

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 509*

Short Title: School Bond Interest Use.

(Public)

Sponsors: Representatives Thompson, Buchanan (Cosponsors); Baker, Clary, Dedmon, Hiatt, Justus, Owens, Weatherly, and G. Wilson.

Referred to: Appropriations.

March 13, 1997

A BILL TO BE ENTITLED

**AN ACT TO ALLOCATE PART OF THE INVESTMENT EARNINGS ON THE 1996
PUBLIC SCHOOL BUILDING BONDS FOR SMALL COUNTY SCHOOL
SYSTEMS.**

The General Assembly of North Carolina enacts:

Section 1. Section 5 of Chapter 631 of the 1995 Session Laws reads as rewritten:

"Sec. 5. Uses of Bond and Note Proceeds. – The proceeds of Public School Building Bonds and notes shall be used for the purpose of making grants to counties for paying the cost of public school capital outlay projects.

Any additional moneys that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any public school capital outlay projects authorized by this act may be placed by the State Treasurer in the Public School Building Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

Moneys in the Public School Building Bonds Fund or in any separate fund or account may be invested from time to time by the State Treasurer in the same manner permitted for investment of moneys belonging to the State or held in the State treasury except with

1 respect to grant money to the extent otherwise directed by the terms of the grant, and any
2 investment earnings shall be credited to the Public School Building Bonds Fund or the
3 particular fund or account from which the investment was made. The State Board of
4 Education shall allocate from these investment earnings the sum of five million six
5 hundred sixty-three thousand six hundred forty-two dollars (\$5,663,642) for grants to the
6 four counties that (i) have a small county school system, (ii) did not receive an allocation
7 under Section 6(b) of this act, and (iii) have school construction needs that were not met
8 by the allocations under Section 6(c) of this act. The State Board of Education shall
9 allocate this sum among the four counties as soon as practicable.

10 All moneys deposited in, or accruing to the credit of, the Public School Building
11 Bonds Fund, other than moneys set aside for administrative expenses, including expenses
12 related to determining compliance with applicable requirements of the federal tax law and
13 cost of issuance, shall be used to pay the cost of public school capital outlay projects in
14 the manner authorized by this act.

15 The proceeds of Public School Building Bonds and notes may be used with any other
16 moneys made available by the General Assembly for public school capital outlay
17 projects, including the proceeds of any other State bond issues, whether heretofore made
18 available or that may be made available at the session of the General Assembly at which
19 this act is ratified or any subsequent sessions. The proceeds of Public School Building
20 Bonds and notes shall be expended and disbursed under the direction and supervision of
21 the Director of the Budget. The funds provided by this act for public school capital
22 outlay projects shall be disbursed for the purposes provided in this act upon warrants
23 drawn on the State Treasurer by the State Controller, which warrants shall not be drawn
24 until requisition has been approved by the Director of the Budget and which requisition
25 shall be approved only after full compliance with the Executive Budget Act, Article 1 of
26 Chapter 143 of the General Statutes.

27 The Director of the Budget shall provide quarterly reports to the State Board of
28 Education, the Superintendent of Public Instruction, and the General Assembly on the
29 expenditure of moneys from the Public School Building Bonds Fund. Reports to the
30 General Assembly shall be filed with the Legislative Library, the Speaker of the House of
31 Representatives, the President Pro Tempore of the Senate, and the Fiscal Research
32 Division."

33 Section 2. This act is effective when it becomes law.