

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2009**

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**SENATE DRS75340-TDz-33A (05/03)**

Short Title: No Nonvoted Local Debt For Competing System. (Public)

Sponsors: Senators Hoyle, Blue, Brunstetter, Hartsell, Jenkins, and Tillman.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENSURE THAT A LOCAL GOVERNMENT THAT COMPETES WITH  
3 PRIVATE COMPANIES IN PROVIDING COMMUNICATION SERVICES HAS THE  
4 SUPPORT OF ITS CITIZENS IN FINANCING THOSE SERVICES AND TO  
5 CONTINUE THE REVENUE LAWS STUDY COMMITTEE'S REVIEW OF THE TAX  
6 AND ECONOMIC DEVELOPMENT IMPACTS OF LOCAL GOVERNMENT OWNED  
7 AND OPERATED COMMUNICATION SERVICES.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 160A-20 is amended by adding a new subsection to read:

10 "(e2) Communication System. – This section does not apply to an external  
11 communication system. A unit of local government may not enter into a contract under this  
12 section to purchase, or finance or refinance the purchase of, property for use in an external  
13 communication system or to finance or refinance the construction or repair of fixtures or  
14 improvements for use in an external communication system. A communication system is a  
15 system that provides broadband service or other Internet access service, cable service,  
16 telecommunications service, video programming service, or a combination of these services.  
17 The terms "cable service," "telecommunications service," and "video programming service"  
18 have the same meanings as in G.S. 105-164.3. A communication system is external if it  
19 provides services to a person who is not a unit of local government or a part of that unit."

20 **SECTION 2.** Sections 7.1 and 7.2 of Chapter 574 of the 2009 Session Laws  
21 authorize the Revenue Laws Study Committee to study local government owned and operated  
22 communication services and to report its findings to the 2010 Session of the 2009 General  
23 Assembly. The Revenue Laws Study Committee may continue the study authorized by those  
24 sections and may report its findings and any recommended legislation to the 2011 General  
25 Assembly.

26 **SECTION 3.** This act is effective when it becomes law. This act does not affect  
27 contracts entered into under G.S. 160A-20 before the effective date of this act.

