

May 5, 2009

H 1590. THE SCHOOL CONSTRUCTION BOND ACT OF 2009. Filed 5/5/09.
*TO AUTHORIZE THE STATE TO ISSUE THREE BILLION DOLLARS OF
REVENUE BONDS TO BE SECURED BY REVENUES FROM THE NORTH
CAROLINA EDUCATION LOTTERY FOR PUBLIC SCHOOL CAPITAL
FACILITIES.*

Authorizes that the State Treasurer may issue, pursuant to an order adopted by the Council of State, revenue bonds in the amount of \$3 billion on behalf of the state. Requires that the net revenues of the North Carolina Education Lottery (Lottery) be the sole source of repayment and security for the indebtedness, and provides that all or a portion of the net revenues may be pledged as "revenue" under GS 159-81. Provides for procedures for and limitations on the issuance of the revenue bonds. Specifies that the proceeds of indebtedness issued under this act must be used for the cost of capital facilities, the cost of issuing the bonds, credit enhancement, liquidation facilities, and other incidental costs for new or renovated public school facilities or to repay indebtedness incurred for these purposes on or after January 1, 2000. Requires that funds be allocated for projects among the counties in accordance with the provisions of GS 115C-546.2(d). Amends GS 115C-546.2(d) by deleting the county percentage allocation formulas for funds transferred in accordance with GS 18C-164 (NC State Lottery Fund). Provides that monies transferred into the Public School Building Capital Fund (Fund) in accordance with GS Chapter 18C be allocated for capital projects for school construction projects 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. Makes organizational changes.

Makes conforming changes to GS 18C-164 by requiring the NC State Lottery Commission (Commission) to distribute remaining net revenue of the Education Lottery Fund to repay indebtedness secured by all or a portion of the net revenues of the Lottery. Provides that if the remaining net revenue of the Education Lottery Fund exceeds the amount needed to repay indebtedness, the Commission must transfer the excess to the Fund. Deletes distribution and transfer of funds for other specified purposes.

Intro. by Dollar.

GS 18C, 115C