

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 783

Select Committee on Bonds Committee Substitute Adopted 5/3/93

Short Title: Comm. College Revolving Loan Fund.

(Public)

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Sponsors:

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Referred to: Appropriations.

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April 8, 1993

A BILL TO BE ENTITLED

AN ACT TO CREATE A COMMUNITY COLLEGE EQUIPMENT REVOLVING  
LOAN FUND AND TO APPROPRIATE SIXTY MILLION DOLLARS TO THE  
FUND.

The General Assembly of North Carolina enacts:

Section 1. Chapter 115D of the General Statutes is amended by adding a new section to read:

**"§ 115D-41. Community College Equipment Revolving Loan Fund.**

(a) Creation and Purpose. – The Community College Equipment Revolving Loan Fund is established as a special revenue fund within the Department of Community Colleges. The Fund shall consist of money appropriated to it by the General Assembly, interest and other investment income earned by it, and any other funds made available to it. The cash available in the Fund may be used only to make loans to community colleges to purchase instructional equipment. The State Board shall administer the Fund. It may loan up to seventy-five percent (75%) of the unencumbered cash balance in the Fund on the first day of the fiscal year during that fiscal year.

(b) Application. – A community college may submit an application to the State Board for a loan from the Community College Equipment Revolving Loan Fund. Two or more community colleges may submit a joint application for instructional equipment to be used jointly by them in offering a regional program. An application must include all of the following:

(1) A description of the instructional equipment for which the application is submitted.

1           (2) An explanation of why the instructional equipment is needed to enable  
2           the community college to offer a curriculum or literacy program  
3           approved by the State Board and the benefits the community college  
4           expects to derive from the instructional equipment.

5           (3) The amount of the loan requested.

6           (4) Any other information needed by the State Board to enable it to make  
7           a decision on the application.

8           (c) Selection. – The State Board must select the applications that are to receive  
9           loans from the Community College Equipment Revolving Loan Fund based on the  
10          estimated needs of the various community colleges throughout the State. The State  
11          Board must give priority to loans for instructional equipment to be used in a regional  
12          program and to instructional equipment to be used in programs with high or critical  
13          occupational demands.

14          (d) Terms. – The State Board shall establish the terms and conditions of the  
15          revolving loans with the assistance of the State Treasurer. The interest rate shall be the  
16          same as the percentage increase of the current year's Consumer Price Index over the  
17          previous year's Consumer Price Index. A loan to two or more community colleges shall  
18          establish each community college's liability. The board of trustees of a community  
19          college entering into a loan under this section is authorized to adopt resolutions and  
20          execute agreements to evidence the loan, including the source of payment for repayment  
21          of the loan. A community college may repay a loan from the proceeds of appropriations  
22          made by the General Assembly for the purchase of equipment. The State Board is  
23          authorized to withhold State funds from a community college that fails to repay its loan  
24          in accordance with the terms of the loan. A community college that receives a loan  
25          under this section may not transfer funds from its equipment allocation during the  
26          period of the loan except to facilitate the repayment of a loan made under the provisions  
27          of this section."

28                Sec. 2. There is appropriated from the General Fund to the Department of  
29                Community Colleges for the Community College Equipment Revolving Loan Fund,  
30                established by this act, the sum of sixty million dollars (\$60,000,000) for the 1993-94  
31                fiscal year. Notwithstanding G.S. 115D-41, as enacted by this act, the State Board of  
32                Community Colleges may loan up to seventy-five percent (75%) of the amount  
33                appropriated to the Fund during the 1993-94 fiscal year.

34                Sec. 3. This act becomes effective July 1, 1993.