

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

SENATE BILL 468
RATIFIED BILL

AN ACT TO MODIFY THE USES FOR QUALIFIED ZONE ACADEMY BONDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-489.6(a) reads as rewritten:

"(a) QZAB Program. – The State Board of Education is designated the State education agency responsible for administering the qualified zone academy bond program in North Carolina for the purposes of 26 U.S.C. § 54E. The State Board of Education shall perform all activities required to implement and carry out the qualified zone activity bond program in North Carolina. Those activities include:

- ...
- (4) Awarding the State's allocation of total funds among selected applicants and establishing conditions upon the usage of the allocation. These conditions must include:
- a. ~~Requiring~~ Ensuring that the bond proceeds be (i) used only ~~for rehabilitating or repairing the public school facility in which the qualified zone academy is located, which may include (i) wiring and other infrastructure improvements related to providing technology and (ii) equipment related to the rehabilitation or repair, but not personal computers or similar technology equipment for purposes listed in 26 U.S.C. § 54E and (ii) prioritized so as to be used first in counties determined to have greater economic distress, as determined pursuant to G.S. 143B-437.08, and for schools where seventy-five percent (75%) or more of the school's students are eligible to receive free or reduced lunch under the federal lunch program. The State Board of Education shall establish an application process and require any information necessary to enable the Board to accomplish the prioritization and efficient use of the bond proceeds in accordance with this subdivision.~~
 - b. Conditions designed to assure that the allocation is used in a timely manner.

...."

SECTION 1.1.(a) Section 5.3(e) of S.L. 2017-57 reads as rewritten:

"SECTION 5.3.(e) Grant funds awarded under this section shall be subject to a matching requirement from the recipient county as follows:

- (1) For a county designated as a development tier one area, the grant shall not exceed three dollars (\$3.00) in grant funds for every one dollar (\$1.00) provided by the county. Grant funds awarded to a tier one county shall not exceed fifteen million dollars (\$15,000,000).
- (2) For a county designated as a development tier two area, the grant shall not exceed one dollar (\$1.00) for every one dollar (\$1.00) in grant funds



provided by the county. Grant funds awarded to a tier two county shall not exceed ten million dollars (\$10,000,000).

Grant funds shall be used for new capital projects only. Grant funds shall not be used for real property acquisition or for operational lease ~~agreements~~-agreements, except that grant funds may be used for projects when a pre-development agreement for an operational lease was entered into on or before June 30, 2017. Notwithstanding subdivision (2) of this subsection, grant funds shall only be awarded to development tier one counties until the 2020-2021 fiscal year. Grant funds shall not be awarded to any county that has received over eight million seven hundred fifty thousand dollars (\$8,750,000) in funds from the Public School Building Capital Fund from the 2012-2013 fiscal year to the 2016-2017 fiscal year."

SECTION 1.1.(b) This section becomes effective July 1, 2017.

SECTION 2. Except as otherwise provided, this act is effective when it becomes law and applies to bond proceeds used on or after that date.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2017