

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1272

Short Title: Education Facility Financing Study. (Public)

Sponsors: Representatives Yongue, Johnson, Preston, Carney (Primary Sponsors);
Faison, Glazier, and Insko.

Referred to: Education.

April 19, 2005

A BILL TO BE ENTITLED

1 AN ACT ESTABLISHING THE EDUCATION FACILITY FINANCING STUDY
2 COMMISSION.
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4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Establishment of the Commission. – The Education Facility
6 Financing Study Commission is established.

7 **SECTION 1.(b)** Membership. – The Commission shall be composed of 16
8 members, as follows:

9 (1) Eight members appointed by the President Pro Tempore of the Senate:
10 two members of the Senate from urban areas, two members of the
11 Senate from rural areas, one member representing a large,
12 fast-growing, urban school administrative unit that is a plaintiff in the
13 Leandro school-financing litigation, one member from the financial
14 services industry, one county commissioner, and one educator. One of
15 these members shall serve as cochair; and

16 (2) Eight members appointed by the Speaker of the House of
17 Representatives: two members of the House of Representatives from
18 urban areas, two members of the House of Representatives from rural
19 areas, one member representing a rural school administrative unit that
20 is a plaintiff in the Leandro school-financing litigation, one member
21 who is knowledgeable about municipal and school finance, one school
22 board member, and one educator. One of these members shall serve as
23 cochair.

24 Vacancies shall be filled by the appointing authority.

25 **SECTION 1.(c)** Duties of the Commission. – The Commission shall
26 examine the present system of local financing for school facilities and shall study
27 alternative options for financing local school construction, renovation, repair, and
28 maintenance. The Commission may study and consider public-private partnerships for

1 school construction and facility ownership, sale lease-back arrangements, private and
2 commercial financing arrangements, design standards for school facilities that may
3 facilitate alternative financing techniques, alternative local revenue sources for
4 financing school facilities, the use of real estate investment trusts, State and local
5 construction bond pools, and any other financing issues deemed pertinent by the
6 Commission.

7 **SECTION 1.(d)** Expenses of Members. – Members of the Commission shall
8 receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1,
9 138-5, or 138-6, as appropriate.

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

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

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

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

27 **SECTION 1.(i)** Reports. – The Commission shall make a final report to the
28 2006 Regular Session of the 2005 General Assembly no later than March 31, 2006. The
29 final report shall contain recommendations for legislation to implement
30 recommendations made by the Commission. The Commission shall terminate on March
31 31, 2006.

32 **SECTION 1.(j)** Notwithstanding the provisions of G.S. 115C-546.1(b), the
33 Secretary of Revenue shall remit to the State Treasurer for credit to the General
34 Assembly the sum of one hundred thousand dollars (\$100,000) of the funds to be
35 deposited in the Public School Building Capital Fund pursuant to G.S. 115C-546.1(b)
36 during the 2005-2006 fiscal year. These funds shall be used for the expenses of the
37 Education Facility Financing Study Commission. The Commission may also apply for,
38 receive, or accept grants and contributions, subject to the provisions of G.S. 120-32.03,
39 to support the work of the Commission.

40 **SECTION 2.** This act becomes effective July 1, 2005.