

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 726
PROPOSED SENATE COMMITTEE SUBSTITUTE H726-PCS30608-TC-45

Short Title: Wake County Comm. Resp. for School Constr.

(Local)

Sponsors:

Referred to:

April 11, 2013

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING WAKE COUNTY TO ASSUME RESPONSIBILITY FOR
3 CONSTRUCTION, IMPROVEMENT, OWNERSHIP, AND ACQUISITION OF PUBLIC
4 SCHOOL PROPERTY.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Chapter 153A of the General Statutes is amended by adding a new
7 section to read:

8 "§ 153A-158.1A. Authority to assume responsibility for construction, improvement,
9 ownership, and acquisition of public school property.

10 (a) Scope. – This section applies only in a county that elects by resolution to assume
11 responsibility for owning, siting, acquiring, planning, constructing, reconstructing, enlarging,
12 improving, repairing, and renovating all real property for instructional and related purposes,
13 centralized administration, maintenance and other facilities used by a named school
14 administrative unit located wholly within the county under the terms and conditions specified
15 in the board of county commissioners' resolution. If such a resolution is adopted or renewed,
16 that named school administrative unit shall no longer exercise any authority in owning, siting,
17 acquiring, planning, constructing, reconstructing, enlarging, improving, repairing, and
18 renovating of any real property for instructional and related purposes, centralized
19 administration, maintenance and other facilities used by that named school administrative unit.
20 The election may, however, leave the named school administrative unit with responsibility for
21 equipment and for maintenance and repairs in categories or amounts specified in the resolution.

22 (b) Adoption of Resolution. – Any resolution adopted or renewed by a county board of
23 commissioners under this section shall comply with all of the following:

24 (1) The resolution shall be adopted to be effective at the beginning of a fiscal
25 year and shall be effective for 10 years. The resolution may be renewed by
26 subsequent resolution in 10-year increments.

27 (2) Before adopting the resolution, the county board of commissioners shall
28 hold a public hearing at which time any persons who wish to be heard on the
29 resolution may appear.

30 (3) The resolution shall address all of the following:

31 a. Whether the county board of commissioners is vesting ownership in
32 real property or school capital funds, or both, currently owned or
33 future acquired, in the name of the county.

34 b. Responsibility for insurance of liability.

35 c. Transfer of title to property affected by the resolution.

36 d. The date of renewal.



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1 (c) Upon adoption of the resolution by the county board of commissioners, all of the
2 following shall apply:

3 (1) A certified copy of the resolution shall be sent to the clerk of the board of
4 education by the clerk of the board of commissioners. The board of
5 education shall, within 30 days of entry of the resolution, execute any
6 documents or deeds necessary to effectuate the transfer under the exact
7 terms set forth in the resolution, unless the property is accompanied by debt
8 that would preclude transfer of deed title. Upon satisfaction of the debt, title
9 to that real property shall vest in the county. The county shall pay the costs
10 of executing the documents or deeds and effectuating the transfer.

11 (2) The county shall consult the board of education in the siting, design,
12 construction, expansion, improvement, or renovation of any property.

13 (3) Monies paid to a county pursuant to contracts of insurance against loss of
14 capital assets through fire or casualty shall be used to repair or replace the
15 damaged capital asset or if the capital asset is not repaired or replaced,
16 placed to the credit of the county capital outlay fund for public schools for
17 appropriation at some future time.

18 (4) A county shall not be liable for the acts or omissions of school employees in
19 or on school property owned, acquired, leased, or improved by the county.

20 (5) Any interest in property acquired by a county under this section shall be
21 conclusively presumed to be for the exclusive use of the named school
22 administrative unit for public school purposes to the same extent as if the
23 property were owned by the local board of education. Therefore, property
24 acquired by a county from a board of education under the provisions of this
25 act shall not constitute the exercise of eminent domain power and shall not
26 otherwise entitle the board of education or school administrative unit to any
27 funds or other consideration for any property so acquired by or transferred to
28 the county.

