

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

H.B. 554  
Apr 4, 2017  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40336-MK-144 (03/21)

Short Title: Fines and Forfeitures/Payment to Schools. (Public)

Sponsors: Representative Saine.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO DIRECT EXCESS RECEIPTS IN THE CIVIL PENALTY AND FORFEITURE  
3 FUND TO BE TRANSFERRED TO THE SCHOOL TECHNOLOGY FUND IN THE  
4 SAME FISCAL YEAR TO BE USED TOWARD PAYMENT OF THE 2008 COURT  
5 JUDGMENT ON CIVIL PENALTIES, FINES, AND FORFEITURES AND TO DIRECT  
6 THE LEGISLATIVE RESEARCH COMMISSION TO STUDY WAYS TO SATISFY  
7 THE REMAINDER OF THE JUDGMENT.

8 Whereas, Section 7 of Article IX of the North Carolina Constitution requires that  
9 public schools receive the clear proceeds of all penalties and forfeitures and of all fines  
10 collected in several counties for any breach of the penal laws of the State; and

11 Whereas, on August 8, 2008, the Wake County Superior Court ordered a  
12 Memorandum of Decision and Judgment in *North Carolina School Boards Association v.*  
13 *Moore*; and

14 Whereas, the Memorandum of Decision and Judgment stipulated that \$747,883,074  
15 in fines and forfeitures had been wrongly withheld by the State of North Carolina and that these  
16 funds should have been received by the local school administrative units; and

17 Whereas, the Memorandum of Decision and Judgment ordered that all proceeds  
18 from the judgment be used for school technology; and

19 Whereas, in 2009, the General Assembly appropriated \$18,183,251 from parking  
20 fines held in escrow by The University of North Carolina to begin paying off the judgment; and

21 Whereas, no additional funds have been allocated by the State of North Carolina to  
22 pay off the judgment; and

23 Whereas, the State of North Carolina still owes \$729,699,823 for school technology;  
24 Now, therefore,

25 The General Assembly of North Carolina enacts:

26 **SECTION 1.(a)** G.S. 115C-457.3 is amended by adding a new subsection to read:

27 "(c) Any amount of funds in excess of the appropriation made by the General Assembly  
28 for a fiscal year in the Current Operations Appropriations Act pursuant to subsection (a) of this  
29 section shall be transferred to the School Technology Fund established pursuant to  
30 G.S. 115C-102.6D in the same fiscal year in which the excess funds are collected."

31 **SECTION 1.(b)** Notwithstanding G.S. 115C-102.6D(b), in any fiscal year in which  
32 excess funds are transferred to the School Technology Fund pursuant to G.S. 115C-457.3(c), as  
33 enacted by subsection (a) of this section, those funds shall be allocated to local school  
34 administrative units to be credited toward the remaining judgment ordered in *North Carolina*  
35 *School Boards Association v. Moore*, 98 CVS 14158 (Wake County), until such time that  
36 judgment has been satisfied. Upon the transfer of excess funds to the School Technology Fund



1 in accordance with G.S. 115C-457.3, the Department of Public Instruction shall send written  
2 notice to the North Carolina School Boards Association.

3       **SECTION 2.(a)** The Legislative Research Commission (Commission) shall study  
4 ways the State of North Carolina shall satisfy the remainder of the judgment ordered in *North*  
5 *Carolina School Boards Association v. Moore*, 98 CVS 14158 (Wake County), including at  
6 least the following:

7           (1) Sources of funding to satisfy the judgment.

8           (2) A time line for payments to be made that shall not exceed a 10-year period.

9       **SECTION 2.(b)** By March 15, 2018, the Commission shall report the results of its  
10 study and its recommendations to the 2017 General Assembly.

11       **SECTION 3.** This act is effective when it becomes law.