of the Authority and shall
19 have by amendment to this Section, specifically authorized the construction of additional
20 projects.

21 **Sec. 19.** All laws and clauses of laws in conflict with this Act are hereby repealed.

22 **Sec. 20.** This Act shall be in full force and effect from and after its ratification.

23 In the General Assembly read three times and ratified, this the 7th day of June,
24 1963.