

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 42  
State and Local Government Committee Substitute Adopted 2/27/13

Short Title: Charter School/Govt. Unit.

(Public)

Sponsors:

Referred to:

February 4, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE THAT A CHARTER SCHOOL IS A GOVERNMENTAL UNIT  
3 FOR THE PURPOSE OF A LEASE OR TRANSFER OF PERSONAL OR REAL  
4 PROPERTY BETWEEN A CHARTER SCHOOL AND ANOTHER GOVERNMENTAL  
5 UNIT.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 160A-274(a) reads as rewritten:

8 "(a) For the purposes of this section, "governmental unit" means a city, county, school  
9 administrative unit, charter school, sanitary district, fire district, the State, or any other public  
10 district, authority, department, agency, board, commission, or institution."

11 **SECTION 2.** G.S. 115C-238.29H(a1) reads as rewritten:

12 "(a1) Funds allocated by the State Board of Education may be used to enter into  
13 operational and financing leases for real property or mobile classroom units for use as school  
14 facilities for charter schools and may be used for payments on loans made to charter schools for  
15 facilities or equipment. However, State funds shall not be used to obtain any other interest in  
16 real property or mobile classroom units. No indebtedness of any kind incurred or created by the  
17 charter school shall constitute an indebtedness of the State or its political subdivisions, and no  
18 indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing  
19 power of the State or its political subdivisions. Every contract or lease into which a charter  
20 school enters shall include the previous sentence. The school also may own land and buildings  
21 it obtains through non-State ~~sources~~ sources and as provided in G.S. 160A-274."

22 **SECTION 3.** G.S. 160A-280(b) reads as rewritten:

23 "(b) For the purposes of this section, the term "governmental unit" ~~shall have the same~~  
24 ~~meaning as defined by G.S. 160A-274(a) and shall include North Carolina charter schools.~~ has  
25 the same meaning as set forth in G.S. 160A-274(a)."

26 **SECTION 4.** G.S. 115C-238.29F(i) reads as rewritten:

27 "(i) Assets. - ~~Upon~~ Except as provided under subsection (i1) of this section, upon  
28 dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the  
29 charter school purchased with public funds shall be deemed the property of the local school  
30 administrative unit in which the charter school is located."

31 **SECTION 5.** G.S. 115C-238.29F is amended by adding a new subsection to read:

32 "(i1) Real Property. - Before disposing of any real property received pursuant to  
33 G.S. 160A-274 for less than full and fair market value, a charter school shall afford the  
34 governmental unit from which the real property was received the first opportunity to obtain the  
35 real property for the same or less consideration given by the recipient charter school."

36 **SECTION 6.** This act is effective when it becomes law.

