

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

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**HOUSE BILL 9**

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

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Sponsors: Representatives Goforth, J. Harrell, Rapp, Church (Primary Sponsors); Allred, Avila, Boylan, Fisher, Frye, Gillespie, Hilton, Holliman, Howard, Johnson, Justice, Justus, Kiser, Martin, Ray, Ross, Setzer, Stam, Tarleton, Thomas, Walend, R. Warren, Weiss, and West.

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

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January 29, 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           subsubsection (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.