

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1549*

Short Title: UNC Millennial Campuses.

(Public)

Sponsors: Senator Odom.

Referred to: Education/Higher Education.

May 30, 2000

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CREATION OF MILLENNIAL CAMPUSES AT THE
CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. The catch line of G.S. 116-36.5 reads as rewritten:

**"§ 116-36.5. Centennial Campus trust fund; Horace Williams Campus trust fund.
fund; Millennial Campuses' trust funds."**

Section 2. G.S. 116-36.5 is amended by adding a new subsection to read:

"(c) All moneys received through development of a Millennial Campus of a
constituent institution of The University of North Carolina as defined by G.S. 116-
198.33(4b), from whatever source, including the net proceeds from the lease or rental of
real property on a Millennial Campus, shall be placed in a special, continuing, and
nonreverting trust fund having the sole and exclusive use for further development of that
Millennial Campus, including its operational development. This fund shall be treated in
the manner of institutional trust funds as provided in G.S. 116-36.1. This fund shall be
deemed an additional and alternative method of funding the Millennial Campus and not
an exclusive one. To the extent that any general, special, or local law is inconsistent with
this section, it is declared inapplicable to this section."

Section 3. The title of Article 21B of the General Statutes reads as rewritten:

- 1 (4) The term 'Centennial Campus' means all of the following properties:
2 a. The real property and appurtenant facilities bounded by Blue
3 Ridge Road, Hillsborough Street, Wade Avenue, and Interstate
4 440 that are the sites of the College of Veterinary Medicine, the
5 University Club, and the Agricultural Turf Grass Management
6 Program.
7 b. The real property and appurtenant facilities that are the former
8 Dix Hospital properties and other contiguous parcels of property
9 that are adjacent to Centennial Boulevard.
10 c. All other real property and appurtenant facilities designated by
11 the Board of Governors as part of the Centennial Campus. The
12 properties designated by the Board of Governors do not have to
13 be contiguous with the Centennial Campus to be designated as
14 part of that Campus.
- 15 (4a) The term 'Horace Williams Campus' means all of the following
16 properties:
17 a. The real property and appurtenant facilities left to the University
18 of North Carolina at Chapel Hill by the Will of Henry Horace
19 Williams.
20 b. All other real property and appurtenant facilities designated by
21 the Board of Governors as part of the Horace Williams Campus.
22 The properties designated by the Board of Governors do not have
23 to be contiguous with the Horace Williams Campus to be
24 designated as part of that Campus.
- 25 (4b) The term 'Millennial Campus' means all real property and appurtenant
26 facilities designated by the Board of Governors as part of a Millennial
27 Campus of a constituent institution of The University of North Carolina
28 other than North Carolina State University or the University of North
29 Carolina at Chapel Hill. The properties designated by the Board of
30 Governors do not have to be contiguous with the constituent institution
31 to be designated as part of the institution's Millennial Campus.
- 32 (5) The term 'existing facilities' shall mean buildings and facilities, then
33 existing, any part of the revenues of which are pledged under the
34 provisions of any resolution authorizing the issuance of revenue bonds
35 hereunder to the payment of such bonds.
- 36 (6) The word 'project' shall mean and shall include any one or more
37 buildings, structures, administration buildings, libraries, research or
38 instructional facilities, housing maintenance, storage, or utility facilities,
39 and any facilities related thereto or required or useful for conducting of
40 research or the operation of the Centennial ~~Campus~~ ~~or Campus~~, the
41 Horace Williams Campus, or of a Millennial Campus as defined by G.S.
42 116-198.33(4b), including roads, water, sewer, power, gas, greenways,
43 parking, or any other support facilities essential or convenient for the

1 orderly conduct of the Centennial ~~Campus or Campus,~~ the Horace
2 Williams ~~Campus-Campus,~~ or a Millennial Campus, respectively.

- 3 (7) The word 'revenues' shall mean all or any part of the rents, leases,
4 charges, fees, and other income revenues derived from or in connection
5 with any project or projects and existing facilities."

