

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 960

Short Title: Local Gov't Contracts.

(Public)

Sponsors: Representative R. Hunter.

Referred to: Government.

March 30, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW CONCERNING THE PURCHASE OF MONEY
SECURITY INTERESTS BY CITIES AND TOWNS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 160A-20 reads as rewritten:

"§ 160A-20. ~~Purchase money security~~ Security interests.

(a) Cities, counties, and water and sewer authorities created under Article 1 of Chapter 162A of the General Statutes may purchase or finance the purchase of real or personal property by installment contracts which create in the property purchased a security interest to secure payment of the purchase money. price to the seller or to an individual or entity advancing moneys or supplying financing for the purchase transaction.

(b) Cities and counties are authorized to finance the construction or repair of fixtures or improvements on real property by contracts which create in the fixtures or improvements, or in all or some portion of the property on which the fixtures or improvements are located, or in both, a security interest to secure repayment of moneys advanced or made available for such construction or repair.

(c) Cities and counties are authorized to use escrow accounts in connection with the advance funding of transactions authorized by subsections (a) and (b).

(d) A contract entered into under this section is subject to the applicable provisions of Article 8 of Chapter 159 of the General Statutes. No deficiency judgment may be rendered against any city, county, or water and sewer authority created under Article 1 of Chapter 162A of the General Statutes in any action for breach of a contractual obligation authorized by this section, and the taxing power of a city or

1 county is not and may not be pledged directly or indirectly to secure any moneys due to
2 ~~the seller, under a contract authorized by this section.~~ Any contract made or entered into
3 by a city or county before ~~June 1, 1979, ratification of this act,~~ which would have been
4 valid hereunder is hereby validated, ratified and confirmed."

5 Sec. 2. This act is effective upon ratification.