



# HOUSE BILL 482: County Comm. Role in School Bldg Acquisition.

2017-2018 General Assembly

<b>Committee:</b>	House State and Local Government II	<b>Date:</b>	April 6, 2017
<b>Introduced by:</b>	Rep. Blackwell	<b>Prepared by:</b>	Cindy Avrette Staff Attorney
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**OVERVIEW:** *House Bill 482 provides a statutory cross-reference in the statute that authorizes local boards of education to acquire sites to the uniform budget provision that requires prior approval by the board of county commissioners as to the amount to be spent for the site.*

**CURRENT LAW:** Both county commissioners and school boards play a role in financing and providing public education. Local boards of education acquire property and build school facilities and boards of county commissioners provide a large percentage of the financial resources needed to finance the acquisition and building. Local boards of education must follow a uniform budget format that requires the use of several funds, one of which is a capital outlay fund. Revenues in the capital outlay fund come from a variety of sources, one of which are revenues made available by boards of county commissioners for capital outlay purposes. The revenues in the capital outlay fund may be used for acquisition of real property for school purposes.

The uniform budget provisions stipulate that a local board of education cannot execute a contract for, nor expend funds for, the acquisition of a site without the approval of the board of county commissioners as to the amount to be spent for the site.<sup>1</sup> If a board of education determines that the amount of money appropriated to the capital outlay fund by the board of county commissioners is not sufficient, the two boards must arrange a joint meeting to be attended by a mediator either jointly selected by the two boards or appointed by the Resident Superior Court Judge. If no agreement is reached at the joint meeting, the statute provides a procedure for resolution through the use of a mediation settlement conference, and if that fails, an action through the courts.

**BILL ANALYSIS:** House Bill 482 does not substantively change the law. It does provide a statutory cross-reference in the statute that authorizes boards of education to acquire building sites to the uniform budget provisions that address the financing of those acquisitions. Specifically, the bill reiterates in G.S. 115C-517 that the acquisition of a building site is subject to the prior approval of the board of county commissioners as to the amount to be spent for the site.

**EFFECTIVE DATE:** The bill would become effective when it becomes law.

**BACKGROUND:** G.S. 115C-426.2 recognizes the joint planning necessary to successfully accomplish the financing and acquisition of public school facilities. That statute encourages local boards of education and boards of county commissioners to conduct periodic joint meetings in order to promote greater mutual understanding of immediate and long-term budgetary issues and constraints affecting public schools and county governments. In particular, the boards are encouraged to assess the school capital outlay needs, to develop and update a joint five-year plan for meeting those needs, and to consider this plan in the preparation and approval of each year's budget.

<sup>1</sup> G.S. 115C-426(f).

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