6 Section 6. G.S. 116-198.34 reads as rewritten:

7 **"§ 116-198.34. General powers of Board of Governors.**

8 The Board may exercise any one or more of the following powers:

- 9 (1) To determine the location and character of any project or projects, and
10 to acquire, construct, and provide the same, and to maintain, repair, and
11 operate, and to enter into contracts for the management, lease, use, or
12 operation of all or any portion of any project or projects and any
13 existing facilities.
14 (2) To issue revenue bonds as hereinafter provided to pay all or any part of
15 the cost of any project or projects, and to fund or refund the same.
16 (3) To fix and revise from time to time and charge and collect rates, fees,
17 rents, and charges for the use of, and for the services furnished by, all or
18 any portion of any project or projects.
19 (4) To establish and enforce, and to agree through any resolution or trust
20 agreement authorizing or securing bonds under this Article to make and
21 enforce, rules and regulations for the use of and services rendered by
22 any project or projects and any existing facilities, to provide for the
23 maximum use of any project or projects and any existing facilities.
24 (5) To acquire, hold, lease, and dispose of real and personal property in the
25 exercise of its powers and the performance of its duties hereunder and to
26 lease all or any part of any project or projects and any existing facilities
27 upon such terms and conditions as the Board determines, subject to the
28 provisions of G.S. 143-341 and Chapter 146 of the General Statutes.

29 Notwithstanding G.S. 143-341 and Chapter 146 of the General
30 Statutes, a disposition by easement, lease, or rental agreement of space
31 in any building on the Centennial ~~Campus or Campus,~~ on the Horace
32 Williams ~~Campus-Campus,~~ or on a Millennial Campus made for a period
33 of 10 years or less shall not require the approval of the Governor and the
34 Council of State. All other acquisitions and dispositions made under this
35 subdivision are subject to the provisions of G.S. 143-341 and Chapter
36 146 of the General Statutes.

- 37 (6) To employ consulting engineers, architects, attorneys, accountants,
38 construction and financial experts, superintendents, managers, and such
39 other employees and agents as may be necessary in its judgment in
40 connection with any project or projects and existing facilities, and to fix
41 their compensation.

- 1 (7) To make and enter into all contracts and agreements necessary or
2 incidental to the performance of its duties and the execution of its
3 powers under this Article.
- 4 (8) To receive and accept from any federal, State, or other public agency
5 and any private agency, person or other entity donations, loans, grants,
6 aid, or contributions of any money, property, labor, or other things of
7 value for any project or projects, and to agree to apply and use the same
8 in accordance with the terms and conditions under which the same are
9 provided.
- 10 (8a) To designate the real property and appurtenant facilities to be included
11 as part of the Centennial ~~Campus or Campus,~~ the Horace Williams
12 ~~Campus-Campus,~~ or a Millennial Campus.
- 13 (8b) Acting on recommendation made by the President of The University of
14 North Carolina after consultation by the President with the Chancellor
15 and the Board of Trustees of a constituent institution, to designate real
16 property held by, or to be acquired by, a constituent institution as a
17 'Millennial Campus' of the institution. That designation shall be based
18 on an express finding by the Board of Governors that the institution
19 desiring to create a 'Millennial Campus' has the administrative and fiscal
20 capability to create and maintain such a campus and provided further,
21 that the Board of Governors has found that the creation of the
22 constituent institution's 'Millennial Campus' will enhance the
23 institution's research, teaching, and service missions as well as enhance
24 the economic development of the region served by the institution.
25 Additionally, the Board of Governors may authorize two or more
26 constituent institutions which meet the requirements of this section to
27 create a joint Millennial Campus.
- 28 (9) To do all acts and things necessary or convenient to carry out the
29 powers granted by this Article."

