



HOUSE BILL 726: School Bds Can't Sue County

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2015-2016 General Assembly

Committee:	House Judiciary II	Date:	April 23, 2015
Introduced by:	Reps. Conrad, Hunter, Jordan, Collins	Prepared by:	Drupti Chauhan
Analysis of:	First Edition		

SUMMARY: *House Bill 726 would repeal the statutory authority for a local board of education to file a legal action challenging the sufficiency of funds appropriated by the board of county commissioners.*

CURRENT LAW: G.S. 115C-431 sets out the procedure for resolutions of disputes between local boards of education and boards of county commissioners regarding the amount of money appropriated to the local current expense fund and capital outlay fund for the public schools. The statute requires a joint meeting of both boards and then provides for mediation with working groups from both sides. If the dispute cannot be resolved by mediation, then the local board of education may file an action in superior court with either side having the right to have issues of fact tried by the jury. The judge or jury must find facts as to the following to maintain a system of free public schools as defined by State law and State Board of Education policy: (i) the amount legally necessary from all sources and (ii) the amount of money legally necessary from the board of county commissioners. If the local board of education prevails, the court may order the levying of property taxes that are necessary to fulfill the judgment when added to other available revenues. Appeals may be taken to the State's appellate courts.

BILL ANALYSIS: House Bill 726 would repeal the authority for the local board of education to bring a legal action against the board of county commissioners that challenged the sufficiency of funds appropriated for the local current expense fund and capital outlay fund for the public schools. If no agreement is reached at the joint meeting of the two boards, then the decision of the county commissioners would be final and the local board of education would be prohibited from bring suit against the board of county commissioners and there would be no mediation process.

EFFECTIVE DATE: The bill would become effective when it becomes law and would apply to budget ordinances adopted on or after that date.

O. Walker Reagan
Director



Research Division
(919) 733-2578

* H 7 2 6 - S M R Q - 2 8 E 1 - V 2 *