

**GENERAL ASSEMBLY OF NORTH CAROLINA
FOURTH EXTRA SESSION 2016**

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SENATE BILL 2

Short Title: QZAB Use Modification.

(Public)

Sponsors: Senator Brown (Primary Sponsor).

Referred to: Finance

December 14, 2016

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE USES FOR QUALIFIED ZONE ACADEMY BONDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-489.6(a) reads as rewritten:

"(a) QZAB Program. – The State Board of Education is designated the State education agency responsible for administering the qualified zone academy bond program in North Carolina for the purposes of 26 U.S.C. § 54E. The State Board of Education shall perform all activities required to implement and carry out the qualified zone activity bond program in North Carolina. Those activities include:

...
(4) Awarding the State's allocation of total funds among selected applicants and establishing conditions upon the usage of the allocation. These conditions must include:

- a. Requiring—Ensuring that the bond proceeds be (i) used only for rehabilitating or repairing the public school facility in which the qualified zone academy is located, which may include (i) wiring and other infrastructure improvements related to providing technology and (ii) equipment related to the rehabilitation or repair, but not personal computers or similar technology equipment for purposes listed in 26 U.S.C. § 54E and (ii) prioritized so as to be used first in counties determined to have greater economic distress, as determined pursuant to G.S. 143B-437.08. The State Board of Education shall establish an application process and require any information necessary to enable the Board to accomplish the prioritization and efficient use of the bond proceeds in accordance with this subdivision.
- b. Conditions designed to assure that the allocation is used in a timely manner.

...."

SECTION 2. This act is effective when it becomes law and applies to bond proceeds used on or after that date. The State Board of Education may expedite consideration of use of bond proceeds under this act without a formal application process for bond proceeds that will no longer be available after December 31, 2016; however, the State Board of Education shall use best efforts to ensure such bond proceeds are otherwise prioritized in accordance with this act.

