

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH50413-LE-209A (5/20)**

Short Title: Local School Construction Financing Study. (Public)

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Sponsors: Representative Yongue.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE LOCAL SCHOOL CONSTRUCTION FINANCING  
STUDY COMMISSION.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Establishment of the Commission. – The Local School  
Construction Financing Study Commission is established.

**SECTION 1.(b)** Membership. – The Commission shall be composed of 18  
members, as follows:

- (1) One member appointed by the Governor, after consultation with the President Pro Tempore of the Senate and the Speaker of the House of Representatives, who shall serve as chair;
  - (2) Eight members appointed by the President Pro Tempore of the Senate: two members of the Senate from urban areas, two members of the Senate from rural areas, one member representing a large, fast-growing, urban school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member from the financial services industry, one county commissioner, and one educator;
  - (3) Eight members appointed by the Speaker of the House of Representatives: two members of the House of Representatives from urban areas, two members of the House of Representatives from rural areas, one member representing a low-wealth school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member who is knowledgeable about municipal and school finance, one school board member, and one educator; and
  - (4) The State Treasurer or a designee.
- Vacancies shall be filled by the appointing authority.

1           **SECTION 1.(c)** Duties of the Commission. – The Commission shall  
2 examine the present system of local financing for school facilities and shall study  
3 alternative options for financing local school construction, renovation, repair, and  
4 maintenance. The Commission may study and consider public-private partnerships for  
5 school construction and facility ownership, sale lease-back arrangements, private and  
6 commercial financing arrangements, design standards for school facilities that may  
7 facilitate alternative financing techniques, alternative local revenue sources for  
8 financing school facilities, the use of real estate investment trusts, State and local  
9 construction bond pools, and any other financing issues deemed pertinent by the  
10 Commission.

11           **SECTION 1.(d)** Expenses of Members. – Members of the Commission shall  
12 receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1,  
13 138-5, or 138-6, as appropriate.

14           **SECTION 1.(e)** Consultants and Other Staff. – The Commission may hire  
15 consultants to provide research, staff support, and information about school financing in  
16 other states to the Commission, in accordance with G.S. 120-32.02. The Legislative  
17 Services Office, with the prior approval of the Legislative Services Commission, shall  
18 also assign professional and clerical staff to assist the Commission in its work.

19           **SECTION 1.(f)** Cooperation by Government Agencies. – The Commission  
20 may call upon any department, agency, institution, or officer of the State or any political  
21 subdivision of the State for facilities, data, or other assistance. All State departments and  
22 agencies, local governments, and their subdivisions shall cooperate with the  
23 Commission and, upon request, shall furnish the Commission and its staff any  
24 information in their possession or available to them.

25           **SECTION 1.(g)** Meetings During Legislative Session. – The Commission  
26 may meet during a regular or extra session of the General Assembly.

27           **SECTION 1.(h)** Meeting Location. – The Legislative Services Commission  
28 shall grant adequate meeting space to the Commission in the State Legislative Building  
29 or the Legislative Office Building. The Commission may also meet at various locations  
30 around the State in order to promote greater public participation in its deliberations.

31           **SECTION 1.(i)** Reports. – The Commission shall make an interim report to  
32 the 2005 General Assembly no later than January 31, 2005, and a final report to the  
33 2006 Regular Session of the 2005 General Assembly no later than March 31, 2006. The  
34 final report shall contain recommendations for legislation to implement  
35 recommendations made by the Commission. The interim report may also contain  
36 recommendations for legislation. The Commission shall terminate on March 31, 2006.

37           **SECTION 2.** There is appropriated from the General Fund to the General  
38 Assembly the sum of two hundred thousand dollars (\$200,000) for the 2004-2005 fiscal  
39 year for the expenses of the Local School Construction Financing Study Commission.  
40 The Commission may also apply for, receive, or accept grants and contributions, subject  
41 to the provisions of G.S. 120-32.03, to support the work of the Commission.

42           **SECTION 3.** This act becomes effective July 1, 2004.