29 (6) The local board of education shall continue to have the exclusive authority to
30 determine whether and when such school property is unnecessary or
31 undesirable for public school purposes, in which event the board of
32 education shall so inform the county board of commissioners. The county
33 board of commissioners shall then either (i) dispose of the property and use
34 the proceeds to reduce the county's bonded indebtedness for schools or for
35 school capital outlay purposes or (ii) use the property for nonschool
36 purposes and use an amount negotiated by the two boards as the fair market
37 value of the property to reduce the county's bonded indebtedness for schools
38 or for school capital outlay purposes.

39 (7) The local board of education may not exercise its authority under
40 G.S. 115C-531 or G.S. 115C-532 during the period of the resolution.

41 (d) If a county board of commissioners opts not to renew a resolution adopted under
42 this section, title to the real property shall vest in the local board of education on the date of
43 renewal stated in the last resolution adopted under subsection (b) of this section unless the
44 property is accompanied by debt that would preclude transfer of deed title. Upon satisfaction of
45 the debt, title to that real property shall vest in the local board of education. The county shall,
46 within 30 days of failing to renew the resolution, execute any documents or deeds necessary to
47 effectuate the transfer to the local board of education. The county shall pay the costs of
48 executing the documents or deeds and effectuating the transfer.

49 (e) If a county board of commissioners fails to renew that resolution, the county board
50 of commissioners may not adopt another resolution under subsection (b) of this section for at
51 least 12 months.

1 (f) As used in this section:

- 2 (1) Interest in real property includes (i) fixtures, (ii) leaseholds, and (iii) other
 3 capital assets.
 4 (2) School capital funds includes all or part of (i) funds appropriated to the
 5 school capital outlay fund as provided in G.S. 115-426(f)(1) and (2) and (ii)
 6 funds allocated for school capital from the Public School Building Capital
 7 Fund to the county or to local school administrative units located wholly
 8 within that county in accordance with G.S. 115C-546.2(a) and (d)."

9 **SECTION 2.** G.S. 115C-207(2) reads as rewritten:

10 **"§ 115C-207. Authority and responsibility of local boards of education.**

11 Every local board of education that uses State funds to implement programs under this
 12 Article shall:

- 13 (1) Develop programs and plans for increased community involvement in the
 14 public schools based upon policies and guidelines adopted by the State
 15 Board of Education.
 16 (1a) Develop policies and programs designed to encourage the use of
 17 community-based academic booster organizations, which may be known as
 18 Community Achievement Network – Developing Our Educational
 19 Resources (CAN DOER) organizations, to provide tutoring and other
 20 appropriate services to encourage and support student academic
 21 achievement.
 22 (1b) Develop policies and/or procedures for approving the use of volunteer
 23 organizations and for approving the use of individual volunteers.
 24 (1c) Develop policies and/or procedures designed to make information available
 25 to parents and students about what tutoring and other academic support
 26 services are available to students in the community or through school
 27 volunteers or other community organizations.
 28 (2) Develop programs and plans for increased community use of public school
 29 facilities based upon policies and guidelines adopted by the State Board of
 30 Education. If a county has assumed ownership of school property pursuant to
 31 G.S. 153A-158.1A, the local board of education shall permit the use of that
 32 property by nonschool groups only as authorized by the county
 33 commissioners.
 34 (3) Establish rules governing the implementation of such programs and plans in
 35 its public schools and submit these rules along with adopted programs and
 36 plans to the State Board of Education for approval by the State Board of
 37 Education.

38 Programs and plans developed by a local board of education may provide for the
 39 establishment of one or more community schools advisory councils for the public schools
 40 under the board's jurisdiction and for the employment of one or more community schools
 41 coordinators. The local board of education shall establish the terms and conditions of
 42 employment for the community schools coordinators.

43 Every local board of education using State funds to implement a community schools
 44 program under this Article may enter into agreements with other local boards of education,
 45 agencies and institutions for the joint development of plans and programs and the joint
 46 expenditure of these State funds."

