

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 750

Short Title: Exempt GAP Funding from Equity Formula. (Public)

Sponsors: Senators Clodfelter; Stein and Stevens.

Referred to: Finance.

March 24, 2009

A BILL TO BE ENTITLED

AN ACT TO EXEMPT TRANSFERS OF FUNDS FROM THE HIGHWAY TRUST FUND
TO THE NORTH CAROLINA TURNPIKE AUTHORITY TO BE USED FOR DEBT
SERVICE ON BONDS ISSUED TO BUILD TURNPIKE PROJECTS FROM THE
EQUITY FORMULA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-176(b2) reads as rewritten:

"(b2) **(Effective until July 1, 2009)** There is annually appropriated to the North Carolina Turnpike Authority from the Highway Trust Fund the sum of twenty-five million dollars (\$25,000,000) to be used to service debt on bonds issued for the construction of the Triangle Expressway. The amounts appropriated to the Authority pursuant to this subsection shall be used by the Authority to pay debt service or related financing costs and expenses on revenue bonds or notes issued by the Authority to finance the costs of one or more Turnpike Projects, to refund such bonds or notes, or to fund debt service reserves, operating reserves, and similar reserves in connection therewith. The appropriations established by this subsection constitute an agreement by the State to pay the funds appropriated hereby to the Authority within the meaning of G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that the enactment of this provision and the issuance of bonds or notes by the Authority in reliance thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of the State, and nothing contained herein shall prohibit the General Assembly from amending the appropriations set forth in this act at any time to decrease or eliminate the amount annually appropriated to the Authority. Funds transferred from the Highway Trust Fund to the Authority pursuant to this section shall not be subject to the equity formula.

(b2) **(Effective July 1, 2009, until July 1, 2010)** There is annually appropriated to the North Carolina Turnpike Authority from the Highway Trust Fund the sum of sixty-four million dollars (\$64,000,000). Of the amount allocated by this subsection, twenty-five million dollars (\$25,000,000) shall be used to pay debt service or related financing costs and expenses on revenue bonds or notes issued for the construction of the Triangle Expressway, twenty-four million dollars (\$24,000,000) shall be used to pay debt service or related financing expenses on revenue bonds or notes issued for the construction of the Monroe Connector/Bypass, and fifteen million dollars (\$15,000,000) shall be used to pay debt service or related financing expenses on revenue bonds or notes issued for the construction of the Mid-Currituck Bridge. The amounts appropriated to the Authority pursuant to this subsection shall be used by the Authority to pay debt service or related financing costs and expenses on revenue bonds or notes issued by the Authority to finance the costs of one or more Turnpike Projects, to refund such bonds or notes, or to fund debt service reserves, operating reserves, and similar reserves in



1 connection therewith. The appropriations established by this subsection constitute an agreement
2 by the State to pay the funds appropriated hereby to the Authority within the meaning of
3 G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that
4 the enactment of this provision and the issuance of bonds or notes by the Authority in reliance
5 thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of
6 the State, and nothing contained herein shall prohibit the General Assembly from amending the
7 appropriations set forth in this act at any time to decrease or eliminate the amount annually
8 appropriated to the Authority. Funds transferred from the Highway Trust Fund to the Authority
9 pursuant to this section shall not be subject to the equity formula.

10 (b2) **(Effective July 1, 2010)** There is annually appropriated to the North Carolina
11 Turnpike Authority from the Highway Trust Fund the sum of ninety-nine million dollars
12 (\$99,000,000). Of the amount allocated by this subsection, twenty-five million dollars
13 (\$25,000,000) shall be used to pay debt service or related financing costs and expenses on
14 revenue bonds or notes issued for the construction of the Triangle Expressway, twenty-four
15 million dollars (\$24,000,000) shall be used to pay debt service or related financing expenses on
16 revenue bonds or notes issued for the construction of the Monroe Connector/Bypass, fifteen
17 million dollars (\$15,000,000) shall be used to pay debt service or related financing expenses on
18 revenue bonds or notes issued for the construction of the Mid-Currituck Bridge, and thirty-five
19 million dollars (\$35,000,000) shall be used to pay debt service or related financing expenses on
20 revenue bonds or notes issued for the construction of the Garden Parkway. The amounts
21 appropriated to the Authority pursuant to this subsection shall be used by the Authority to pay
22 debt service or related financing costs and expenses on revenue bonds or notes issued by the
23 Authority to finance the costs of one or more Turnpike Projects, to refund such bonds or notes,
24 or to fund debt service reserves, operating reserves, and similar reserves in connection
25 therewith. The appropriations established by this subsection constitute an agreement by the
26 State to pay the funds appropriated hereby to the Authority within the meaning of
27 G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that
28 the enactment of this provision and the issuance of bonds or notes by the Authority in reliance
29 thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of
30 the State, and nothing contained herein shall prohibit the General Assembly from amending the
31 appropriations set forth in this act at any time to decrease or eliminate the amount annually
32 appropriated to the Authority. Funds transferred from the Highway Trust Fund to the Authority
33 pursuant to this section shall not be subject to the equity formula."

34 **SECTION 2.** This act is effective when it becomes law.