

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

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**HOUSE BILL 1742**

Short Title:   Modify Law Re: School Capital Projects. (Public)

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Sponsors:   Representatives J. Harrell, Goforth (Primary Sponsors); and Faison.

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Referred to:  Ways and Means, if favorable, Appropriations.

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April 19, 2007

A BILL TO BE ENTITLED  
AN ACT TO AMEND THE LAW REGARDING CERTAIN SCHOOL CAPITAL  
PROJECTS.

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

- 1 (3) No county shall have to provide matching funds required under  
2 subsection (c) of this section.
- 3 (4) A county may use monies in this Fund to pay for school construction  
4 projects in local school administrative units and to retire indebtedness  
5 incurred for school construction projects incurred on or after January  
6 1, 2003.
- 7 (5) A county may not use monies in this Fund to pay for school  
8 technology needs.
- 9 (6) Schools constructed using these funds shall be built using prototypes  
10 developed by the Department of Public Instruction. The Department  
11 shall develop five prototypes to support this program and shall  
12 maintain ownership of the plans, once developed. Prototypes shall be  
13 developed considering cost, design, and specification criteria.  
14 The contractors selected to construct these schools shall implement  
15 Internet bidding for all building materials and supplies."

16 **SECTION 2.** This act becomes effective October 1, 2007, and applies to  
17 capital projects for which contractors are selected on or after that date.