



# SENATE BILL 174: Rutherford Cty/Isothermal CC Construction.

2025-2026 General Assembly

<b>Committee:</b>	House Higher Education. If favorable, re-refer to State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 10, 2025
<b>Introduced by:</b>	Sen. Moffitt	<b>Prepared by:</b>	Michael Whitfield
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

**OVERVIEW:** *Senate Bill 174 would authorize Rutherford County to construct community college buildings on the campus of Isothermal Community College.*

**CURRENT LAW:** G.S. 115D-9 requires that expenditures of State funds for capital improvements of existing community colleges must be approved by the State Board of Community Colleges (SBCC) and the Governor.

G.S. 115D-15.1 provides for the disposition, acquisition, and construction of property by a community college with a county. A board of trustees of a community college can transfer the property to the county in which the property is located to finance any additions or renovations. The county transfers the property back to the board of trustees when the financing agreement has been satisfied. G.S. 143-129 (letting public contracts) and G.S. 143-341 (state construction) apply to projects undertaken by the county under this provision. Actions taken under this provision are subject to the approval of the State Board of Community Colleges.

G.S. 143-341(3) requires the Department of Administration (DOA) to approve plans and specifications for the construction or renovation of community college buildings when the project requires the expenditure of \$2,000,000 or more. The SBCC may also request the DOA approve plans for projects requiring lesser expenditures.

Part 1 of Article 36 of Chapter 143 includes the general provisions related to the DOA. Article 3D of Chapter 143 governs the procurement of architectural, engineering, and surveying services by the State and local governments. Article 8 of Chapter 143 governs public contracts. Article 8 of Chapter 159 governs the financing agreements and arrangements made or entered into by a unit of local government.

**BILL ANALYSIS:** Senate Bill 174 would authorize Rutherford County (County) to construct community college buildings on the campus of Isothermal Community College. The Board of Trustees of Isothermal Community College (BOT) could transfer any of its property to the county as security for the financing agreement. The County would transfer the property back to the BOT when the financing agreement is satisfied. The County could use other funding sources to complete the construction, such as appropriations from the General Assembly. Once the construction is completed, the County will lease the buildings to the BOT under mutually agreed upon terms.

The County does not have to receive approval from the SBCC, the Governor, or the DOA, but must comply with the provisions governing procurement of architectural, engineering, and surveying services and public contracts. The County would be required to consult with the BOT on the programming requirements of the buildings and keep the Board informed of the construction progress. The County and the BOT can enter a memorandum of understanding if the parties deem it appropriate and the terms allow for the construction to be completed in a timely fashion and cost-efficient manner.

**EFFECTIVE DATE:** Senate Bill 174 would be effective when it becomes law and would apply only to construction projects coordinated by the County for the use of the BOT.

*Samantha Yarborough, Committee Co-Counsel, contributed substantially to this summary.*

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