47 **SECTION 3.** G.S. 115C-426 reads as rewritten:

48 **"§ 115C-426. Uniform budget format.**

49 ...

50 (f) The Except as otherwise provided in subsection (f1) of this section, the capital
 51 outlay fund shall include appropriations for:

- 1 (1) The acquisition of real property for school purposes, including but not
2 limited to school sites, playgrounds, athletic fields, administrative
3 headquarters, and garages.
- 4 (2) The acquisition, construction, reconstruction, enlargement, renovation, or
5 replacement of buildings and other structures, including but not limited to
6 buildings for classrooms and laboratories, physical and vocational
7 educational purposes, libraries, auditoriums, gymnasiums, administrative
8 offices, storage, and vehicle maintenance.
- 9 (3) The acquisition or replacement of furniture and furnishings, instructional
10 apparatus, data-processing equipment, business machines, and similar items
11 of furnishings and equipment.
- 12 (4) The acquisition of school buses as additions to the fleet.
- 13 (5) The acquisition of activity buses and other motor vehicles.
- 14 (6) Such other objects of expenditure as may be assigned to the capital outlay
15 fund by the uniform budget format.

16 The cost of acquiring or constructing a new building, or reconstructing, enlarging, or
17 renovating an existing building, shall include the cost of all real property and interests in real
18 property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and
19 equipment necessary or useful in connection therewith; financing charges; the cost of plans,
20 specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or
21 incidental to the construction, reconstruction, enlargement, or renovation.

22 No contract for the purchase of a site shall be executed nor any funds expended therefor
23 without the approval of the board of county commissioners as to the amount to be spent for the
24 site; and in case of a disagreement between a board of education and a board of county
25 commissioners as to the amount to be spent for the site, the procedure provided in
26 G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

27 Appropriations in the capital outlay fund shall be funded by revenues made available for
28 capital outlay purposes by the State Board of Education and the board of county
29 commissioners, supplemental taxes levied by or on behalf of the local school administrative
30 unit pursuant to a local act or G.S. 115C-501 to 115C-511, the proceeds of the sale of capital
31 assets, the proceeds of claims against fire and casualty insurance policies, and other sources.

32 (f1) To the extent that a county has assumed responsibility for the ownership,
33 acquisition, construction, and improvement of school property pursuant to G.S. 153A-158.1A,
34 the capital outlay shall not include appropriations for those purposes provided in subdivisions
35 (f)(1) and (f)(2) of this section.

36 "

37 **SECTION 4.** G.S. 115C-431 reads as rewritten:

38 "**§ 115C-431. Procedure for resolution of dispute between board of education and board**
39 **of county commissioners.**

40 (a) If the board of education determines that the amount of money appropriated to the
41 local current expense fund, or the capital outlay fund, or both, by the board of county
42 commissioners is not ~~sufficient~~ sufficient, when added to the monies appropriated by the
43 county for school capital projects for which the county has assumed responsibility pursuant to
44 G.S. 153A-158.1A, to support a system of free public schools, the chairman of the board of
45 education and the chairman of the board of county commissioners shall arrange a joint meeting
46 of the two boards to be held within seven days after the day of the county commissioners'
47 decision on the school appropriations.

48 Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a
49 mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the
50 joint meeting and shall act as a neutral facilitator of disclosures of factual information,

1 statements of positions and contentions, and efforts to negotiate an agreement settling the
2 boards' differences.

3 At the joint meeting, the entire school budget shall be considered carefully and judiciously,
4 and the two boards shall make a good-faith attempt to resolve the differences that have arisen
5 between them.

6 ...

7 (f) If a county has assumed responsibility for the ownership, acquisition, construction,
8 and improvement of school property pursuant to G.S. 153A-158.1A, the section shall not apply
9 to disputes over capital outlay funds as provided in G.S. 115C-426(f)(1) and (f)(2)."