30 Section 7. G.S. 116-198.35 reads as rewritten:

31 **"§ 116-198.35. Issuance of bonds and bond anticipation notes.**

32 The Board is hereby authorized to issue, subject to the approval of the Director of the
33 Budget, at one time or from time to time, revenue bonds of the Board for the purpose of
34 paying all or any part of the cost of acquiring, constructing, or providing any project or
35 projects on the Centennial ~~Campus or Campus,~~ on the Horace Williams ~~Campus-Campus,~~
36 or on a Millennial Campus. The bonds of each issue shall be dated, shall mature at such
37 time or times not exceeding 40 years from their date or dates, shall bear interest at such
38 rate or rates as may be determined by the Board, and may be redeemable before maturity,
39 at the option of the Board, at such price or prices and under such terms and conditions as
40 may be fixed by the Board prior to the issuance of the bonds. The Board shall determine
41 the form and manner of execution of the bonds, including any interest coupons to be
42 attached thereto, and shall fix the denomination or denominations of the bonds and the
43 place or places of payment of principal and interest, which may be at any bank or trust

1 company within or without the State. In case any officer whose signature or a facsimile of
2 whose signature shall appear on any bonds or coupons shall cease to be such officer
3 before the delivery of such bonds, such signature or such facsimile shall nevertheless be
4 valid and sufficient for all purposes the same as if he had remained in office until such
5 delivery. Notwithstanding any of the other provisions of this Article or any recitals in any
6 bonds issued under the provisions of this Article, all such bonds shall be deemed to be
7 negotiable instruments under the laws of this State, subject only to the provisions for
8 registration in any resolution authorizing the issuance of such bonds or any trust
9 agreement securing the same. The bonds may be issued in coupon or registered form or
10 both or as book-entry bonds, as the Board may determine, and provision may be made for
11 the registration of any coupon bonds as to principal alone and also as to both principal
12 and interest, and for the reconversion into coupon bonds of any bonds registered as to
13 both principal and interest. The Board may sell such bonds in such manner, at public or
14 private sale, and for such price, as it may determine to be for the best interests of the
15 Board.

16 The proceeds of the bonds of each issue shall be used solely for the purpose for which
17 such bonds shall have been authorized and shall be disbursed in such manner and under
18 such restrictions, if any, as the Board may provide in the resolution authorizing the
19 issuance of such bonds or in the trust agreement hereinafter mentioned securing the same.
20 Unless otherwise provided in the authorizing resolution or in the trust agreement securing
21 such bonds, if the proceeds of such bonds, by error of estimates or otherwise, shall be less
22 than such cost, additional bonds may in like manner be issued to provide the amount of
23 such deficit and shall be deemed to be of the same issue and shall be entitled to payment
24 from the same fund without preference or priority of the bonds first issued for the same
25 purpose.

26 The resolution providing for the issuance of revenue bonds, and any trust agreement
27 securing such bonds, may also contain such limitations upon the issuance of additional
28 revenue bonds as the Board may deem proper, and such additional bonds shall be issued
29 under such restrictions and limitations as may be prescribed by such resolution or trust
30 agreement.

31 Prior to the preparation of definitive bonds, the Board may, under like restrictions,
32 issue interim receipts or temporary bonds, with or without coupons, exchangeable for
33 definitive bonds when such bonds shall have been executed and are available for
34 delivery. The Board may also provide for the replacement of any bonds which shall
35 become mutilated or be destroyed or lost.

36 Except as herein otherwise provided, bonds may be issued under this Article and other
37 powers vested in the Board under this Article may be exercised by the Board without
38 obtaining the consent of any department, division, commission, board, bureau, or agency
39 of the State and without any other proceedings or the happening of any other conditions
40 or things than those proceedings, conditions, or things which are specifically required by
41 this Article.

42 The Board may enter into or negotiate a note with an acceptable bank or trust
43 company in lieu of issuing bonds for the financing of projects covered under this section.

1 The terms and conditions of any note of this nature shall be in accordance with the terms
2 and conditions surrounding issuance of bonds.

