

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-428
SENATE BILL 884

AN ACT AUTHORIZING THE DEPARTMENT OF TRANSPORTATION TO
ESTABLISH A STATE INFRASTRUCTURE BANK.

Whereas, the General Assembly finds that the improvement, rehabilitation, expansion, and construction of transportation facilities by governmental units contribute to the economic welfare of the State by enhancing economic development, providing employment opportunities, and improving transportation systems; and

Whereas, additional financial assistance is required to support the improvement, rehabilitation, expansion, and construction of transportation facilities by governmental units; and

Whereas, the Federal Intermodal Transportation Efficiency Act of 1991, Pub. L. No. 102-240, as amended, and the National Highway System Designation Act of 1995, Pub. L. 104-59, as amended, make federal funds available to provide such financial assistance through infrastructure banking programs; and

Whereas, the General Assembly finds it to be in the State's best interest to utilize available federal funds to assist governmental units in the improvement, rehabilitation, expansion, and construction of transportation facilities through the establishment of a State infrastructure banking program within the Department of Transportation; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. G.S. 136-18 is amended by adding a new subdivision to read:

"(12a) The Department of Transportation shall have such powers as are necessary to establish, administer, and receive federal funds for a transportation infrastructure banking program as authorized by the Intermodal Surface Transportation Efficiency Act of 1991, Pub. L. 102-240, as amended, and the National Highway System Designation Act of 1995, Pub. L. 104-59, as amended. The Department of Transportation is authorized to apply for, receive, administer, and comply with all conditions and requirements related to federal financial assistance necessary to fund the infrastructure banking program. The infrastructure banking program established by the Department of Transportation may utilize federal and available State funds for the purpose of providing loans or other financial assistance to governmental units, including toll authorities, to finance the costs of

transportation projects authorized by the above federal aid acts. Such loans or other financial assistance shall be subject to repayment and conditioned upon the establishment of such security and the payment of such fees and interest rates as the Department of Transportation may deem necessary. The Department of Transportation is authorized to apply a municipality's share of funds allocated under G.S. 136-41.1 or G.S. 136-44.20 as necessary to ensure repayment of funds advanced under the infrastructure banking program. The Department of Transportation shall establish jointly, with the State Treasurer, a separate infrastructure banking account with necessary fiscal controls and accounting procedures. Funds credited to this account shall not revert, and interest and other investment income shall accrue to the account and may be used to provide loans and other financial assistance as provided under this subdivision. The Department of Transportation may establish such rules and policies as are necessary to establish and administer the infrastructure banking program. The infrastructure banking program authorized under this subdivision shall not modify the regional distribution formula for the distribution of funds established by G.S. 136-17.2A. Governmental units may apply for loans and execute debt instruments payable to the State in order to obtain loans or other financial assistance provided for in this subdivision. The Department of Transportation shall require that applicants shall pledge as security for such obligations revenues derived from operation of the benefited facilities or systems, other sources of revenue, or their faith and credit, or any combination thereof. The faith and credit of such governmental units shall not be pledged or be deemed to have been pledged unless the requirements of Article 4, Chapter 159 of the General Statutes have been met. The State Treasurer, with the assistance of the Local Government Commission, shall develop and adopt appropriate debt instruments for use under this subdivision. The Local Government Commission shall develop and adopt appropriate procedures for the delivery of debt instruments to the State without any public bidding therefor. The Local Government Commission shall review and approve proposed loans to applicants pursuant to this subdivision under the provisions of Articles 4 and 5, Chapter 159 of the General Statutes, as if the issuance of bonds was proposed, so far as those provisions are applicable. Loans authorized by this subdivision shall be outstanding debt for the purpose of Article 10, Chapter 159 of the General Statutes."

Section 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 12th day of August, 1997.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 2:23 p.m. this 22nd day of August, 1997