10 **SECTION 5.** G.S. 115C-517 reads as rewritten:

11 **"§ 115C-517. Acquisition of sites.**

12 Local boards of education or boards of county commissioners acting pursuant to
13 G.S. 153A-158.1 or G.S. 153A-158.1A may acquire suitable sites for schoolhouses or other
14 school facilities either within or without the local school administrative unit; but no school may
15 be operated by a local school administrative unit outside its own boundaries, although other
16 school facilities such as repair shops, may be operated outside the boundaries of the local
17 school administrative unit. Whenever any such local board of education is unable to acquire or
18 enlarge a suitable site or right-of-way for a school, school building, school bus garage or for a
19 parking area or access road suitable for school buses or for other school facilities by gift or
20 purchase, condemnation proceedings to acquire same may be instituted by such board under the
21 provisions of Chapter 40A of the General Statutes, and the determination of the local board of
22 education of the land necessary for such purposes shall be conclusive. A board of county
23 commissioners may acquire such property pursuant to G.S. 153A-158.1 or G.S. 153-158.1A."

24 **SECTION 6.** G.S. 115C-519 reads as rewritten:

25 **"§ 115C-519. Deeds to property.**

26 All deeds to school property owned by a local board of education shall, after registration, be
27 delivered to the superintendent of the local school administrative unit in which the property is
28 ~~located~~-located, and ~~he~~-the superintendent shall provide a safe place for preserving all such
29 deeds. All deeds to school property owned by a county shall, after registration, be delivered to
30 the clerk of the board of county commissioners, and the clerk shall provide a safe place for
31 preserving all such deeds."

32 **SECTION 7.** G.S. 115C-521 reads as rewritten:

33 **"§ 115C-521. Erection of school buildings.**

34 (a) It shall be the duty of local boards of education to provide classroom facilities
35 adequate to meet the requirements of G.S. 115C-47(10) and 115C-301. Local boards of
36 education shall submit their long-range plans for meeting school facility needs to the State
37 Board of Education by January 1, 1988, and every five years thereafter.

38 In developing these plans, local boards of education shall consider the costs and feasibility
39 of renovating old school buildings instead of replacing them. If a county has assumed
40 responsibility for school facilities pursuant to G.S. 153A-158.1A, the county shall provide the
41 local board of education with information necessary for this consideration.

42 (b) It shall be the duty of the boards of education of the several local school
43 administrative school units of the State to make provisions for the public school term by
44 providing adequate school buildings equipped with suitable school furniture and apparatus. The
45 needs and the cost of those buildings, equipment, and apparatus, shall be presented each year
46 when the school budget is submitted to the respective tax-levying authorities. If the county has
47 assumed responsibility pursuant to G.S. 153A-158.1A for school buildings, the local board of
48 education shall present each year, concurrent with submission of the school budget, the needs
49 for school buildings necessary to provide adequate provisions for the public school term. The
50 boards of commissioners shall be given a reasonable time to provide the funds which they,
51 upon investigation, shall find to be necessary for providing their respective units with buildings

1 suitably equipped, and it shall be the duty of the several boards of county commissioners to
2 provide funds for the same. If the county has assumed responsibility pursuant to
3 G.S. 153A-158.1A for school buildings and there is a dispute regarding whether adequate
4 school buildings have been provided for the public school term by the county, the local board
5 of education and county commissioners may resolve the dispute using the mediation process
6 provided in G.S. 115C-431(a) and (b).

