



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

JANET COWELL
TREASURER

T. VANCE HOLLOMAN
DEPUTY TREASURER

Memorandum # 2012-09

TO: Local Government Officials

FROM: T. Vance Holloman, Deputy Treasurer

DATE: October 18, 2011

SUBJECT: Update on Memorandum #2012-02 Regarding Reporting Requirements for Certain Local Government Proposed Debt Issuances to Newly Created Joint Legislative Committee on Local Government (House Bill 595)

Memorandum 2012-02 issued by our office on July 25, 2011 advised local government officials of new reporting requirements of G. S. 120 -157.1 through 157.9 (attached) to the newly created Joint Legislative Committee on Local Government. This memorandum provides additional guidance on the specific information to be included in the reporting of capital projects requiring the issuance of debt as requested by staff of the Joint Legislative Committee.

The new Committee was appointed in August and the Committee chairs and certain members of the Committee and its staff met on October 10 with our staff and representatives from the School of Government. The staff of the Committee has requested that the report to the Committee for those capital projects meeting the criteria specified in the Statute include the following specific information and details concerning the proposed project:

- purpose of the project
- scope of the project
- debt requirements of the project.
- means of financing the project
- sources of repayment for the project.

A copy of your report to the Committee with this information should also be sent to our office simultaneously. We continue to recommend that each local government unit should also consult its own attorney or the unit's bond counsel for further legal advice on complying with the reporting requirements of this new statute.

JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT

SECTION 1.8.(a) Part 1 of Article 20 of Chapter 120 of the General Statutes reads as rewritten:

"Article 20.

"Joint Legislative ~~Commission~~ Committee on Municipal Incorporations-Local Government.

"Part 1. Organization.

"§ 120-157.1. Committee established.

(a) The Joint Legislative Committee on Local Government is established. The Committee shall consist of 14 members, appointed as follows:

- (1) Seven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom shall be members of the minority party. At least one member shall be a former city or county commissioner, city or county manager, or other city or county elected official.
- (2) Seven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom shall be members of the minority party. At least one member shall be a former city or county commissioner, city or county manager, or other city or county elected official.

(b) Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

(c) A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-157.2. Purpose and powers of Committee.

(a) The Joint Legislative Committee on Local Government shall review and monitor local government capital projects that are required to go before the Local Government Commission and require debt to be issued over one million dollars (\$1,000,000), with the exception of schools, jails, courthouses, and administrative buildings. Any project that fits these criteria must be reported to the Committee Chairs, Committee Assistant, and the Fiscal Research Division at least 45 days prior to presentation before the Local Government Commission.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly shall include the purpose, scope, debt requirements, financing methods, and repayment plans of any local governmental capital project reviewed pursuant to subsection (a) of this section and may contain any legislation needed to implement a recommendation of the Committee.

"§ 120-157.3. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Committee on Local Government. The Committee may meet on days when the members of the General Assembly are entitled to subsistence pursuant to G.S. 120-3.1 and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is eight members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the power of a joint committee under G.S. 120-19 and G.S. 120-19.1 thorough G.S. 120-19.4.

(c) Members of the Committee may receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

"§ 120-157.4. Additional powers.

The Joint Legislative Committee on Local Government, while in discharge of official duties, shall have access to any paper or document, and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120-19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

"§ 120-158. Creation of ~~Commission~~ Municipal Incorporations Subcommittee.

(a) ~~There is created the Joint Legislative Commission on Municipal Incorporations, referred to in this Article as "Commission".~~ Incorporations Subcommittee of the Joint Legislative Committee on Local Government.

(b) ~~The Commission Subcommittee shall consist of six members, appointed as follows:~~

- ~~(1) Two-Three Senators appointed by the President Pro Tempore of the Senate; Senate, at least one of whom shall be a former city or county commissioner, city or county manager, or other local elected official.~~
- ~~(2) Two-Three House members appointed by the Speaker; Speaker of the House of Representatives, at least one of whom shall be a former city or county commissioner, city or county manager, or other local elected official.~~
- ~~(3) One city manager or elected city official, appointed by the President Pro Tempore of the Senate from a list of three eligible persons nominated by the North Carolina League of Municipalities; and~~
- ~~(4) One county commissioner or county manager, appointed by the Speaker from a list of three eligible persons nominated by the North Carolina Association of County Commissioners.~~

"§ 120-159. Terms; Terms; meetings.

(a) Members shall be appointed for terms ending June 30, 1987, and subsequently for two-year terms beginning July 1, 1987, and biennially thereafter. A member eligible when appointed may continue for the remainder of the term regardless of the member's continued eligibility for the category. ~~The Commission Municipal Incorporations Subcommittee shall elect a chairman-chair from its membership for a one-year term.~~

(b) ~~The Subcommittee may meet on days when the members of the General Assembly are entitled to subsistence pursuant to G.S. 120-3.1 and may meet at other times upon the joint call of the cochairs.~~

"§ 120-160. Compensation.

~~Members of the Commission who are members of the General Assembly shall receive subsistence and travel allowances as provided by G.S. 120-3.1. Members who are State officers or employees shall receive subsistence and travel allowances as provided by G.S. 138-6. All other members shall receive per diem, subsistence, and travel allowances as provided by G.S. 138-5.~~

"§ 120-161. Facilities and staff.

~~The Commission may meet in the Legislative Building or the Legislative Office Building. Staff for the Commission shall be provided by the Legislative Services Commission. The Commission may contract with the School of Government at the University of North Carolina at Chapel Hill, the Local Government Commission, the Department of Environment and Natural Resources, or other agencies as may be necessary in completing any required studies, within the funds appropriated to the Commission."~~

JOINT LEGISLATIVE ECONOMIC DEVELOPMENT OVERSIGHT COMMITTEE

SECTION 1.10.(a) G.S. 120-70.130 reads as rewritten:

"§ 120-70.130. Creation and membership of Joint Legislative Economic Development Oversight Committee.

The Joint Legislative Economic Development Oversight Committee is established. The Committee consists of ~~42-22~~ members as follows:

- ~~(1) Six-Eleven members of the Senate appointed by the President Pro Tempore of the Senate; Senate, at least three of whom are members of the minority party; and~~
- ~~(2) Six-Eleven members of the House of Representatives appointed by the Speaker of the House of Representatives; Representatives, at least three of whom are members of the minority party.~~

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on