

May 25, 2006

S 2009. PUBLIC-PRIVATE PARTNERSHIPS FOR SCHOOLS (=H 2780). Filed 5/25/06. *TO ALLOW CAPITAL LEASE FINANCING FOR PUBLIC SCHOOLS.* Identical to H 2780, filed 5/25/06.

Intro. by Malone.

GS 115C

June 29, 2006

S 2009. PUBLIC-PRIVATE PARTNERSHIPS FOR SCHOOLS. Filed 5/25/06. Senate committee substitute makes the following changes to 1st edition. Adds additional subsections (h) and (i) to proposed new GS 115C-531 (capital leases of school buildings and school facilities) to (1) provide that a capital lease may not contain an agreement on student assignments; and (2) provide that real property subject to a capital lease is subject to liens and foreclosure actions under Article 2 of GS Chapter 44A.

Amends proposed new GS 115C-532 (additional provisions applicable to build-to-suit capital leases) to delete the definition of a first-tier subcontractor and substitute a definition of a prime contractor. Makes technical language changes to subsection (c) (approval by local board of education). Amends subsection (d) (additional requirements regarding design services) to provide that work required be performed by an engineer is allowed only to the extent permitted under GS 83A-13(b). Amends subsection (e) (additional requirements regarding construction services) to (1) require that private developers seek competition and minority business participation in connection with all construction work; (2) amend proposed subdivision (e)(1) to allow the private developer to either solicit bids from prime contractors or select a construction manager at risk through a qualification based process who will solicit bids from all of its prime contractors for construction work; (3) add a provision allowing the private developer or construction manager at risk to prequalify contractors by criteria determined by the local board of education and private developer; (4) amend proposed subdivision (e)(3) to require the private developer or its construction manager at risk to publicly advertise at least thirty days in advance of the bid date, and open bids publicly; and (5) make conforming and renumbering changes. Adds new subsection (i) to require a private developer to maintain an irrevocable letter of credit for the benefit of laborers and "materialmen" of not less than 5% of the total cost of the improvements which are subject to the build-to-suit capital lease throughout the construction of the project and for six months after the completion of the project.

Deletes section 4 that included an appropriation and provided for a pilot program limited to local school administrative units designated by State Board of Education.

Makes act effective when it becomes law (was, July 1, 2006) and repeals it effective July 1, 2011.

August 22, 2006

SL 2006-232 (S 2009). PUBLIC-PRIVATE PARTNERSHIPS FOR SCHOOLS. AN ACT TO ALLOW CAPITAL LEASE FINANCING FOR PUBLIC SCHOOLS. Summarized in *Daily Bulletin* 5/25/06 and 6/29/06. Enacted August 12, 2006. Effective August 12, 2006.