

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE PRINCIPAL CLERK

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HOUSE DRH30279-MK-150 (03/25)

Short Title: Charter School Capital Funds. (Public)

Sponsors: Representatives Yarborough and Stam (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE A COUNTY TO PROVIDE CAPITAL FUNDS TO A CHARTER
3 SCHOOL SUBJECT TO RETURN OF THOSE FUNDS UPON DISSOLUTION OF THE
4 SCHOOL.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 115C-218.100(b) reads as rewritten:

7 "(b) Distribution of Assets. – Upon dissolution of a charter school, all net assets of the
8 charter school purchased with public funds shall be deemed the property of the local school
9 administrative unit in which the charter school is ~~located~~ located, except that capital funds
10 provided to a charter school by one or more counties pursuant to G.S. 115C-218.105(b1) and
11 all net assets purchased or improved with the capital funds, up to the total amount of the funds
12 provided, shall be deemed the property of the county or counties providing the funding and, if
13 applicable, divided between the counties in proportion to the funds provided."

14 **SECTION 2.** G.S. 115C-218.105 reads as rewritten:

15 "§ 115C-218.105. State and local funds for a charter school.

16 ...

17 (b1) Counties may provide funds to charter schools or nonprofit organizations supporting
18 charter schools by direct appropriation as set forth in G.S. 153A-457. These funds shall be used
19 only for the following purposes:

20 (1) The acquisition of real property for school purposes, including, but not
21 limited to, school sites, playgrounds, and athletic fields.

22 (2) The acquisition, construction, reconstruction, enlargement, renovation, or
23 replacement of buildings and other structures, including, but not limited to,
24 buildings for classrooms and laboratories, physical and vocational
25 educational purposes, libraries, auditoriums, and gymnasiums.

26 (3) The acquisition or replacement of furniture and furnishings, instructional
27 apparatus, and similar items of furnishings and equipment.

28 (b2) If a charter school uses funds provided in subsection (b1) of this section to acquire
29 or improve property, the amount provided by the county must be evidenced by a promissory
30 note and secured by a deed of trust on the property acquired or improved by the funds. The
31 county may subordinate the deed of trust to other liens to facilitate the acquisition or
32 improvement of the property secured by the deed of trust. In the event that a charter school
33 repays the county in the amount of the capital funds provided, the county shall, for the property
34 acquired or improved by the funds, execute and file a deed of release or other documentation of
35 satisfaction showing the charter school repaid the county in the amount of the capital funds
36 provided.



1 "

2 **SECTION 3.** G.S. 153A-149(c) reads as rewritten:

3 "(c) Each county may levy property taxes for one or more of the purposes listed in this
4 subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred
5 dollars (\$100.00) appraised value of property subject to taxation. Authorized purposes subject
6 to the rate limitation are:

7 ...

8 (8a) Charter Schools. – To provide capital funds for charter schools as authorized
9 by G.S. 153A-457.

10 "

11 **SECTION 4.** Chapter 153A of the General Statutes is amended by a new section to
12 read:

13 **§ 153A-457. Charter schools.**

14 Each county is authorized to appropriate funds and lease real property to schools chartered
15 under Article 14A of Chapter 115C of the General Statutes. Counties may provide funds only
16 for the purposes set forth in G.S. 115C-218.105(b1)."

17 **SECTION 5.** This act is effective when it becomes law and applies beginning with
18 the 2015-2016 fiscal year.