

January 25, 2007

H 9. SCHOOL CAPITAL FUND FORMULA/LOTTERY PROCEEDS. Filed 1/25/07. *TO CHANGE THE SCHOOL CAPITAL CONSTRUCTION FORMULA IN THE STATE LOTTERY ACT TO PROVIDE FOR DISTRIBUTION OF ALL THE FUNDS BASED ON AVERAGE DAILY*

MEMBERSHIP. Amends GS 115C-546.2(d) as title indicates. Allows counties to use the funds for school construction projects and to retire indebtedness for school construction projects incurred after January 1, 2000 (January 1, 2003, under current law). Restricts counties from using this fund to pay for school technology. Current law allocates 65% of the Public School Building Capital Fund (Capital Fund) among all local education agencies (LEAs) based on average daily membership as certified annually by the State Board of Education and allocates the remaining 35% to LEAs located in specified counties with an effective tax rate that is greater than 100% of the state average effective tax rate. (Under GS 18C-164, 40% of the net revenues from the State Education Lottery Fund are allocated to the Capital Fund.) Effective July 1, 2007.

Intro. by Goforth, J. Harrell.

GS 115C

July 10, 2007

H 9. SCHOOL CAPITAL FUND FORMULA/LOTTERY PROCEEDS. Filed 1/25/07. House committee substitute makes the following changes to 1st edition. Removes proposed amendments to GS 115C-546.2(d), which would have provided for distribution of all of the funds on the basis of average daily membership. Instead amends GS 115C-546.2(d) to change the distribution of the 35% that is currently allocated to local school administrative units (units) located in a county with a higher than average effective tax rate. Under the bill, 17.5% would be allocated to units in low-wealth counties and 17.5% would be allocated to growing units. Specifies the formulas for allocating these funds.