7 Upon determination by a local board of education that the existing permanent school
8 building does not have sufficient classrooms to house the pupil enrollment anticipated for the
9 school, the local board of education may acquire and use as temporary classrooms for the
10 operation of the school, relocatable or mobile classroom units, whether built on the lot or ~~not,~~
11 ~~which not.~~ If the county has assumed responsibility pursuant to G.S. 153A-158.1A for providing
12 such classrooms, the county may acquire these units upon notice of a determination by the local
13 board of education that the existing permanent school building does not have sufficient
14 classrooms to house the pupil enrollment anticipated for the school. If there is a dispute over
15 the sufficiency of classrooms and need for mobile units between the local board and county
16 commissioners, the local board of education and county commissioners may resolve the dispute
17 using the mediation process provided in G.S. 115C-431(a) and (b). These units and method of
18 use shall meet the approval of the School Planning Division of the State Board of Education,
19 Education and ~~which units~~ shall comply with all applicable requirements of the North Carolina
20 State Building Code and of the local building and electrical codes applicable to the area in
21 which the school is located. These units shall also be anchored in a manner required to assure
22 their structural safety in severe weather. The acquisition and installation of these units shall be
23 subject in all respects to the provisions of Chapter 143 of the General Statutes. The provisions
24 of Chapter 87, Article 1, of the General Statutes, shall not apply to persons, firms or
25 corporations engaged in the sale or furnishing to local boards of education or boards of county
26 commissioners and the delivery and installation upon school sites of classroom trailers as a
27 single building unit or of relocatable or mobile classrooms delivered in less than four units or
28 sections.

29 (c) The building of all new school buildings and the repairing of all old school
30 buildings shall be under the control and direction of, and by contract with, the board of
31 education for which the building and repairing is ~~done~~, or if the county has assumed
32 responsibility pursuant to G.S. 153A-158.1A for such activities, under the control and direction
33 of and by contract with the county. If a board of education or a board of county commissioners
34 is considering building a new school building to replace an existing school building, the board
35 shall not invest any construction money in the new building unless it submits to the State
36 Superintendent and the State Superintendent submits to the North Carolina Historical
37 Commission an analysis that compares the costs and feasibility of building the new building
38 and of renovating the existing building and that clearly indicates the desirability of building the
39 new building. No board of education or board of county commissioners shall invest any money
40 in any new building until it has (i) developed plans based upon a consideration of the State
41 Board's facilities guidelines, (ii) submitted these plans to the State Board for its review and
42 comments, and (iii) reviewed the plans based upon a consideration of the comments it receives
43 from the State Board. No local board of education or board of county commissioners shall
44 contract for more money than is made available for the erection of a new building. However,
45 this subsection shall not be construed so as to prevent boards of education from investing any
46 money in buildings that are being constructed pursuant to a continuing contract of construction
47 as provided for in G.S. 115C-441(c). All contracts for buildings shall be in writing and all
48 buildings shall be inspected, received, and approved by the local superintendent and the
49 architect before full payment is made therefor. Nothing in this subsection shall prohibit boards
50 of education from repairing and altering buildings with the help of janitors and other regular
51 employees of the board.

1 In the design and construction of new school buildings and in the renovation of existing
2 school buildings that are required to be designed by an architect or engineer under
3 G.S. 133-1.1, the local board of education or the board of county commissioners shall
4 participate in the planning and review process of the Energy Guidelines for School Design and
5 Construction that are developed and maintained by the Department of Public Instruction and
6 shall adopt local energy-use goals for building design and operation that take into account local
7 conditions in an effort to reduce the impact of operation costs on local and State budgets. In the
8 design and construction of new school facilities and in the repair and renovation of existing
9 school facilities, the local board of education or the board of county commissioners shall
10 consider the placement and design of windows to use the climate of North Carolina for both
11 light and ventilation in case of power shortages. A local board shall also consider the
12 installation of solar energy systems in the school facilities whenever practicable.

13 In the case of any school buildings erected, repaired, or equipped with any money loaned or
14 granted by the State to any local school administrative unit, no board of education or board of
15 county commissioners, if the county has assumed responsibility pursuant to G.S. 153A-158.1A
16 for such activities, shall invest any money until it has (i) developed plans based upon a
17 consideration of the State Board's facilities guidelines, (ii) submitted these plans to the State
18 Board for its review and comments, and (iii) reviewed the plans based upon a consideration of
19 the comments it receives from the State Board.

