



# SENATE BILL 127: Lower Taxes for Scotland County.

2025-2026 General Assembly

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<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	March 19, 2025
<b>Introduced by:</b>	Sen. Britt	<b>Prepared by:</b>	Trina Griffin
<b>Analysis of:</b>	Second Edition		Staff Attorney

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**OVERVIEW:** *Senate Bill 127 would repeal language requiring the Scotland County Board of Commissioners to provide a minimum funding "floor" for the school budget as directed by the Scotland County Board of Education. Instead, Scotland County would be subject to the same school budgetary process as provided under general law after a transitional year for fiscal year 2025-2026, in which the Board of Commissioners would set the budget, in its discretion, based on an evaluation of the Board of Education's budget request for that year.*

**CURRENT LAW:** Each year, the Scotland County Board of Education is required to propose to the Scotland County Board of Commissioners a school budget with a base amount of funding that is set by local act. The base amount is the prior year's level of current expense expenditures, originally reset at \$8.7 million in FY 2003-2004, multiplied by the average percentage change in current expense school expenditures for the most recent fiscal year for low wealth counties multiplied by a ratio consisting of the Average Daily Membership (ADM) used to distribute State funding for the succeeding fiscal year divided by the ADM used to distribute funding for the current fiscal year. The resulting number is added to or subtracted from the previous year's amount of current expense expenditures from local funds. Absent extraordinary economic circumstances and only if otherwise approved by both boards, the Board of Commissioners is required to approve this minimum amount proposed by the Board of Education but may approve larger amounts. This minimum amount is referred to as the "school floor" and is unique to Scotland County.

**BILL ANALYSIS:** Senate Bill 127 would eliminate the minimum school funding floor that the Scotland County Board of Commissioners is required to adopt for the school system budget. The bill contemplates a transitional year for fiscal year 2025-2026 in which the Board of Commissioners would determine the school budget, for both operating expenses and capital outlay, upon an evaluation of the school board's request, guided by the same principles that a judge or jury uses when resolving budget disputes between school boards and county commissioners generally and that ensure compliance with the constitutional mandate for a sound public education. Neither the board of education nor the board of commissioners would be permitted to initiate a dispute resolution process nor a legal action challenging the appropriation for fiscal year 2025-2026. Beginning with fiscal year 2026-2027, the preparation, submission, and approval of Scotland County's school budget would be in accordance with Article 31 of Chapter 115C of the General Statutes.

**EFFECTIVE DATE:** This act would become effective when the act becomes law.

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