3 The Board is hereby authorized to issue, subject to the approval of the Director of the
4 Budget, at one time or from time to time, revenue bond anticipation notes of the Board in
5 anticipation of the issuance of bonds authorized pursuant to the provisions of this Article.
6 The principal of and the interest on such notes shall be payable solely from the proceeds
7 of bonds or renewal notes, or, in the event bond or renewal note proceeds are not
8 available, any available revenues of the project or projects for which such bonds shall
9 have been authorized. The notes of each issue shall be dated, shall mature at such time or
10 times not exceeding two years from their date or dates, shall bear interest at such rate or
11 rates as may be determined by the Board, and may be redeemable before maturity, at the
12 option of the Board, at such price or prices and under such terms and conditions as may
13 be fixed by the Board prior to the issuance of the notes. The Board shall determine the
14 form and the manner of execution of the notes, including any interest coupons to be
15 attached thereto, and shall fix the denomination or denominations of the notes and the
16 place or places of payment of principal and interest, which may be at any bank or trust
17 company within or without the State. In case any officer whose signature or a facsimile of
18 whose signature shall appear on any notes or coupons shall cease to be such officer
19 before the delivery of such notes, such signature or such facsimile shall nevertheless be
20 valid and sufficient for all purposes the same as if he had remained in office until such
21 delivery. Notwithstanding any of the other provisions of this Article or any recitals in any
22 notes issued under the provisions of this Article, all such notes shall be deemed to be
23 negotiable instruments under the laws of this State, subject only to the provisions for
24 registration in any resolution authorizing the issuance of such notes or any trust
25 agreement securing the bonds in anticipation of which such notes are being issued. The
26 notes may be issued in coupon or registered form or both or as book entry notes, as the
27 Board may determine, and provision may be made for the registration of any coupon
28 notes as to principal alone and also as to both principal and interest, and for the
29 reconversion into coupon notes of any notes registered as to both principal and interest.
30 The Board may sell such notes in such manner, at public or private sale, and for such
31 price, as it may determine to be for the best interests of the Board.

32 The proceeds of the notes of each issue shall be used solely for the purpose for which
33 the bonds in anticipation of which such notes are being issued shall have been authorized,
34 and such note proceeds shall be disbursed in such manner and under such restrictions, if
35 any, as the Board may provide in the resolution authorizing the issuance of such notes or
36 bonds or in the trust agreement securing such bonds.

37 The resolution providing for the issuance of notes, and any trust agreement securing
38 the bonds in anticipation of which such notes are being authorized, may also contain such
39 limitations upon the issuance of additional notes as the Board may deem proper, and such
40 additional notes shall be issued under such restrictions and limitations as may be
41 prescribed by such resolution or trust agreement. The Board may also provide for the
42 replacement of any notes which shall become mutilated or be destroyed or lost.

1 Except as herein otherwise provided, notes may be issued under this Article and other
2 powers vested in the Board under this Article may be exercised by the Board without
3 obtaining the consent of any department, division, commission, board, bureau, or agency
4 of the State and without any other proceedings or the happening of any other conditions
5 or things than those proceedings, conditions, or things which are specifically required by
6 this Article.

7 Unless the context shall otherwise indicate, the word 'bonds' wherever used in this
8 Article, shall be deemed and construed to include the words 'bond anticipation notes.'"