20 (c1) No local board of education or board of county commissioners shall apply for a
21 certificate of occupancy for any new middle or high school building until the plans for the
22 science laboratory areas of the building have been reviewed and approved to meet accepted
23 safety standards for school science laboratories and related preparation rooms and stockrooms.
24 The review and approval of the plans may be done by the State Board of Education or by any
25 other entity that is licensed or authorized by the State Board to do so.

26 (d) Local boards of education shall make no contract for the erection of any school
27 building unless the site upon which it is located is owned in fee simple by the board: Provided,
28 that the board of education of a local school administrative unit, with the approval of the board
29 of county commissioners, may appropriate funds to aid in the establishment of a school facility
30 and the operation thereof in an adjoining local school administrative unit when a written
31 agreement between the boards of education of the administrative units involved has been
32 reached and the same recorded in the minutes of the boards, whereby children from the
33 administrative unit making the appropriations shall be entitled to attend the school so
34 established.

35 In all cases where title to property has been vested in the trustees of a special charter district
36 which has been abolished and has not been reorganized, title to the property shall be vested in
37 the local board of education of the county embracing the former special charter district.

38 (e) The State Board of Education shall establish within the Department of Public
39 Instruction a central clearinghouse for access by local boards of education or boards of county
40 commissioners that may want to use a prototype design in the construction of school facilities.
41 The State Board shall compile necessary publications and a computer database to distribute
42 information on prototype designs to local school administrative ~~units.~~ units and to counties that
43 have assumed responsibility for construction of school facilities pursuant to G.S. 153A-158.1A.
44 All architects and engineers registered in North Carolina may submit plans for inclusion in the
45 computer database and these plans may be accessed by any person. The original architect of
46 record or engineer of record shall retain ownership and liability for a prototype design. The
47 State Board may adopt rules it considers necessary to implement this subsection."

48 **SECTION 8.** G.S. 115C-524 reads as rewritten:

49 "**§ 115C-524. Repair of school property; use of buildings for other than school purposes.**

50 (a) Repair of school buildings is subject to the provisions of G.S. 115C-521(c) and (d).

1 (b) It shall be the duty of local boards of education and tax-levying authorities, in order
2 to safeguard the investment made in public schools, to keep all school buildings in good repair
3 to the end that all public school property shall be taken care of and be at all times in proper
4 condition for use. It shall be the duty of all principals, teachers, and janitors to report to their
5 respective boards of education immediately any unsanitary condition, damage to school
6 property, or needed repair. All principals, teachers, and janitors shall be held responsible for the
7 safekeeping of the buildings during the school session and all breakage and damage shall be
8 repaired by those responsible for same, and where any principal or teacher shall permit damage
9 to the public school buildings by lack of proper discipline of pupils, such principal or teacher
10 shall be held responsible for such damage: Provided, principals and teachers shall not be held
11 responsible for damage that they could not have prevented by reasonable supervision in the
12 performance of their duties.

13 Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education
14 may adopt rules and regulations under which they may enter into agreements permitting
15 non-school groups to use school real and personal property, except for school buses, for other
16 than school purposes so long as such use is consistent with the proper preservation and care of
17 the public school property. If a county has assumed ownership of school property pursuant to
18 G.S. 153A-158.1A, the local board of education shall permit the use of that property by
19 nonschool groups only as authorized by the county commissioners. No liability shall attach to
20 any board of education, individually or collectively, or any board of commissioners,
21 individually or collectively, for personal injury suffered by reason of the use of such school
22 property pursuant to such agreements."

23 **SECTION 9.** G.S. 115C-526 reads as rewritten:

24 **"§ 115C-526. Reward for information leading to arrest of persons damaging school**
25 **property.**

26 Local boards of education and counties are authorized and empowered to offer and pay
27 rewards in an amount not exceeding three hundred dollars (\$300.00) for information leading to
28 the arrest and conviction of any persons who willfully deface, damage, destroy or commit acts
29 of vandalism or larceny of, the property belonging to the public school system or the county
30 under the jurisdiction of and administered by any local board of education."

