

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 729

Local Government & Regional Affairs Committee Substitute Adopted 5/10/89

Short Title: School Continuing Contracts.

(Public)

Sponsors:

Referred to:

April 3, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND THE PUBLIC SCHOOL LAWS TO CLARIFY THE
AUTHORITY OF LOCAL SCHOOL BOARDS TO ENTER INTO CONTINUING
CONTRACTS FOR CAPITAL OUTLAY PURPOSES UNDER G.S. 115C-441(c1).

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-441(c1) reads as rewritten:

"(c1) Continuing Contracts for Capital Outlay. – An administrative unit may enter into a contract for the capital outlay expenditures set forth in G.S. 115C-426(f), in the form of lease purchase contracts, installment sales contracts and other contracts in which the unit grants a security interest in property, with some portion or all of which said contracts is to be performed and/or paid in ensuing fiscal years, without the budget resolution including an appropriation for the entire obligation, provided:

(i) The budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation;

(ii) An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year; ~~and~~

(iii) Contracts for capital outlay expenditures are approved by a resolution adopted by the board of county commissioners, which resolution when adopted shall bind the board of county commissioners to appropriate sufficient funds in ensuing fiscal years to meet the amounts to be paid under the contract in those years; and

1 (iv) The contract shall provide that there be no recourse for default in
2 payments under the contract other than return of the property obtained
3 under the contract.

4 Provided, further, that contracts entered into under this subdivision are subject to the
5 provisions of Article 8 of Chapter 159 of the General Statutes.

6 No deficiency judgment may be rendered against any administrative unit in any
7 action for breach of a contractual obligation authorized under this subsection. Contracts
8 which comply with this subsection shall not be construed or interpreted as a pledge of
9 the taxing power of any tax levying authority."

10 Sec. 2. This act is effective upon ratification.