

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 9
Committee Substitute Favorable 7/10/07

Short Title: School Capital Fund Formula/Lottery Proceeds.

(Public)

Sponsors:

Referred to:

January 29, 2007

A BILL TO BE ENTITLED

AN ACT TO DISTRIBUTE PART OF STATE LOTTERY PROCEEDS BY
ALLOCATING FUNDS TO LOW-WEALTH SCHOOL SYSTEMS AND
GROWING SCHOOL SYSTEMS.

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 to local school
administrative units 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.~~

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

- 1 (2a) A sum equal to seventeen and one-half percent (17.5%) of those
2 monies transferred in accordance with G.S. 18C-164 shall be allocated
3 to local school administrative units located in whole or in part in low-
4 wealth counties under Section 7.6 of S.L. 2005-276. In allocating
5 funds under this subdivision to a local school administrative unit, the
6 Department of Public Instruction shall multiply the total amount of
7 funds available under this subdivision by a fraction, the numerator of
8 which is the amount the local school administrative unit is allocated
9 under Section 7.6 of S.L. 2005-276 and the denominator of which is
10 the total amount to be allocated to local school administrative units
11 under Section 7.6 of S.L. 2005-276.
- 12 (2b) A sum equal to seventeen and one-half percent (17.5%) of those
13 monies transferred in accordance with G.S. 18C-164 shall be allocated
14 to growing local school administrative units on the basis of growth of
15 the average daily membership for the budget year as determined and
16 certified by the State Board of Education over a five-year period.
- 17 (3) No county shall have to provide matching funds required under
18 subsection (c) of this section.
- 19 (4) A county may use monies in this Fund to pay for school construction
20 projects in local school administrative units and to retire indebtedness
21 incurred for school construction projects incurred on or after January
22 1, 2003.
- 23 (5) A county may not use monies in this Fund to pay for school
24 technology needs."

25 **SECTION 2.** This act becomes effective July 1, 2007.