

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 315

Short Title: Taxpayer Information Act. (Public)

Sponsors: Representatives Pridgen, Folwell, Collins, and Stone (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Finance.

March 14, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE DISCLOSURE ON THE BALLOT OF THE ESTIMATED
3 AMOUNT OF INTEREST THAT WOULD BE INCURRED ON INDEBTEDNESS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 159-52(b) reads as rewritten:

6 "(b) The Commission shall approve the application if, upon the information and
7 evidence it receives, it finds and determines:

- 8 (1) That the proposed bond issue is necessary or expedient.
9 (2) That the amount proposed is adequate and not excessive for the proposed
10 purpose of the issue.
11 (3) That the unit's debt management procedures and policies are good, or that
12 reasonable assurances have been given that its debt will henceforth be
13 managed in strict compliance with law.
14 (4) That the increase in taxes, if any, necessary to service the proposed debt will
15 not be excessive.
16 (5) That the proposed bonds can be marketed at reasonable rates of interest.

17 If the Commission approves the application, the Commission shall use the current interest
18 rates to estimate the total amount of interest resulting from the proposed bond and shall include
19 that estimation in the order approving the application. If the Commission tentatively decides to
20 deny the application because it is of the opinion that any one or more of these conclusions
21 cannot be supported from the information presented to it, it shall so notify the unit filing the
22 application. If the unit so requests, the Commission shall hold a public hearing on the
23 application at which time any interested persons shall be heard. The Commission may appoint a
24 hearing officer to conduct the hearing, and to present a summary of the testimony and his
25 recommendations for the Commission's consideration."

26 **SECTION 2.** G.S. 159-61(d) reads as rewritten:

27 "(d) The form of the question as stated on the ballot shall be in substantially ~~the~~
28 ~~following words:~~ the words set forth in this subsection. The question shall include the estimated
29 total amount of principal and interest resulting from the proposed bond, as calculated by the
30 Commission and included in the order approving the application pursuant to G.S. 159-52.

31 "Shall the order ~~authorizing~~ authorizing, but not requiring, \$ _____ bonds and resulting
32 in an estimated total amount of interest of \$ _____ and an estimated total cost of debt of
33 \$ _____ for (briefly stating the purpose) be approved?

- 34 [] YES
35 [] NO""



1 **SECTION 3.** Article 1 of Chapter 142 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 142-15.4. General obligation ballot question.**

4 In any general obligation bond issued by the General Assembly, the State Treasurer shall
5 use the current interest rates to estimate the total amount of interest resulting from the proposed
6 bond, and the form of the question as stated on the ballot shall include (i) the amount of
7 principal and the estimated total amount of interest and cost of debt resulting from the proposed
8 bond, as calculated by the State Treasurer, and (ii) a statement indicating that approval of the
9 general obligation bond does not require the issuance of the general obligation bond."

10 **SECTION 4.** This act is effective when it becomes law and applies to bonds
11 proposed on or after that date.