

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

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**HOUSE BILL 175**

Short Title: School Capital Fund Formula/Lottery Proceeds. (Public)

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Sponsors: Representatives Hilton, Setzer, Frye, Dollar (Primary Sponsors);  
Blackwood, Cleveland, Current, Folwell, Gillespie, McGee, Moore, Stam,  
and Starnes.

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Referred to: Rules, Calendar, and Operations of the House.

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February 14, 2007

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE SCHOOL CAPITAL CONSTRUCTION FORMULA IN  
THE STATE LOTTERY ACT TO PROVIDE FOR DISTRIBUTION OF ALL THE  
FUNDS BASED ON AVERAGE DAILY MEMBERSHIP.

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 effective State average  
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 tax rate  
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                   e.     ~~"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~~2000.  
10          (5)     A county may not use monies in this Fund to pay for school  
11                   technology needs."  
12          **SECTION 2.** This act becomes effective July 1, 2007.