

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** Senate Bill 829 (Senate Finance Committee Substitute)

**SHORT TITLE:** Government Security Interests Clarified

**SPONSOR(S):** Senator Rand

**FISCAL IMPACT**

Yes ( )              No (X)              No Estimate Available ( )

**FY 2001-02**    **FY 2002-03**    **FY 2003-04**    **FY 2004-05**    **FY 2005-06**

**REVENUES**    see ASSUMPTIONS AND METHODOLOGY

**EXPENDITURES**

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** Department of the Secretary of State; County Registers of Deeds

**EFFECTIVE DATE:** This act becomes effective July 1, 2001.

**BILL SUMMARY:** This bill exempts from Article 9 of the Uniform Commercial Code (UCC), the creation, perfection, priority, or enforcement of any lien or other security in revenues or other assets granted by the state or by a governmental unit in connection with bonds, notes, installment or lease purchase financings, or other evidence of indebtedness.

**ASSUMPTIONS AND METHODOLOGY:** This bill will have no state or local government fiscal impact. It exempts state and local governments from changes in security interests filings in Article 9 of the Uniform Commercial Code that go into effect on July 1, 2001. The bill is recommended by the law firms serving as bond counsel to state and local governments in North Carolina and by the National Association of Bond Lawyers. The National Conference of Commissioners on Uniform State Laws also endorses this change.

**FISCAL RESEARCH DIVISION: 733-4910**

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