

02-13-2019 Town Council Meeting
Responses to Council Questions #1

ITEM #5: Adopt a Resolution Certifying and Approving 2018 General Obligation (G.O.) Bond Referendum Results

Council Question: Just curious from a reference made in the materials, but what municipal general obligation (G.O. bonds don't require public approval through a public vote?

Staff Response: *The Town's primary issuance of G.O. Bonds without a vote historically has been for "2/3rds" bonds. Other purposes for which bonds may be issued without a vote are spelled out in the statute below.*

§ 159-49. When a vote of the people is required.

Bonds may be issued under this Article only if approved by a vote of the qualified voters of the issuing unit as provided in this Article, except that voter approval shall not be required for:

- (1) Bonds issued for any purpose authorized by G.S. 159-48(a)(1), (2), (3), or (5). (See below.)

Pursuant to Article V, Sec. 4(2) of the Constitution, the General Assembly hereby declares that the purposes authorized by G.S. 159-48(a)(4), (6), and (7) and by G.S. 159-48(b), (c), (d), and (e) (except purposes authorized by G.S. 159-48(b)(3), (11), (16), (22), or (23) or by G.S. 159-48(d)(2)) are purposes for which bonds may be issued without a vote of the people, to the extent of two thirds of the amount by which the outstanding indebtedness of the issuing county, county water and sewer district, metropolitan water district, or city was reduced in the last preceding fiscal year.

§ 159-48 For what purposes bonds may be issued.

(a) Each unit of local government is authorized to borrow money and issue its bonds under this Article in evidence thereof for any one or more of the following purposes:

- (1) To suppress riots, insurrections, or any extraordinary breach of law and order.
- (2) To supply an unforeseen deficiency in the revenue when taxes actually received or collected during the fiscal year fall below collection estimates made in the annual budget ordinance within the limits prescribed in G.S. 159-13.
- (3) To meet emergencies threatening the public health or safety, as conclusively determined in writing by the Governor.
- (5) To refund outstanding general obligation bonds or general obligation bond anticipation notes.