

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2385*

Short Title: Charter Schools May Receive Lottery Proceeds. (Public)

Sponsors: Representatives Underhill, Preston, Wiley, Wilkins (Primary Sponsors);
Almond, Blust, Capps, Johnson, Justus, Kiser, Lewis, Steen, Stiller, and
Vinson.

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

May 23, 2006

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING FOR CHARTER SCHOOLS TO RECEIVE LOTTERY
3 PROCEEDS FOR SCHOOL CONSTRUCTION.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 115C-546.2 reads as rewritten:

6 "§ 115C-546.2. **Allocations from the Fund; uses; expenditures; reversion to**
7 **General Fund; matching requirements.**

8 (a) ~~Monies~~ Except as provided in subsection (d) of this section, monies in the
9 Fund shall be allocated to the counties on a per average daily membership basis
10 according to the average daily membership for the budget year as determined and
11 certified by the State Board of Education. Interest earned on funds allocated to each
12 county shall be allocated to that county.

13 (b) Counties shall use monies in the Fund for capital outlay projects including the
14 planning, construction, reconstruction, enlargement, improvement, repair, or renovation
15 of public school buildings and for the purchase of land for public school buildings; for
16 equipment to implement a local school technology plan that is approved pursuant to
17 G.S. 115C-102.6C; or for both. Monies used to implement a local school technology
18 plan shall be transferred to the State School Technology Fund and allocated by that
19 Fund to the local school administrative unit for equipment. Charter schools shall use
20 monies in the Fund received pursuant to subsection (d) of this section for capital outlay
21 projects including the planning, construction, reconstruction, enlargement,
22 improvement, repair, or renovation of public school buildings and for the purchase of
23 land for public school buildings.

24 As used in this section, "public school buildings" only includes facilities for
25 individual schools that are used for instructional and related purposes and does not
26 include centralized administration, maintenance, or other facilities.

1 In the event a county finds that it does not need all or part of the funds allocated to it
2 for capital outlay projects including the planning, construction, reconstruction,
3 enlargement, improvement, repair, or renovation of public school buildings, for the
4 purchase of land for public school buildings, or for equipment to implement a local
5 school technology plan, the unneeded funds allocated to that county may be used to
6 retire any indebtedness incurred by the county for public school facilities.

7 In the event a county finds that its public school building needs and its school
8 technology needs can be met in a more timely fashion through the allocation of financial
9 resources previously allocated for purposes other than school building needs or school
10 technology needs and not restricted for use in meeting public school building needs or
11 school technology needs, the county commissioners may, with the concurrence of the
12 affected local Board of Education, use those financial resources to meet school building
13 needs and school technology needs and may allocate the funds it receives under this
14 Article for purposes other than school building needs or school technology needs to the
15 extent that financial resources were redirected from such purposes. The concurrence
16 described herein shall be secured in advance of the allocation of the previously
17 unrestricted financial resources and shall be on a form prescribed by the Local
18 Government Commission.

19 (c) Monies in the Fund allocated for capital projects shall be matched on the
20 basis of one dollar of local funds for every three dollars of State funds. Monies in the
21 Fund transferred to the State Technology Fund do not require a local match.

22 Revenue received from local sales and use taxes that is restricted for public school
23 capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to meet
24 the local matching requirement. Funds expended by a county after July 1, 1986, for land
25 acquisition, engineering fees, architectural fees, or other directly related costs for a
26 public school building capital project that was not completed prior to July 1, 1987, may
27 be used to meet the local match requirement.

28 (d) Monies transferred into the Fund in accordance with Chapter 18C of the
29 General Statutes shall be allocated to counties and to charter schools for capital projects
30 for school construction ~~projects~~ as follows:

31 (1) A sum equal to sixty-five percent (65%) of those monies transferred in
32 accordance with G.S. 18C-164 shall be allocated on a per average
33 daily membership basis according to the average daily membership for
34 the budget year as determined and certified by the State Board of
35 Education.

36 (2) A sum equal to thirty-five percent (35%) of those monies transferred in
37 accordance with G.S. 18C-164 shall be allocated to those local school
38 administrative units and charter schools located in whole or part in
39 counties in which the effective county tax rate as a percentage of the
40 effective State average tax rate is greater than one hundred percent
41 (100%), with the following definitions applying to this subdivision:

42 a. "Effective county tax rate" means the actual county tax rate
43 multiplied by a three-year weighted average of the most recent
44 annual sales assessment ratio studies.

- 1 b. "State average effective tax rate" means the average effective
2 county tax rates for all counties.
3 c. "Sales assessment ratio studies" means sales assessment ratio
4 studies performed by the Department of Revenue under
5 G.S. 105-289(h).
6 (3) No county or charter school shall have to provide matching funds
7 required under subsection (c) of this section.
8 (4) A county may use monies in this Fund to pay for school construction
9 projects in local school administrative units and to retire indebtedness
10 incurred for school construction projects incurred on or after January
11 1, 2003. A charter school may use monies in this Fund only to pay for
12 school construction projects.
13 (5) ~~A county may not~~ Neither a county nor a charter school may use
14 monies in this Fund to pay for school technology needs."
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SECTION 2. This act becomes effective July 1, 2006.