

1 the budget year as determined and certified by the State Board of
2 Education. An allocation for charter schools shall be made on an
3 average daily membership basis to each charter school and disbursed
4 to those schools on the same basis as disbursements to local school
5 administrative units.

6 (2) A sum equal to thirty-five percent (35%) of those monies transferred in
7 accordance with G.S. 18C-164 shall be allocated to those local school
8 administrative units (and to charter schools on the same basis as in
9 subdivision (1) of this subsection) located in whole or part in counties
10 in which the effective county tax rate as a percentage of the State
11 average effective tax rate is greater than one hundred percent (100%),
12 with the following definitions applying to this subdivision:

13 a. "Effective county tax rate" means the actual county rate for the
14 previous fiscal year, including any countywide supplemental
15 taxes levied for the benefit of public schools, multiplied by a
16 three-year weighted average of the most recent annual sales
17 assessment ratio studies.

18 b. "State average effective tax rate" means the average effective
19 county tax rates for all counties.

20 c. "Sales assessment ratio studies" means sales assessment ratio
21 studies performed by the Department of Revenue under
22 G.S. 105-289(h).

23 (3) No county shall have to provide matching funds required under
24 subsection (c) of this section.

25 (4) A county may use monies in this Fund to pay for school construction
26 projects in local school administrative units and to retire indebtedness
27 incurred for school construction projects incurred on or after January
28 1, 2003.

29 (5) A county may not use monies in this Fund to pay for school
30 technology needs."

31 **SECTION 3.** This act becomes effective July 1, 2007.