9 Section 8. G.S. 116-198.37 reads as rewritten:

10 **"§ 116-198.37. Fixing fees, rents, and charges; sinking fund.**

11 For the purpose of aiding in the acquisition, construction, or provision of any project
12 and the maintenance, repair, and operation of any project or any existing facilities, the
13 Board is authorized to fix, revise from time to time, charge, and collect such fee or fees
14 for such privileges and services and in such amount or amounts as the Board shall
15 determine, and to fix, revise from time to time, charge, and collect other fees, rents, and
16 charges for the use of and for the services furnished or to be furnished by any project or
17 projects and any existing facilities, or any portion thereof, and to contract with any
18 person, partnership, association, or corporation for the lease, use, occupancy, or operation
19 of any project or projects and any existing facilities, or any part thereof, and to fix the
20 terms, conditions, fees, rents, and charges for any such lease, use, occupancy, or
21 operation. So long as bonds issued hereunder and payable therefrom are outstanding,
22 such fees, rents, and charges shall be so fixed and adjusted, with relation to other
23 revenues available therefor, as to provide funds pursuant to the requirements of the
24 resolution or trust agreement authorizing or securing such bonds at least sufficient with
25 such other revenues, if any, (i) to pay the cost of maintaining, repairing, and operating
26 any project or projects and any existing facilities any part of the revenues of which are
27 pledged to the payment of the bonds issued for such project or projects, (ii) to pay the
28 principal of and the interest on such bonds as the same shall become due and payable,
29 and (iii) to create and maintain reserves for such purposes. Any surplus funds remaining
30 after application to the purposes mentioned in (i), (ii), and (iii), above, shall be held in
31 trust and applied by the Board to the development of the Centennial ~~Campus~~ or Campus,
32 the Horace Williams ~~Campus~~ Campus, or a Millennial Campus, as applicable. Such fees,
33 rents, and charges shall not be subject to supervision or regulation by any other
34 commission, board, bureau, or agency of the State. A sufficient amount of the revenues,
35 except such part thereof as may be necessary to pay such cost of maintenance, repair, and
36 operation and to provide such reserves therefor and for renewals, replacements,
37 extensions, enlargements, and improvements as may be provided for in the resolution
38 authorizing the issuance of such bonds or in the trust agreement securing the same, shall
39 be set aside at such regular intervals as may be provided in such resolution or such trust
40 agreement in a sinking fund which is hereby pledged to and charged with the payment of
41 the principal of and the interest on such bonds as the same shall become due and the
42 redemption price or the purchase price of bonds retired by call or purchase as therein
43 provided. Such pledge shall be valid and binding from the time when the pledge is made;

1 the fees, rents, and charges and other revenues or other moneys so pledged and thereafter
2 received by the Board shall immediately be subject to the lien of such pledge without any
3 physical delivery thereof or further act; and the lien of any such pledge shall be valid and
4 binding as against all parties having claims of any kind in tort, contract, or otherwise
5 against the Board, irrespective of whether such parties have notice thereof. Neither the
6 resolution nor any trust agreement by which a pledge is created need be filed or recorded
7 except in the records of the Board. The use and disposition of moneys to the credit of
8 such sinking fund shall be subject to the provisions of the resolution authorizing the
9 issuance of such bonds or of the trust agreement securing the same."

10 Section 9. G.S. 146-30(b1) reads as rewritten:

11 "(b1) Notwithstanding the other provisions of this section, no service charge into the
12 State Land Fund shall be deducted from or levied against the proceeds of any disposition
13 by lease, rental, or easement of State lands that are designated as part of the Centennial
14 Campus as defined by ~~G.S. 116-198.33(4)~~ or ~~G.S. 116-198.33(4)~~, that are designated as
15 part of the Horace Williams Campus as defined by ~~G.S. 116-198.33(4a)~~. G.S. 116-
16 198.33(4a), or that are designated as part of a Millennial Campus as defined by G.S. 116-
17 198.33(4b). All net proceeds of those dispositions are governed by G.S. 116-36.5."

18 Section 10. G.S. 66-58(b) reads as rewritten:

19 "(b) The provisions of subsection (a) of this section shall not apply to:

- 20 (1) Counties and municipalities.
- 21 (2) The Department of Health and Human Services or the Department of
22 Agriculture and Consumer Services for the sale of serums, vaccines, and
23 other like products.
- 24 (3) The Department of Administration, except that the agency shall not
25 exceed the authority granted in the act creating the agency.
- 26 (4) The State hospitals for the mentally ill.
- 27 (5) The Department of Health and Human Services.
- 28 (6) The North Carolina School for the Blind at Raleigh.
- 29 (6a) The Office of Juvenile Justice.
- 30 (7) The North Carolina Schools for the Deaf.
- 31 (8) The Greater University of North Carolina with regard to its utilities and
32 other services now operated by it nor to the sale of articles produced
33 incident to the operation of instructional departments, articles incident
34 to educational research, articles of merchandise incident to classroom
35 work, meals, books, or to articles of merchandise not exceeding twenty-
36 five cents (25¢) in value when sold to members of the educational staff
37 or staff auxiliary to education or to duly enrolled students or
38 occasionally to immediate members of the families of members of the
39 educational staff or of duly enrolled students nor to the sale of meals or
40 merchandise to persons attending meetings or conventions as invited
41 guests nor to the operation by the University of North Carolina of an inn
42 or hotel and dining and other facilities usually connected with a hotel or
43 inn, nor to the hospital and Medical School of the University of North

