

March 28, 2007

H 1203. PUBLIC SCHOOL BOND ACT OF 2007. Filed 3/28/07. *TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, AND TO PROVIDE FUNDS FOR GRANTS TO COUNTIES FOR PUBLIC SCHOOL CAPITAL OUTLAY PROJECTS.*

Authorizes the state to issue \$2 billion in general obligation bonds, to provide funds to counties for public school capital outlay projects, if approved by the voters of the state in an election to be held in November 2007. The bonds are to be designated the "State of North Carolina 2007 Public School Building Bonds" and the proceeds of the bonds are to be used to make grants to counties for the cost of public school capital outlay projects. The bond proceeds are to be allocated to each county on the basis of high growth, low wealth, and average daily membership. The dollar amounts of the allocations to each county are specified in the bill. The amount of bonds issued in any year cannot exceed \$500 million. Provides that counties are not required to match the low-wealth allocation of bond proceeds, but counties must match the average daily membership and growth allocations of bond proceeds at a rate of three cents times the county's ability-to-pay rank for every \$1 of allocated bond proceeds. Requires counties to document satisfaction of match requirements to the State Board of Education (SBE). If the SBE determines that a county has not met the matching requirements by January 1, 2015, that fact must be certified to the State Treasurer by March 1, 2015, and amounts allocated in the growth allocation of bond proceeds that have not been matched are to be reallocated among counties that have met the growth allocation matching requirements. Provides for the reallocation of funds and the use of those funds. Funds are to be administered and supervised by the SBE. The act sets out standard provisions governing the issuance and administration of the bonds, including terms and conditions; signature, form, and registration; manner of sale; expenses; notes; repayment; refunding bonds and notes; tax treatment; investment eligibility; pledge of the state's full faith and credit and taxing power; minority business participation; other agreements; and variable interest rates.

Intro. by Yongue.

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