

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH80615-LYx-298B* (4/7)

Short Title: Public School Facilities Bond Act of 2006. (Public)

Sponsors: Representatives Yongue, Goforth, Sherrill, and Carney (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF LIMITED OBLIGATION BONDS
2 OF THE STATE TO PROVIDE FUNDS FOR GRANTS TO COUNTIES FOR
3 PUBLIC SCHOOL CAPITAL OUTLAY PROJECTS AND TO DEDICATE THE
4 SCHOOL CONSTRUCTION PROCEEDS OF THE STATE LOTTERY TO
5 RETIRE AND REPAY THESE BONDS.
6

7 Whereas, North Carolina's statewide public school construction needs for the
8 next five years are projected to exceed nine billion seven hundred million dollars
9 (\$9,700,000,000), based on a 2006 survey of all school systems conducted by the
10 Department of Public Instruction and the State Board of Education; and

11 Whereas, the Department of Public Instruction and the State Board of
12 Education report that school construction needs have increased 57% since the
13 2000-2001 needs assessment survey; and

14 Whereas, the Department of Public Instruction and the State Board of
15 Education report that school construction costs per square foot have increased 47%
16 since the 2000-2001 needs assessment survey; and

17 Whereas, the total student population is increasing rapidly and is expected to
18 grow by 7.1% in the next five years and 15.2% in the next 10 years; and

19 Whereas, students across North Carolina attend classes in overcrowded
20 conditions; and

21 Whereas, students across North Carolina attend class daily in 7,133 mobile
22 classrooms, an increase of 1,506 mobile classrooms since the 2000-2001 school year;
23 and

24 Whereas, in 2005 the General Assembly passed the North Carolina State
25 Lottery Act; and

1 Whereas, 40% of the net education proceeds of the State Lottery are
2 dedicated to public school construction by the terms of that law; and

3 Whereas, a statewide bond issue, to be repaid by the school construction
4 proceeds of the State Lottery, will give the State major new resources to build schools
5 that are needed now and in the immediate future; Now, therefore,

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Short Title. – This act shall be known and may be cited as the
8 "Education Lottery School Bond Act of 2006".

9 **SECTION 2.** Purpose. – It is the intent of the General Assembly by this act
10 to provide for the issuance of two billion one hundred million dollars (\$2,100,000,000)
11 of limited obligation bonds of the State to facilitate the provision of public school
12 buildings by making grants to counties to provide funds for public school capital outlay
13 projects, and it is the intent of the General Assembly to retire said limited obligation
14 bonds with the net proceeds of the State Lottery that are dedicated to public school
15 construction by the North Carolina State Lottery Act.

16 **SECTION 3.** This act is effective when it becomes law.