

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 620
Finance Committee Substitute Adopted 5/8/07

Short Title: Interlocal Loan Agreements/Debts to Fed. Govt.

(Public)

Sponsors:

Referred to:

March 12, 2007

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COUNTIES TO MAKE LOANS TO CITIES UNDER
CERTAIN CONDITIONS FOR THE PURPOSE OF REPAYING A DEBT OWED
TO THE FEDERAL GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-17.1 reads as rewritten:

"§ **160A-17.1. Grants and loans from other governments.**

(a) Federal and State. – The governing body of any city or county is hereby authorized to make contracts for and to accept grants-in-aid and loans from the federal and State governments and their agencies for constructing, expanding, maintaining, and operating any project or facility, or performing any function, which such city or county may be authorized by general law or local act to provide or perform.

In order to exercise the authority granted by this section, the governing body of any city or county may:

- (1) Enter into and carry out contracts with the State or federal government or any agency or institution thereof under which such government, agency, or institution grants financial or other assistance to the city or county;
- (2) Accept such assistance or funds as may be granted or loaned by the State or federal government with or without such a contract;
- (3) Agree to and comply with any lawful and reasonable conditions which are imposed upon such grants or loans;
- (3a) Agree to and comply with minimum minority business enterprise participation requirements established by the federal government and its agencies in projects financed by federal grants-in-aid or loans, by including such minimum requirements in the specifications for contracts to perform all or part of such projects and awarding bids pursuant to G.S. 143-129 and 143-131, if applicable, to the lowest

1 responsible bidder or bidders meeting these and any other
2 specifications.

3 (4) Make expenditures from any funds so granted.

4 (b) Local. – The governing body of a city that is subject to a lien by the federal
5 government and is not eligible to receive a grant from the federal government until the
6 lien is removed may accept a loan from the county in which the city is located in order
7 to pay its debt to the federal government and have the lien removed. The term of the
8 loan may not exceed three years. This subsection applies only to a city located in a
9 county whose population does not exceed 20,000 according to the most recent annual
10 population estimates certified by the State Budget Officer."

11 **SECTION 2.** The catchline of G.S. 153A-14 reads as rewritten:

12 "**§ 153A-14. Grants and loans from other governments."**

13 **SECTION 3.** This act is effective when it becomes law and expires on
14 December 31, 2010.