

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 198
HOUSE BILL 505

AN ACT TO AMEND THE SCHOOL BUDGET AND FISCAL CONTROL ACT
CONCERNING APPROVAL OF EXPENDITURES SOME OR ALL OF WHICH
ARE TO BE PAID IN ENSUING FISCAL YEARS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-441(a) is amended by adding the words "Except as set forth below," before the words "No obligation" in the first sentence of the subsection; and by substituting the word "section" for the word "subsection" wherever it may appear in that subsection.

Sec. 2. G.S. 115C-441 is amended by adding a new subsection to read:

"(c2) Continuing Contracts for Capital Outlay. An administrative unit may enter into a contract for capital outlay expenditures for public junior high schools, some portion or all of which is to be performed and/or paid in ensuing fiscal years, without the budget resolution including an appropriation for the entire obligation, provided:

- (i) the budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation;
- (ii) an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year;
- (iii) contracts for capital outlay expenditures are approved by a joint resolution adopted by a majority of the board of county commissioners and a majority of the Burke County public school board of education, which resolution shall provide in detail what monies will be necessary under the contract, when the monies will be due under the contract, what monies are available at the time of adoption of the resolution, what are the sources and time of availability of additional monies necessary to fulfill the contract, and which resolution when adopted shall bind the board of county commissioners to appropriate sufficient funds in ensuing fiscal years to meet the amounts to be paid under the contract in those years;
- (iv) contracts pursuant to this subsection shall not exceed four years in duration;
- (v) in addition to signature by the board of education, the contract shall be signed by the county for the express purpose of obligating the full faith and credit of the county to provide funding under the contract."

Sec. 3. G.S. 115C-521(c) is amended by adding the following sentence immediately after the second sentence of that subsection:

"However, this subsection shall not be construed so as to prevent boards of education from investing any money in public junior high school buildings that are being constructed pursuant to a continuing contract of construction as provided for in G.S. 115C-441(c2)."

Sec. 4. This act applies only to Burke County and the Burke County School Administrative Unit.

Sec. 5. Funds required to be expended by Burke County to fulfill its obligations under this act, other than revenue from one percent (1%) local sales and use taxes, shall be reimbursed to the county, with ten percent (10%) interest per annum on the unpaid balance, from subsequent collections of one percent (1%) local sales and use tax revenue.

Sec. 6. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 17th day of May, 1985.