

**Chapter 116D.**  
**Higher Education Bonds.**

Article 1.

General Provisions.

**§ 116D-1. Definitions.**

The following definitions apply in this Chapter:

- (1) Board of Governors. – The Board of Governors of the University.
- (2) Capital facility. – Any one or more of the following for the University or for a community college:
  - a. One or more buildings, utilities, structures, or other facilities or property developments, including streets and landscaping, and the acquisition of equipment and furnishings in connection therewith.
  - b. Additions, extensions, enlargements, renovations, and improvements to existing buildings, utilities, structures, or other facilities or property developments, including streets and landscaping.
  - c. Land or an interest in land.
  - d. Other infrastructure.

The term includes, without limitation, classroom buildings, laboratory buildings, research facilities, libraries, physical education facilities, continuing education centers, student cafeterias, and activity facilities, including sports facilities, student and faculty housing facilities, and administrative office facilities.

- (3) Cost. – Any of the following in financing the cost of capital facilities and special obligation bond projects, as authorized by this Chapter:
  - a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving capital facilities and special obligation bond projects, including the acquisition of land, rights-of-way, easements, franchises, equipment, furnishings, and other interests in real or personal property acquired or used in connection with a capital facility or special obligation bond project.
  - b. The cost of engineering, architectural, and other consulting services as may be required.
  - c. The cost of providing personnel to ensure effective project management.
  - d. Finance charges, reserves for debt service, and interest prior to and during construction.
  - e. Administrative expenses and charges incurred by the State in connection with the administration of a bond program created under this Chapter.
  - f. The cost of bond insurance, investment contracts, credit enhancement, and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance.
  - g. The cost of reimbursing the State for any payments made for any cost described in this subdivision.
  - h. Any other costs and expenses necessary or incidental to the purposes of this Chapter.

- (4) Credit facility. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States, and providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State's agreeing to repay the provider of the credit facility in accordance with the terms and provisions of the agreement.
- (5) Fiscal period. – A fiscal biennium or a fiscal year of the fiscal biennium.
- (6) Fiscal year. – The fiscal year of the State beginning on July 1 of one calendar year and ending on June 30 of the next calendar year.
- (7) Par formula. – A provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne or provided for by any bonds or notes, including:
  - a. A provision providing for an adjustment so that the purchase price of bonds or notes in the open market would be as close to par as possible.
  - b. A provision providing for an adjustment based upon a percentage or percentages of a prime rate or base rate, which percentages may vary or be applied for different periods of time.
  - c. A provision that the State Treasurer determines is consistent with this Chapter and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.
- (8) Securities issued under this Chapter. – Any of the following:
  - a. University improvement general obligation bonds, refunding bonds, notes, and refunding notes issued under Article 2 of this Chapter.
  - b. Special obligation bonds, bond anticipation notes, and refunding bonds issued under Article 3 of this Chapter.
  - c. Community college general obligation bonds, refunding bonds, notes, and refunding notes issued under Article 4 of this Chapter.
- (9) State. – The State of North Carolina.
- (10) State Treasurer. – The incumbent Treasurer, from time to time, of the State.
- (11) University. – The University of North Carolina and its constituent and affiliated institutions, including, without limitation, the University of North Carolina Center for Public Television, the North Carolina School of Science and Mathematics, and the North Carolina Arboretum. (2000-3, s. 1.2; 2019-139, s. 2.1(c); 2023-134, s. 4.10(g).)