

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2189

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

Sponsors: Representatives Yongue, Lucas, McLawhorn, Pate (Primary Sponsors);
Coleman, Glazier, Harrison, Insko, Spear, and Womble.

Referred to: Rules, Calendar, and Operations of the House.

May 18, 2006

A BILL TO BE ENTITLED
AN ACT ESTABLISHING 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 19 members, as follows:

- (1) 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. One of these members shall serve as cochair;
 - (2) 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. One of these members shall serve as cochair;
 - (3) The State Treasurer or a designee;
 - (4) The State Superintendent of Public Instruction or a designee; and
 - (5) The chair of the State Board of Education.
- Vacancies shall be filled by the appointing authority.

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

11 **SECTION 1.(d)** Expenses of Members. – Members of the Commission shall
12 receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1,
13 138-5, or 138-6, as appropriate.

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

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

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

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

31 **SECTION 1.(i)** Reports. – The Commission shall make a final report to the
32 2007 General Assembly no later than March 31, 2007. The final report shall contain
33 recommendations for legislation to implement recommendations made by the
34 Commission. The Commission shall terminate on March 31, 2007.

35 **SECTION 1.(j)** There is appropriated from the General Fund to the General
36 Assembly the sum of one hundred thousand dollars (\$100,000) for the 2006-2007 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 2.** This act becomes effective July 1, 2005.