1 Carolina, nor to the Coliseum of North Carolina State University at
2 Raleigh, and the other schools and colleges for higher education
3 maintained or supported by the State, nor to the Centennial Campus of
4 North Carolina State University at Raleigh, nor to the Horace Williams
5 Campus of the University of North Carolina at Chapel Hill, nor to a
6 Millennial Campus of a constituent institution of The University of
7 North Carolina, nor to the comprehensive student health services or the
8 comprehensive student infirmaries maintained by the constituent
9 institutions of the University of North Carolina.

10 (9) The Department of Environment and Natural Resources, except that the
11 Department shall not construct, maintain, operate or lease a hotel or
12 tourist inn in any park over which it has jurisdiction. The North
13 Carolina Wildlife Resources Commission may sell wildlife memorabilia
14 as a service to members of the public interested in wildlife conservation.

15 (10) Child-caring institutions or orphanages receiving State aid.

16 (11) Highlands School in Macon County.

17 (12) The North Carolina State Fair.

18 (13) Rural electric memberships corporations.

19 (13a) State Farm Operations Commission.

20 (13b) The Department of Agriculture and Consumer Services with regard to
21 its lessees at farmers' markets operated by the Department.

22 (13c) The Western North Carolina Agricultural Center.

23 (13d) Agricultural centers or livestock facilities operated by the Department of
24 Agriculture and Consumer Services.

25 (14) Nothing herein contained shall be construed to prohibit the engagement
26 in any of the activities described in subsection (a) hereof by a firm,
27 corporation or person who or which is a lessee of space only of the State
28 of North Carolina or any of its departments or agencies; provided the
29 leases shall be awarded by the Department of Administration to the
30 highest bidder, as provided by law in the case of State contracts and
31 which lease shall be for a term of not less than one year and not more
32 than five years.

33 (15) The State Department of Correction is authorized to purchase and install
34 automobile license tag plant equipment for the purpose of
35 manufacturing license tags for the State and local governments and for
36 such other purposes as the Department may direct.

37 The Commissioner of Motor Vehicles, or such other authority as may
38 exercise the authority to purchase automobile license tags is hereby
39 directed to purchase from, and to contract with, the State Department of
40 Correction for the State automobile license tag requirements from year
41 to year.

42 The price to be paid to the State Department of Correction for the
43 tags shall be fixed and agreed upon by the Governor, the State

1 Department of Correction, and the Motor Vehicle Commissioner, or
2 such authority as may be authorized to purchase the supplies.

- 3 (16) Laundry services performed by the Department of Correction may be
4 provided only for agencies and instrumentalities of the State which are
5 supported by State funds and for county or municipally controlled and
6 supported hospitals presently being served by the Department of
7 Correction, or for which services have been contracted or applied for in
8 writing, as of May 22, 1973. In addition to the prior sentence, laundry
9 services performed by the Department of Correction may be provided
10 for the Governor Morehead School and the North Carolina School for
11 the Deaf.

12 The services shall be limited to wet-washing, drying and ironing of
13 flatwear or flat goods such as towels, sheets and bedding, linens and
14 those uniforms prescribed for wear by the institutions and further
15 limited to only flat goods or apparel owned, distributed or controlled
16 entirely by the institutions and shall not include processing by any dry-
17 cleaning methods; provided, however, those garments and items
18 presently being serviced by wet-washing, drying and ironing may in the
19 future, at the election of the Department of Correction, be processed by
20 a dry-cleaning method.

- 21 (17) The North Carolina Global TransPark Authority or a lessee of the
22 Authority.

- 23 (18) The activities and products of private enterprise carried on or
24 manufactured within a State prison facility pursuant to G.S. 148-70.

- 25 (19) The North Carolina Justice Academy.

- 26 (20) The Department of Transportation, or any nonprofit lessee of the
27 Department, for the sale of books, crafts, gifts, and other tourism-related
28 items at visitor centers owned by the Department."

29 Section 11. This act is effective when it becomes law.