



HOUSE BILL 31: Allow Durham Pub. Schools to Provide Housing.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 26, 2019
Introduced by:	Reps. Black, Morey, Reives, Hawkins	Prepared by:	Erika Churchill
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 31 would authorize the Durham Public Schools Board of Education to construct, provide, or maintain affordable rental housing for teachers and other employees of Durham Public Schools.*

[As introduced, this bill was identical to S99, as introduced by Sens. McKissick, Woodard, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: Under G.S. 66-58, popularly known as the Umstead Act, governmental units, with some exceptions including counties and cities, are generally prohibited from engaging in the sale of goods and services in competition with citizens of the State. G.S.115C-518 provides that when a local board of education determines that a building site or other real or personal property is unnecessary or undesirable for public school purposes the local board may dispose of the property in accordance with the statutory procedures providing for the sale and disposition of property. In the case of real property no longer suitable or necessary for public school purposes to which the local board of education holds title, the board of county commissioners for the county in which the property is located has a right of first refusal to obtain the property at fair market price or at a price negotiated between the two boards.

BILL ANALYSIS: The bill would authorize the Durham Public Schools Board of Education to do all of the following:

- To contract with any person, partnership, corporation, or other business entity to construct, provide, or maintain affordable rental housing on property owned by the Board or by Durham County.
- To enter into residential housing unit lease agreements for housing units owned by the Board, provided the leases are restricted to Durham Public Schools teachers or other Durham Public Schools employees.
- To establish reasonable rents, which may include below-market rates.

EFFECTIVE DATE: Effective when the bill becomes law.

BACKGROUND: Six other boards of education have similar authority to lease housing to teachers within the local school administrative unit: Dare County Board of Education (S.L. 2004-16); Bertie County Board of Education (S.L. 2006-61); Hertford County Board of Education (S.L. 2006-86); Asheville City Board of Education (S.L. 2007-239); Transylvania County Board of Education (S.L. 2009-154); and Edgecombe County Board of Education (S.L. 2009-161). The specific authority granted to each board of education varies.

Staff Attorney Brian Gwyn substantially contributed to this bill summary.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578