31 **SECTION 10.** G.S. 115C-530 reads as rewritten:

32 **"§ 115C-530. Operational leases of school buildings and school facilities.**

33 (a) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may
34 enter into operational leases of real or personal property for use as school buildings or school
35 facilities. Operational leases entered into by local boards of education for terms of less than
36 three years shall not be subject to the approval of the board of county commissioners.
37 Operational leases entered into by local boards of education for terms of three years or longer,
38 including periods that may be added to the original term through the exercise of options to
39 renew or extend, are permitted if all of the following conditions are met:

- 40 (1) The budget resolution includes an appropriation authorizing the current
41 fiscal year's portion of the obligation.
- 42 (2) An unencumbered balance remains in the appropriation sufficient to pay in
43 the current fiscal year the sums obligated by the lease for the current fiscal
44 year.
- 45 (3) The leases are approved by a resolution adopted by the board of county
46 commissioners. If an operational lease is approved by the board of county
47 commissioners, in each year the county commissioners shall appropriate
48 sufficient funds to meet the amounts to be paid during the fiscal year under
49 the lease.
- 50 (4) Any construction, repair, or renovation of the property is in compliance with
51 the requirements of G.S. 115C-521(c) relating to energy guidelines.

1 For purposes of this section, an operational lease is defined according to generally accepted
2 accounting principles and may be for new or existing buildings.

3 (b) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may
4 enter into contracts for the construction, repair, or renovation of leased property if (i) the
5 budget resolution includes an appropriation authorizing the obligation, (ii) an unencumbered
6 balance remains in the appropriation sufficient to pay in the current fiscal year the sums
7 obligated by the transaction for the current fiscal year, and (iii) the construction, repair, or
8 renovation is in compliance with the requirements of G.S. 115C-521(c) relating to energy
9 guidelines. Construction, repair, or renovation work undertaken or contracted by a private
10 developer is subject to the requirements of Article 8 of Chapter 143 of the General Statutes.
11 Contracts for new construction and renovation entered into by a local board of education that
12 are subject to the bidding requirements of G.S. 143-129(a) and which do not constitute
13 continuing contracts for capital outlay must be approved by the board of county commissioners.

14 (c) Operational leases and contracts entered into under this section are subject to
15 approval by the Local Government Commission under Article 8 of Chapter 159 of the General
16 Statutes if they meet the standards set out in G.S. 159-148(a)(1), 159-148(a)(2), and
17 159-148(a)(3). For purposes of determining whether the standards set out in G.S. 159-148(a)(3)
18 have been met, only the five hundred thousand dollar (\$500,000) threshold shall apply."

19 **SECTION 11.** G.S. 115C-533 reads as rewritten:

20 "**§ 115C-533. Duty of State Board to operate insurance system.**

21 The State Board shall have the duty to manage and operate a system of insurance for public
22 school property. The State Board shall make this insurance available to counties for school
23 property owned by counties under the same terms and conditions as if the school administrative
24 unit had owned such property."

25 **SECTION 12.** G.S. 115C-534(a) reads as rewritten:

26 "**§ 115C-534. Duty to insure property.**

27 (a) The local board of every local school administrative unit in the public school system
28 of this ~~State~~, State or the board of county commissioners if the county has ownership of a
29 school building, in order to safeguard the investment made in public schools, shall:

- 30 (1) Insure and keep insured to the extent of not less than seventy-five percent
31 (75%) of the current insurable value as determined by the insurer and the
32 insured of each of its insurable buildings against fire, lightning and the perils
33 embraced in extended coverage.
34 (2) Insure and keep insured adequately the equipment and contents of said
35 building."

36 **SECTION 13.** This act shall apply only in Wake County.

37 **SECTION 14.** This act is effective when it becomes law. Notwithstanding
38 G.S. 153A-158.1A(b)(1) as enacted by Section 1 of this act, Wake County may adopt a
39 resolution under G.S. 153A-158.1A to be effective immediately at any regular or special
40 meeting prior to January 1, 2014.