

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 1556 (PCS3626-LC)
SHORT TITLE: Amend Education Finance Act

FISCAL IMPACT

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

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: The program would be administered by the Educational Facilities Financing Agency, located in the Department of State Treasurer. The bonds must be approved by the Local Government Commission, which will also set the interest rate on the bonds and administer the sale.

EFFECTIVE DATE: When the bill becomes law.

BILL SUMMARY: Adds private nonprofit elementary and secondary education institutions to the Education Facilities Finance Act. This would allow a qualifying institution to obtain tax-exempt financing to acquire, construct, and improve educational facilities. Such financing would not include general obligation debt. The institution would be required to pay for the entire cost of the facility and the financing of the facility.

ASSUMPTIONS AND METHODOLOGY: A discussion with the Department of State Treasurer indicated that any additional personnel and other requirements would depend on the volume of activity, which is unknown at this time. For a number of years the Department has been allowed to recover its cost in administering bonds through agency receipts. It is the intention of the Department to fully recover whatever costs are incurred under the new responsibilities.

FISCAL RESEARCH DIVISION (733-4910)

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DATE: July 9, 1998.



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