



CHAPTER 131E
ARTICLE 2 - PUBLIC HOSPITALS

N.C.G.S. § 131E-32.

Purchase money security interests.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT c. 775, s. 1 — first act in the lineage	RETRIEVED 21 September 2026, 01:26 UTC	SOURCE FINGERPRINT 697445ad41484ae1b9a64266 - 8f8e66329e84c97b62d6e6e0 - 3840d96028820340
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§ 131E-32(a) An authority shall have the power and authority to purchase real or personal property under installment contracts, purchase money mortgages or deeds of trust, or other instruments, which create in the property purchased a security interest to secure payment of the purchase price and interest thereon. No deficiency judgment may be rendered against any authority for breach of an obligation authorized by this section. Any contract made or entered into by an authority before the date of ratification of Part 2 of Article 2 of this Chapter which would have been valid hereunder is valid, ratified and confirmed.

§ 131E-32(b) A hospital authority may contract pursuant to this section in an amount of less than seven hundred fifty thousand dollars (\$750,000), adjusted, as hereinafter provided, in any single transaction without the approval of the Local Government Commission: Provided, however, that the approval of the Local Government Commission shall be required for any single contract pursuant to this section if the aggregate dollar amount of all such contracts outstanding after any such single transaction, exclusive of revenue bonds issued pursuant to G.S. 131E-26 and federal contracts entered pursuant to G.S. 131E-27, would exceed ten percent (10%) of the total operating revenues, as hereinafter defined, of the hospital authority for its most recently completed fiscal year as set forth in the audited financial statements of such authority for such fiscal year. The approval of the Local Government Commission shall be required with respect to any single contract pursuant to this section in an amount of seven hundred fifty thousand dollars (\$750,000) or more, adjusted as hereinafter provided.

§ 131E-32(c)

Approval of the Local Government Commission under this section or as required by G.S. 131E-26(b) shall be obtained in accordance with such rules and regulations as the Local Government Commission may prescribe and shall be evidenced by the secretary's certificate on the contract or note or other evidence of indebtedness. In determining whether to approve any such contract or borrowing, the Local Government Commission shall consider whether the hospital authority can demonstrate the financial responsibility and capability of the hospital authority to fulfill its obligations with respect to such contract or borrowing. The Local Government Commission may approve the application without other findings, if it finds that (i) the proposed project or the purpose of the borrowing is necessary and expedient, (ii) the contract or the borrowing, under the circumstances, is preferable to a bond issue for the same purpose, (iii) the sums to fall due under the contract or borrowing are adequate and not excessive for the proposed purpose, (iv) the authority's debt management procedures are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law and (v) the authority is not in default on any of its debt service obligations. Any contract or borrowing subject to this subsection requiring the approval of the Local Government Commission that does not bear the secretary's certificate thereon shall be void, and it shall be unlawful for any officer, employee or agent of a hospital authority to make any payments of money thereunder. An order of the Local Government Commission approving any such contract or borrowing shall not be regarded as an approval of the legality of the contract or borrowing in any respect.

§ 131E-32(d)

The seven hundred fifty thousand dollars (\$750,000) amount referred to in G.S. 131E-32(b) shall be in effect from July 15, 1983 through September 30, 1984. For each twelve-month period thereafter, the seven hundred fifty thousand dollar (\$750,000) amount shall be the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in the Department of Commerce Composite Construction Cost Index.

§ 131E-32(e)

For purposes of G.S. 131E-32(b), the "total operating revenues" of a hospital authority for a fiscal year means patient revenue, less provisions for contractual adjustments, uncompensated care and bad debts, plus other operating revenues, all as determined in accordance with generally accepted accounting principles.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I

1 ACT

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

1983 1984			
TICK HEIGHT = ACTS IN THAT YEAR DASHED = RECODIFICATION, NOT AMENDMENT			
Nº	YEAR	ACT	CHARACTER
01	1983	c. 775, s. 1	ENACTED

APPARATUS II
4 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 131E-26	(b)	"of revenue bonds issued pursuant to"
G.S. 131E-27	(b)	"and federal contracts entered pursuant to"
G.S. 131E-26(b)	(c)	"this section or as required by"
G.S. 131E-32(b)	(d)	"dollars (\$750,000) amount referred to in"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 131E-32 (1983).

PINPOINT

N.C. Gen. Stat. § 131E-32(a) (1983).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE
(1983, c. 775, s. 1.)

SET IN SPECTRAL AND ARCHIVO
NORTH CAROLINA LAW — STATUTE EXPORT, FORMAT V1

