

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

3

SENATE BILL 440
Second Edition Engrossed 4/24/91
House Committee Substitute Favorable 7/15/92

Short Title: Economic Development Bonds.

(Public)

Sponsors:

Referred to:

April 1, 1991

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CONSTITUTION TO PERMIT THE ISSUANCE OF
LOCAL GOVERNMENT BONDS TO FINANCE THE PUBLIC PORTION OF
URBAN REDEVELOPMENT OR ECONOMIC DEVELOPMENT PROJECTS.

The General Assembly of North Carolina enacts:

Section 1. Article V of the Constitution of North Carolina is amended by
adding a new section to read:

“Sec. 14. Development Financing Bonds. Notwithstanding Section 4 of this Article or any other provision of this Constitution, the General Assembly may enact general laws authorizing any county, city, or town to define territorial areas in the county, city, or town and borrow money, without need of voter approval, to be used to finance public improvements in support of private development projects within the territorial areas, as provided in this section. The land area within all territorial areas defined by a city, county, or town for purposes of this section shall not exceed five percent (5%) of its total nonfederal land area. The General Assembly shall set forth by statute the means for determining the size of the territorial area and the issuing unit. Such method shall be deemed to be conclusive. As used in this section, the term ‘public improvements’ means parking facilities, sanitary sewer systems, storm sewers and flood control facilities, water systems, railroad corridors, electric systems, gas systems, streets, sidewalks, telephone systems or facilities, and public transportation facilities excluding airport facilities. When a territorial area is defined pursuant to this section, the current assessed value of taxable real and personal property in the area shall be

1 determined. Thereafter, property in the territorial area continues to be subject to
2 taxation to the same extent and in like manner as property not in the territorial area, but
3 the net proceeds of taxes levied on the excess, if any, of the assessed value of taxable
4 real and personal property in the area at the time the taxes are levied over the assessed
5 value of taxable real and personal property in the area at the time the area was defined
6 may be set aside. The bonds shall be secured by these set-aside proceeds. The General
7 Assembly may authorize a county, city, or town issuing these bonds to add as additional
8 security to the bonds, revenues available to the issuing unit from sources other than the
9 issuing unit's exercise of its taxing power. The county, city, or town may not pledge
10 any property tax revenues other than the set-aside proceeds authorized herein, or in any
11 other manner pledge its full faith and credit unless a vote of the people is held as
12 required by and in compliance with the requirements of Section 4 of this Article."

13 Sec. 2. The amendment set out in Section 1 of this act shall be submitted to
14 the qualified voters of the State for their ratification or rejection in a referendum to be
15 held on November 3, 1992. At that referendum, each qualified voter desiring to vote
16 shall be provided a ballot on which shall be printed the following:

17 " FOR Constitutional amendment permitting the General Assembly to
18 enact general laws permitting issuance of bonds without a referendum
19 to finance public improvements in support of private development
20 projects, with the bonds to be secured in whole or in part by the
21 additional revenues from taxes levied on the incremental value of the
22 property in the territorial area. Only the following public
23 improvements may be financed with such bonds: parking facilities,
24 sanitary sewer systems, storm sewers and flood control systems, water
25 systems, railroad corridors, electric systems, gas systems, streets and
26 sidewalks, telephone systems, and public transportation facilities
27 excluding airport facilities.

28 AGAINST Constitutional amendment permitting the General
29 Assembly to enact general laws permitting issuance of bonds without a
30 referendum to finance public improvements in support of private
31 development projects, with the bonds to be secured in whole or in part
32 by the additional revenues from taxes levied on the incremental value
33 of the property in the territorial area. Only the following public
34 improvements may be financed with such bonds: parking facilities,
35 sanitary sewer systems, storm sewers and flood control systems, water
36 systems, railroad corridors, electric systems, gas systems, streets and
37 sidewalks, telephone systems, and public transportation facilities
38 excluding airport facilities."

39 Those qualified voters favoring the amendment shall vote by making an
40 "X" or a check mark in the square beside the statement beginning "FOR", and those
41 qualified voters opposed to the amendment shall vote by making an "X" or a check mark
42 in the square beside the statement beginning "AGAINST".

1 Notwithstanding the foregoing provisions of this section, voting machines
2 may be used in accordance with rules and regulations prescribed by the State Board of
3 Elections.

4 Sec. 3. If a majority of votes cast thereon are in favor of the amendment, the
5 State Board of Elections shall certify the amendment to the Secretary of State, who shall
6 enroll the amendment so certified among the permanent records of the Office of the
7 Secretary of State. The amendment shall become effective upon this certification.

8 Sec. 4. This act is effective upon ratification.