



SENATE BILL 704: COVID-19 Recovery Act, Sec. 4.30: Reinstate Special Obligation Bonds

2019-2020 General Assembly

Committee:

Introduced by:

Analysis of: Sec. 4.30 of S.L. 2020-3

Date:

October 19, 2020

Prepared by:

Nicholas Giddings
Staff Attorney

OVERVIEW: *Section 4.30 of S.L. 2020-3 reauthorizes counties and municipalities to issue special obligation bonds and notes. Former Chapter 159I of the General Statutes primarily concerned solid waste management program funding; however, one section of the Chapter, G.S. 159I-30, more broadly authorized counties and municipalities to issue special obligation bonds and notes not only for solid waste projects, but also for water projects, wastewater projects, and, for municipalities, any project authorized under G.S. 160A-536 provided in a municipal service district. Session Law 2019-32 repealed Chapter 159I in its entirety, effective July 1, 2019, inadvertently eliminating the broader special obligation bond authority used by local units of government for a variety of the authorized purposes. Section 4.30(a) reinstates this authority and recodifies it under Chapter 159, where other forms of local government indebtedness are authorized. Sections 4.30(b)-(h) make conforming changes to statutes affected by the recodification.*

This section became effective retroactively to July 1, 2019.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578