

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 1372

Short Title: Local School Construction Financing Study. (Public)

Sponsors: Senators Clodfelter; Dannelly, Hartsell, Holloman, Reeves, Stevens,
Tillman, and Weinstein.

Referred to: Rules and Operations of the Senate.

May 27, 2004

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE LOCAL SCHOOL CONSTRUCTION FINANCING
STUDY COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Establishment of the Commission. – The Local School
Construction Financing Study Commission is established.

SECTION 1.(b) Membership. – The Commission shall be composed of 18
members, as follows:

- (1) One member appointed by the Governor, after consultation with the
President Pro Tempore of the Senate and the Speaker of the House of
Representatives, who shall serve as chair;
- (2) Eight members appointed by the President Pro Tempore of the Senate:
two members of the Senate from urban areas, two members of the
Senate from rural areas, one member representing a large,
fast-growing, urban school administrative unit that is a plaintiff in the
Leandro school-financing litigation, one member from the financial
services industry, one county commissioner, and one educator;
- (3) Eight members appointed by the Speaker of the House of
Representatives: two members of the House of Representatives from
urban areas, two members of the House of Representatives from rural
areas, one member representing a rural school administrative unit that
is a plaintiff in the Leandro school-financing litigation, one member
who is knowledgeable about municipal and school finance, one school
board member, and one educator; and
- (4) The State Treasurer or a designee.

Vacancies shall be filled by the appointing authority.

SECTION 1.(c) Duties of the Commission. – The Commission shall
examine the present system of local financing for school facilities and shall study

1 alternative options for financing local school construction, renovation, repair, and
2 maintenance. The Commission may study and consider public-private partnerships for
3 school construction and facility ownership, sale lease-back arrangements, private and
4 commercial financing arrangements, design standards for school facilities that may
5 facilitate alternative financing techniques, alternative local revenue sources for
6 financing school facilities, the use of real estate investment trusts, State and local
7 construction bond pools, and any other financing issues deemed pertinent by the
8 Commission.

9 **SECTION 1.(d)** Expenses of Members. – Members of the Commission shall
10 receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1,
11 138-5, or 138-6, as appropriate.

12 **SECTION 1.(e)** Consultants and Other Staff. – The Commission may hire
13 consultants to provide research, staff support, and information about school financing in
14 other states to the Commission, in accordance with G.S. 120-32.02. The Legislative
15 Services Office, with the prior approval of the Legislative Services Commission, shall
16 also assign professional and clerical staff to assist the Commission in its work.

17 **SECTION 1.(f)** Cooperation by Government Agencies. – The Commission
18 may call upon any department, agency, institution, or officer of the State or any political
19 subdivision of the State for facilities, data, or other assistance. All State departments and
20 agencies, local governments, and their subdivisions shall cooperate with the
21 Commission and, upon request, shall furnish the Commission and its staff any
22 information in their possession or available to them.

23 **SECTION 1.(g)** Meetings During Legislative Session. – The Commission
24 may meet during a regular or extra session of the General Assembly.

25 **SECTION 1.(h)** Meeting Location. – The Legislative Services Commission
26 shall grant adequate meeting space to the Commission in the State Legislative Building
27 or the Legislative Office Building. The Commission may also meet at various locations
28 around the State in order to promote greater public participation in its deliberations.

29 **SECTION 1.(i)** Reports. – The Commission shall make an interim report to
30 the 2005 General Assembly no later than January 31, 2005, and a final report to the
31 2006 Regular Session of the 2005 General Assembly no later than March 31, 2006. The
32 final report shall contain recommendations for legislation to implement
33 recommendations made by the Commission. The interim report may also contain
34 recommendations for legislation. The Commission shall terminate on March 31, 2006.

35 **SECTION 2.** There is appropriated from the General Fund to the General
36 Assembly the sum of two hundred thousand dollars (\$200,000) for the 2004-2005 fiscal
37 year for the expenses of the Local School Construction Financing Study Commission.
38 The Commission may also apply for, receive, or accept grants and contributions, subject
39 to the provisions of G.S. 120-32.03, to support the work of the Commission.

40 **SECTION 3.** This act becomes effective July 1, 2004.