

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS75175-LE-138 (2/27)**

Short Title: Capital Funds for Certain Charter Schools. (Public)

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Sponsors: Senators Berger of Franklin, Goodall and Shaw.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE ALLOCATION OF CAPITAL FUNDS TO SOME  
CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 115C-546.2(d) reads as rewritten:

"(d) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:

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

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

a. "Effective county tax rate" means the actual county rate for the previous fiscal year, including any countywide supplemental taxes levied for the benefit of public schools, multiplied by a three-year weighted average of the most recent annual sales assessment ratio studies.

b. "State average effective tax rate" means the average effective county tax rates for all counties.

1                   c.     "Sales assessment ratio studies" means sales assessment ratio  
2                   studies performed by the Department of Revenue under  
3                   G.S. 105-289(h).

4                   (3)    No county shall have to provide matching funds required under  
5                   subsection (c) of this section.

6                   (4)    A county may use monies in this Fund to pay for school construction  
7                   projects in local school administrative units and to retire indebtedness  
8                   incurred for school construction projects incurred on or after January  
9                   1, 2003.

10                  (5)    A county may not use monies in this Fund to pay for school  
11                  technology needs.

12                  (6)    Funds shall be allocated under subdivisions (1) and (2) of this  
13                  subsection to charter schools at which at least thirty percent (30%) of  
14                  the students qualify for free or reduced-price lunches and to schools  
15                  operated by local school administrative units. The provisions of  
16                  subdivisons (3), (4), and (5) of this subsection apply to funds allocated  
17                  to charter schools."

18                  **SECTION 2.** This act becomes effective July 1, 2007.